



CROWD-SOURCED FUNDING OFFER DOCUMENT



**Offer of fully-paid ordinary shares in
Braaap Pty Ltd at 12.58 cents per
share to raise a maximum of
\$2,000,000**

Dated 27 September 2022

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

Issuer

Braaap Pty Ltd ACN 115 144 137

Intermediary

Swarmer PTY LTD AFSL 50786

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Crowd-sourced funding offer document

Section 1: Risk Warning

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

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

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

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

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

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

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



Section 2: Information about the Company

2.1 Letter from the Founder

Dear Investors,

It is an exciting moment to be inviting you to become a shareholder in Braaap Pty Ltd ('Braaap').

I started Braaap over 15 years ago as a young man passionate about the sport of motocross, with the idea of making motorcycling accessible and affordable so more people could experience what I love about motorcycling.

Over time our product and focus has been refined into the vision described in this document. While the motorcycle is our masterpiece, it is the systems behind the product that have driven our success. I am proud of my team, the brand and business we have created.

Our bikes have won back-to-back championships on the world racing stage. Braaap has won Australian Retailer of the year 4 times and we believe we are the only manufacturer on the planet with a lifetime warranty. We've overcome incredible challenges in order to arrive here today with momentum and a great future ahead of us. We are proud of what we have built and motivated to take Braaap to the next level.

We have momentum as we gear up for our next phase of growth. We have an electric motorcycle that has just been released and we believe the electric market provides the cornerstone for our future as it represents a great opportunity for us to disrupt the market. This capital raise is an important step for Braaap. The purpose is to ensure our capital structure lines up with our growth strategy and we want to make every element of the Braaap experience better for riders. In particular, Braaap is looking to increase inventory to meet demand, reduce wait times, improve brand awareness, undertake R&D on new electric motorcycles, expand into the USA and hire more staff.

Our existing customer base is incredibly passionate, and this capital raise will allow us to make the Braaap experience better for those who ride with us by adding more support, more parts, more upgrades, more ride events and more of everything Braaap.

I am proud of what we have become and I'm excited for what the future holds. Thank you for believing in us. We are more motivated than ever. It is onwards and upwards.

Thank you for your support.



Brad Smith
Founder



2.2 Company Details

This offer of shares is made by Braaap Pty Ltd ACN 115 144 137 (the Company).

Company name	Braaap Pty Ltd
ACN	115 144 137
Date of incorporation	05/07/2005
Registered office	37 Frankston Gardens Drv, Carrum Downs, 3201
Principal place of business	37 Frankston Gardens Drv, Carrum Downs, 3201
Subsidiaries	Braaap Motorcycles Pty Limited ACN 131 272 510 (100% wholly-owned) – This is the Australian trading entity of Braaap Pty Ltd.
Related Party	Braaap Motorcycles USA LLC – This is the USA entity that is used for operations in the USA. There is a step-in agreement in place to acquire the company once the US expansion begins.

2.3 Milestones

Growth

- 10,000+ Motorcycles on the road/track
- 60,000+ Social Media followers
- Over 300% revenue growth since FY20

Awards

- Telstra Business Award Winner – Vic
- Sensis Social Responsibility Award Winner
- 4x Australian Specialised Retailer of the Year
- AMA US Championship

2.4 Description of the business

2.4.1 Who are we?

Braaap is an Australian designer, manufacturer and distributor of quality, low-cost motorcycles. Braaap has been the bike of choice for over 10,000 Australian motorcyclists and the goal is now to expand further.

Braaap currently offers 12 models of motorcycles and 1 e-mountainbike. Target customers are predominantly male adults between the ages of 18 and 45. We cater for all levels of rider, from our range of learner approved motorcycles (LAMS), daily commuters, through to casual, recreational, and experienced riders.

Braaap recently released its first electric motorcycle (MotoE) to the public at a competitive price point to its combustion engine alternative. The MotoE is currently retailing at \$4,939, less than \$500 more than the gas-powered alternative the Moto4. The first three production runs sold as pre order. Demand for electric motorcycles is growing globally, and this will be a key focus for the Braaap business looking forward (Global Electric Motorcycle Market will be worth ~\$1.2 billion by 2027).

Founded in April 2005, Braaap began with the vision of making motorcycling more enjoyable and more accessible, enabling more people to experience what we love about motorcycling. As an 18-year-old, with nothing to offer but a vision, the Founder Brad Smith visited over 50 motorcycle manufacturing plants; one by one getting laughed out of their offices. Finally, he found manufacturing partners that believed in his vision and the Braaap brand was formed. Since then Braaap has grown and evolved into what it is today.

Braaap employees are predominantly located in Frankston, Victoria. The advisory panel is made up of ex-managing director of Honda Australia, Stuart Strickland and EX GM of Latitude Financial Services, Pete Young. Cain Cooke is Non-Executive Director and sits on the Board alongside Managing Director Brad Smith.

Globe News Wire. 2022. Global Electric Motorcycle Market will be worth ~\$1.2 Billion by 2027. Available at: <<https://www.globenewswire.com/en/news-release/2022/07/28/2487703/0/en/Global-Electric-Motorcycle-Market-will-be-worth-1-2-Billion-by-2027.html>> [Accessed 6 September 2022].





2.4.2 What is our business strategy

The business strategy will depend on the quantum of funds raised as part of this CSF offer. Below is outlined the strategy based on achieving minimum subscription and maximum subscription as part of this raise. Please see Section: 'Use of Funds' for further details of funding amounts.

Minimum Subscription

Access to inventory has been identified by management as the biggest challenge for the Braaap team to solve. Due to supply constraints since the onset of COVID-19 the waiting time for new bike delivery is typically between 3-9 months. Use of funds as part of a minimum subscription raise will primarily be allocated towards increasing inventory to reduce waiting times for customers.

Maximum Subscription

If the minimum subscription is passed and Braaap raises up to the maximum subscription amount, then the additional funding will be allocated towards the following key areas.

Brand Awareness

Braaap operates an e-commerce business that involves customers pre-paying for bikes that then need to be manufactured and shipped to customers. Due to the popularity of Braaap motorcycles, customers purchase the bike online without seeing or touching them.

Funds will be used to purchase a mobile show room that will attend events around Australia as part of a national roadshow in 2023 to expand Braaap's awareness and improve the customer buying experience. In conjunction with the national roadshow, Braaap will look to run a digital marketing campaign to further drive brand awareness.

Electric Motorcycles

Braaap believes the future of transport is electric vehicles. However, for mass adoption to take place, electric vehicles need to be equal or better value than their gasoline competitors. Braaap sees a great opportunity to develop a range of electric motorbikes that will lead the transition away from internal combustion engines. Funds from the CSF raise will be used to undertake research on developing electric alternatives to the current range of Braaap internal combustion motorcycles.

International Expansion

Braaap sees the potential size of the US market and is positioning itself to take advantage of the potential. The first shipments of Braaaps are arriving in our Michigan warehouse in Q4 2022, with dealers eagerly awaiting bikes for their showrooms.

Every state in the USA requires unique licencing requirements, so to begin expansion into the USA Braaap will focus on the following:

1. Obtain certification to be able to sell new electric models in each USA state
2. Increase warehousing space in Michigan
3. Launch marketing campaign in the USA
4. Begin sales in USA

Staffing

There is the need to increase staffing resources to meet demand and assist with achieving the business objectives outlined above. Key hires in 2023 will likely include:

- Mechanic Support
- Regional Growth Manager
- Marketing Coordinator

Recruitment will likely begin in late 2022 with the aim to onboard these key hires by the start of Q2 2023.

2.4.3 What is our business model?

Braaap Motorcycles is a designer and manufacturer of high quality and affordable on-road and off-road motorcycles. Our motorcycles are sold predominantly direct to consumers via our e-commerce platform at www.braaapmotorcycles.com.

Braaap offers a range of internal combustion bikes. However, we are looking to lead the charge for the mass adoption of electric motorcycles by offering full-sized electric motorcycles at similar prices as their petrol-powered equivalent. Our fine-tuned manufacturing process allows us to offer electric motorcycles at competitive pricing to gasoline-powered motorcycles. Braaap has its first electric motorbike in the market (MotoE) and has pre-sold the first 3 production runs. The MotoE has full Australian Design Rules (ADR) approval for road use and we are now delivering customers their electric motorcycles.



Road Bikes



ST250 Shadow Café Racer

Single cylinder 4 stroke 250cc
5 speed transmission
Petrol engine

\$2,989



MotoE

Electric motorcycle
5000W motor, 72v60Ah
Lithium battery
Top speed 105km/hr
Range is 80-140km

\$4,939



Cruiser 400

Double cylinder 400cc
Water-cooling system
Petrol engine
Max power (KW/RPM): 18.6/8300

\$4,400



MOTO4

Twin cylinder 4 stroke 367cc
6 speed gear box
Petrol engine
Max power (KW/RPM): 18.6/8300

\$4,400

Road Bikes



Street Superlite 125cc

125cc horizontal engine
4 Speed gear box
Petrol engine

\$2,200



ST400

367CC Water cooled twin - 4
stroke
5 speed gear box
Petrol engine

\$4,400



M3 - 250cc

250cc 1 Cylinder, 4 stroke
Max power(Kw/rpm) 12/7500
Petrol engine

\$2,890



MX450

Single cylinder 4 stroke 449cc
5 speed transmission
Petrol engine
Max power: 43 HP

\$6,750

Road Bikes



MX-17

Single cylinder 4 stroke 160cc
4 speed transmission
Petrol engine

\$2,100



MX3

Single cylinder 4 stroke 155cc
4 speed transmission
Petrol engine

\$1,750



E-MTB

Electric powered Mountain bike
5 speed selection
Range of 25-60km
5 hour charge time

\$2,990



MX - 110F

Single cylinder 110cc air cooling
4 speed transmission
Petrol engine

\$1,699



MX-125

125cc horizontal engine
4 speed transmission
Petrol engine

\$2,200

**Pricing for all bikes is subject to change based on promotions and a range of input factor cost changes.*

Accessories

Braaap sells an extensive range of riding gear, accessories, and spare parts. These value-added products are supplementary to the bike sales.

Lifetime Warranty

Braaap is proud to offer an unprecedented lifetime warranty program as an optional extra for \$250. This provides riders confidence and us a competitive advantage in the marketplace.

Rider Direct (D2C) E-Commerce Model

As part of our mission to deliver unmatched value, Braaap offers a "Build to Order" (pre-paid) model. Bikes are purchased upfront online and then manufactured. In addition, Braaap made the decision to skip the traditional distribution/dealership model in order to keep pricing extremely competitive for our customers. This online pre-paid model provides an efficient and cost-effective sales process, providing customers with discounts compared to traditional sales channels. The dealership/distributor model will be reviewed post capital raise as we have dealers ready and waiting to join us, we are focused on building profitable and prosperous relationships in order to reach more riders as we grow.

Assembly

All motorcycles are assembled, and quality controlled out of an Australian warehouse in Frankston, Victoria. Braaap's brand and reputation rely on the quality of product we sell to our customers, and it is essential that we meet Australian Design Rules (ADR) Road Vehicle compliance standards.

USA motorcycles will be assembled in Michigan at our new warehouse.

Distribution

All Australian products are shipped direct from Braaap's Frankston, Victoria warehouse via a broad network of logistics companies. Delivery costs for a motorcycle range from \$250 - \$650. Built-to-order motorcycles may take up to several months but as little as 3 days, depending on the timing of when the customer orders and when our next production run is, delivery times are always promoted on the Braaap website before customers make a purchase.

Braaap Australia sells motorcycles to its exclusive online dealer PWS Motorcycles (The Trustee for The A.C.N. 621 649 894 Discretionary Trust - ABN 81 176 535 374). PWS Motorcycles sell motorcycles to the consumer via their LMCT motor traders license.

In 2023 Braaap may look to engage with dealerships, to expand the dealer network across Australia and USA.

2.4.4 The Market

While Braaap target all people interested in owning a motorcycle, Braaap are focused on specific segments of the market where we believe we can offer unmatched value to the rider. Braaap's value proposition is to offer a variety of LAMS (Learner approved) motorcycles at very aggressive price points. A proportion of learner riders are aged under 35 and are cost conscious. Anecdotal evidence collected by Braaap found that these learners typically purchase second hand motorbikes priced between \$1,500 – \$5,000. Braaap makes it possible for those same riders to purchase a brand new Braaap motorcycle in the same price range.

Commuters choosing to ride motorcycles to work are our second target market as the Braaap range provides good value bikes for daily commutes. Riders choose Braaap to avoid traffic, save time and save fuel compared to a car.

Braaap also caters for the casual rider. Those that enjoy motorcycle riding and go on the occasional ride a few times a year. These customers do not want to invest a large sum on a new motorcycle (\$10,000+) as the additional cost can be a challenge to justify for limited use.

It's a Growth Market

In 2021 100K new motorbikes were sold in Australia and 780K in the USA in 2020. (*FCAI releases motorcycle sales for 2021, 2022*) (*U.S. motorcycle sales, 2020*). Revenue in the Motorcycle market is projected to reach US\$771.00m in 2022 (*Motorcycles – Australia, 2022*) with an expected annual growth rate of 6.85% (CAGR 2022–2026).

There is also a moving trend towards e-motorcycles. Internationally, the e-motorcycle market is estimated to be worth over \$407 million annually. (*Source: Globe News Wire, 2022*). This is expected to grow at CAGR 24% over the next 5 years (*Global Electric Motorcycle Market will be worth ~\$1.2 Billion by 2027, 2022*).

Braaap is positioning itself to exploit these trends.

Federal Chamber of Automotive Industry. 2022. FCAI releases motorcycle sales for 2021. Available at: <<https://www.fcai.com.au/news/index/view/news/751#:~:text=A%20total%20of%20123%2C530%20motorcycles,per%20cent%20on%202020%20figures.>>> [Accessed 6 September 2022].

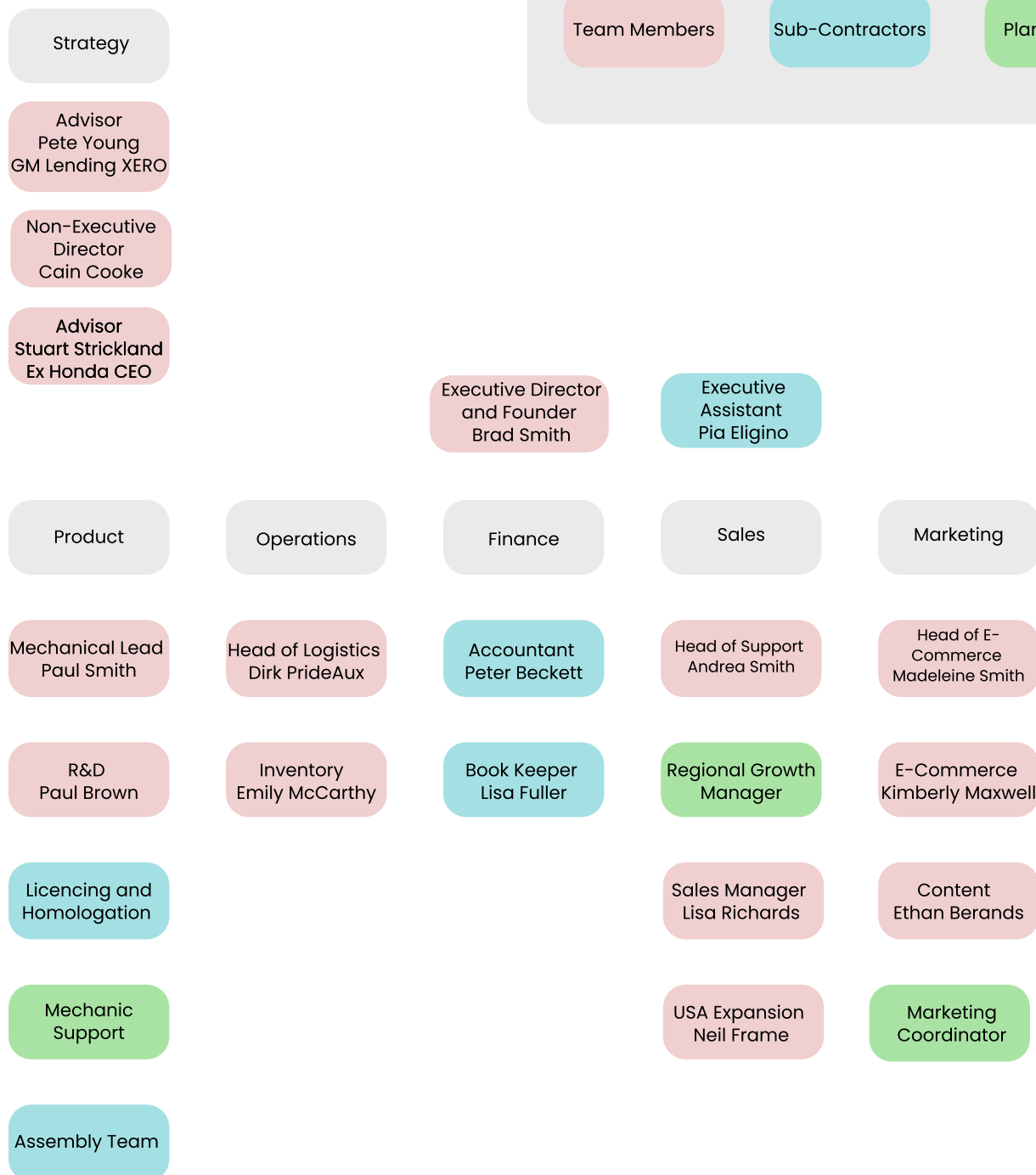
2020. U.S. motorcycle sales. Available at: <[https://www.statista.com/statistics/183549/us-sales-of-motorcycles-since-1990/>](https://www.statista.com/statistics/183549/us-sales-of-motorcycles-since-1990/)> [Accessed 6 September 2022].

Statista. 2022. Motorcycles – Australia. Available at: <<https://www.statista.com/outlook/mmo/motorcycles/australia#:~:text=Revenue%20in%20the%20Motorcycles%20market,US%241%2C005.00m%20by%202026.>>> [Accessed 6 September 2022].

Globe News Wire. 2022. Global Electric Motorcycle Market will be worth ~\$1.2 Billion by 2027. Available at: <[>https://www.globenewswire.com/en/news-release/2022/07/28/2487703/0/en/Global-Electric-Motorcycle-Market-will-be-worth-1-2-Billion-by-2027.html](https://www.globenewswire.com/en/news-release/2022/07/28/2487703/0/en/Global-Electric-Motorcycle-Market-will-be-worth-1-2-Billion-by-2027.html)> [Accessed 6 September 2022].



2.5 Organisational Structure



The above chart represents the current organisation structure.

It also includes proposed hires that will be required to meet the strategic objectives. The use of funds will include the hiring of new team members to help with the expansion of the Company. Please see section 2.4.2 for details. This includes:

- Marketing Coordinator – Responsibilities include developing marketing strategy, managing marketing plans and establishing marketing KPIs.
- Regional Growth Manager – Responsibilities include designing and implementing a strategic sales plan for new regions such as Europe, SE Asia, and USA.
- Mechanic Support – Responsibilities include supporting riders via the Braaap help desk online system with the aim to make the riders experience better.



2.6 Directors and senior managers

Mr Bradley Smith (Executive Director and CEO)

- Brad is responsible for managing Braaap's overall operations as well as strategy and compliance. He has successfully led Braaap since 2005.
- Brad is an Australian entrepreneur and former motocross rider, who founded Braaap. In 2010 he was named Young Australian of the Year for Tasmania and Australian Young Entrepreneur of the year. Brad has a lifelong passion for innovating in the motorcycle industry.

Mr Cain Cooke (Non-Executive Director)

- Cain is responsible for giving input at a board level, on strategy, planning and compliance.
- Cain is a dynamic leader and executive strategist with an insatiable enthusiasm for building businesses and solving complex problems. Transformation and growth have been the hallmark of 2 decades leading multimillion dollar businesses in South Australia and nationally both as an executive and non-executive director.
- Cain has extensive leadership experience delivering high performance across complex multifunctional businesses from diverse industries. His experience includes executive roles with Real Estate Institute of South Australia, IT professional services firm Logic Plus, Retail Zoo, Specsavers & Century 21 Australia. Cain holds a MBA and is a guest lecturer at the Australian Institute of Business.

Mr Dirk Prideaux (Head of Logistics)

- Dirk is responsible for supply chain management, assembly and order delivery. Dirk is developing new ways to give customers visibility on where their motorcycle is on the production line as well as more visibility on when the bike will be ready to ride.
- Dirk brings great experience from his time with Domino's and is now applying those skills to our logistics and customer delivery process for faster delivery and improved margin.

Ms Madeleine Smith (Head of e-commerce)

- Madeleine is responsible for the systems to list, manage and deliver products via the website. The Braaap E-commerce process is designed to deliver the customer products in the most efficient manner possible in order to keep cost low and margin high.
- Madeleine has a bachelors degree in product design & brings a great range of skill from her time in high paced retail, working in the buying/design departments.

Ms Andrea Smith (Head of Support)

- Former alternate Director of Braaap & Brad's Mum, Andrea has and continues to be Braaap's most passionate supporter. Andrea has been heavily involved in all things Braaap from the beginning, her role now is based with the PWS motorcycles dealership team supporting Braaap customers.
- Andrea gained experience with Blackmores. She brings 10 years of experience working with Braaap across a range of roles.

2.7 Legal or disciplinary actions

2.7.1 Legal or disciplinary actions against Senior Managers and Directors

Bradley Smith (Executive Director and Founder)

H 64587386: COMMUNITY CORRECTION ORDER: 2 YEARS COMMENCING 15/02/2019 CONCLUDING 14/02/2021. COURT CASE REFERENCE NUMBER 2016/00223450

- A Community Correction order was given with no fine, no restriction and no penalty.
- Justice Whitford SC gave the follow remarks in document RSB:SND 190150 on February 15th 2019.
 - *Bikes Imported and conditions imposed: On 12 April 2016 the Department of Infrastructure and Regional Development, that I will call simply DIRD, granted conditional approval to import the motorcycles in container 11. Also on 12 April 2016 Mr Smith and (Staff Member) became aware that DIRD had given approval to import the motorcycles in container 11 subject to five conditions.*
 - *Bikes sold: On 21 April 2016 agreement was reached between (Dealer) and Braaap for the purchase of 23 of the motorcycles from container 11. On 22 April 2016 the (Dealer) paid the sum of \$36,250 to Braaap as a deposit of the purchase of the 23 motorcycles.*
 - *Refund: Refund given once DIRD audit failed: It is significant, for present purposes that (Dealer) was repaid the whole of the \$36,250 with a matter of days after the request for a refund.*

Sequence of Events:

- DIRD put conditions on the Import Approval of this shipment. Bikes required an Audit before releasing bikes to consumers.
- Braaap sent the bikes to the dealer in Sydney prior to Audit occurring.
- Braaap recieved a deposit from the dealer.
- Braaap organsied for DIRD to Audit the bikes at the deaslership.
- Braaap did not fit compliance plates to the bikes in order to ensure the bikes were not released to consumers.
- DIRD audited the bikes. The bikes failed the audit due to incorrect labels on the bikes.
- Braaap refunded the dealer.
- Braaap shipped the bikes back to Melbourne to fix the labelling issue.
- DIRD re-audited the bikes, and they passed the Aduit successfully.
- Bikes were sold as normal.



Liquidation of Braaap Wholesale Pty Ltd (Braaap Wholesale)

- Brad Smith was a Director of Braaap Wholesale Pty Ltd when it went into liquidation
- ASIC Published Notice – Notice of winding up order and appointment as liquidator/provisional liquidator: Notice is hereby given that Giles Geoffrey Woodgate was appointed liquidator(s) by an order of the Court on 01/08/2018. Details of the Court are:
 - Court: Federal
 - District/State: New South Wales
- Braaap Wholesale stopped operating when the Braaap business model pivoted from selling to franchisees and selling to its own concept retail stores. No independent creditors were affected, all supply accounts were moved to the current trading entity (Braaap Motorcycles Pty Ltd) as part of this restructure. The ATO was the only outstanding creditor .

2.7.2 Legal or disciplinary actions against the Company

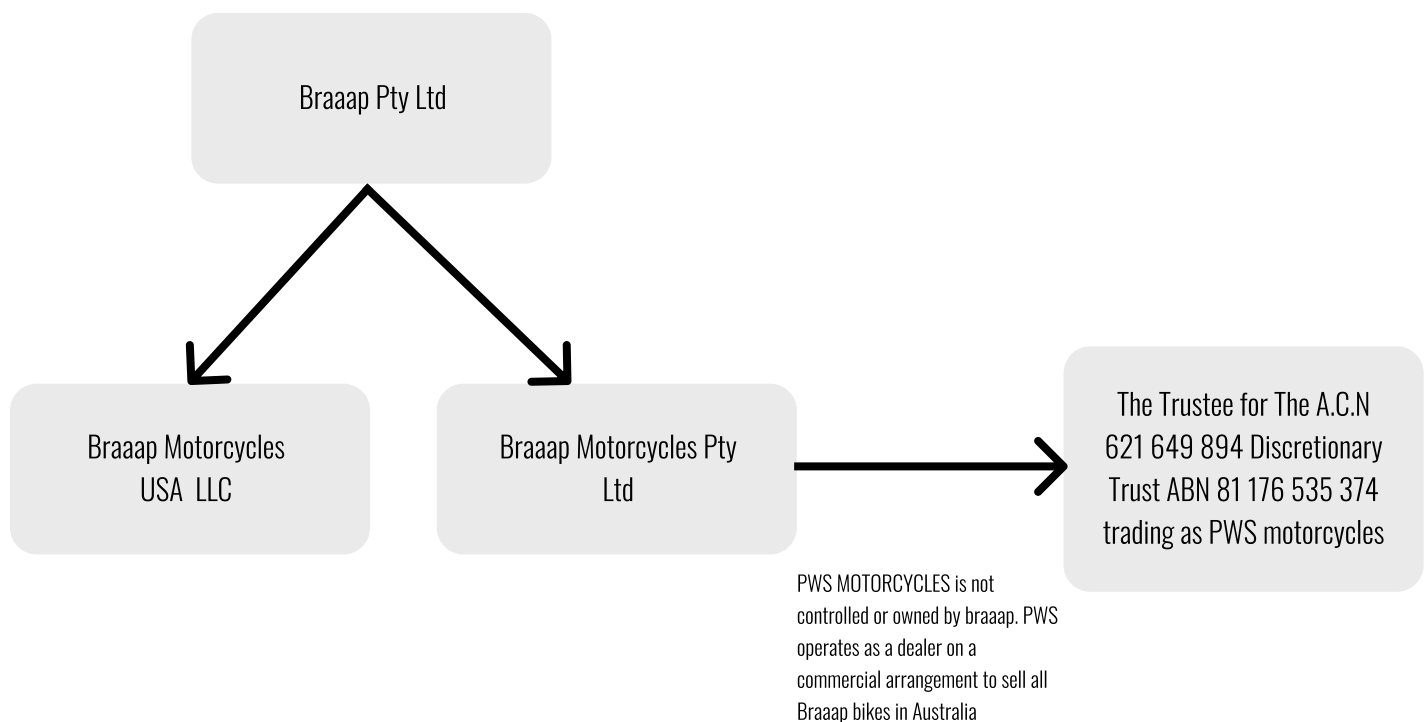
Braaap Pty Ltd has no criminal convictions or civil penalties imposed under the Corporations Act 2001 against it, no enforceable undertakings or any other convictions or penalties (under any other laws) in the last 10 years.

Complaint 91355/17 – Braaap Wholesale Pty Ltd (ACN 136 270 507) a related party of Braaap Pty Ltd. An audit in 2016 revealed one shipment of bikes were not labeled correctly breaching Import Approval requirements & Approval conditions. Braaap Wholesale were fined \$25,000. The Judge remarked these were not safety related issue but compliance issues to do with labelling on the bikes.



2.8 Capital structure

2.8.1 Structure



- Braaap Pty Ltd is the holding company. No trading activities occur through this organisation.
- Braaap Motorcycles Pty Ltd is the wholly owned subsidiary of Braaap Pty Ltd. All trading activities for Australia occur through this entity
- PWS Motorcycles is the exclusive dealer for Braaap motorcycles in Australia. All new Braaap bikes sold in Australia are required to be sold via a dealer to ensure adequate protections and safeguards for consumers. Braaap have no financial interest or control over PWS.
- Braaap Motorcycles USA LLC is the USA entity that is being used for operations in the USA. A third party is registered as the owner of Braaap Motorcycles USA. However, Braaap Pty Ltd has a step-in agreement to take over the entity in full as soon as US operations are established.



2.8.2 Issued capital

Shareholder	Share Type	Shares	Ownership	Options
IKAN INVESTING PTY LTD Investment entity of Brad Smith (Founder)	Ordinary	200,000,000	89.9%	N.A
Cain Cooke Non-Executive Director in Braaap	Ordinary	605,000	0.3%	N.A
Early Stage Investors	Ordinary	21,902,789	9.8%	N.A
Total		222,507,789	100%	

Shares	Minimum Subscription	Maximum Subscription
Existing Shares	222,507,789 (98.59%)	222,507,789 (93.33%)
ESOP Shares	0 (0%)	0 (0%)
Offer Shares	3,179,650 (1.41%)	15,898,251 (6.67%)
Total Shares	225,687,439 (100%)	238,406,040 (100%)

As at the date of this CSF offer document, the Company has 222,507,789 Ordinary Shares and no options on issue.

There is no current share plan in place. At any time the Directors may establish a formal written share plan (ESOP) to issue shares in the Company of an amount up to 15% of the fully diluted share capital of the Company as at the date of the written share plan. A copy of the Constitution outlining these details are available on the intermediary's platform.

Rights associated with Ordinary Shares.

Immediately after issue and allotment, the shares offered under this CSF Offer Document will be fully paid ordinary shares.

The rights associated with the shares are set out in the Company's Constitution, which is available on the Intermediary's platform. There is no other shareholders agreement between the existing shareholders.

Under the Constitution, the Board can refuse transfers to third parties at their sole discretion. A more detailed description of the rights associated with the shares can be found in Section 3.3 of this CSF Offer Document.





2.8.3 Debt funding and other sources of funding

Since inception, Braaap has been funded through a combination of trading income, equity investments and debt.

Trading Income

In FY21 & FY22 Braaap has a trading income of \$8,557,004 with net profit from trading of \$736,691.

Equity Investment

Braaap has raised \$1,277,423 from a range of angel investors. This investment has been for ordinary shares.

Debt

Debt funding has been used to facilitate inventory and operational purchases. Braaap has the following debt:

- \$755,340 Seed funding – Paul & Andrea Smith (Founder's Parents) backed Braaap by offering their house as security. The loan has no fixed term or interest. There is an agreement that the loan will only be repaid on a successful exit or when Braaap is best positioned to repay debt.
- 1,201,886 Unsecured Loans:
 - \$650,000 borrowed from RAIC on a fixed term with repayments amortised. The loan agreement ends in March 2023. Braaap intends to refinance.
 - \$550,886 loans from friends. Repayments are \$4,000 repayments per month. No fixed terms and fixed amount with no additional interest on the loan amount. There is an agreement that the loan will only be repaid on a successful exit or when Braaap is best positioned to repay debt.
- \$713,026 of unsecured revenue based financing from Go Cardless used for the purpose of inventory management. This is being paid back with 20% of revenue on a daily basis from the pre-determined amount.
- \$37,533 Secured Loan – Car finance for a motor vehicle. \$716/month fixed term with 4.5 years until principle & interest is paid in full.



2.9 Risks facing the business

An investment in Braaap should be seen as high-risk and speculative. A description of the main risks that may impact our business are 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 (e.g. risks relating to general economic conditions or the inability to sell our shares) that aren't outlined below.

Risk	Description
Early-Stage Company Risk	Investments in early-stage businesses involve several significant risks. These risks apply to an investment in Braaap and include under capitalisation of the enterprise, obstacles or delays in the business plans, uncertainties with the regulatory environment, as well as uncertainties in the ability to generate revenue.
Competition Risk	There are a number of major motorcycle manufacturers who compete with Braaap; they could adapt their offerings in the future to be more in line with Braaap products and provide increased competition.
Supply Risk	Braaap is reliant on manufacturers and distributors to supply parts for the assembly of Braaap motorcycles. A decrease in supply from distributors and supply chain restrictions could restrict the manufacturing of Braaap motorcycles and impact on revenue.
Market Adoption	International markets may have different preferences and tastes than the Australian market. This may limit the adoption of Braaap motorcycles by consumers on an international front.

Risk	Description
Operating Costs Risk	Although Braaap is currently cash flow positive, the ability to continue to operate profitably partly is dependent on being able to achieve the strategic plan.
Capital Raising Risks	<p>There can be no guarantee that adequate capital will be raised in a timely fashion for Braaap to utilise in achieving its commercial goals.</p> <p>In addition, Braaap may require additional funding in the future and there is no assurance that the Company will be able to obtain additional rounds of funding (and/or debt). The Company's value may be materially affected if the required additional funding (and/or debt) is not available.</p>
Key Person Risk	Brad Smith has led the Braaap team since inception and runs all operations and drives strategy. If Brad Smith were to leave the business or could not work, the business would find it difficult to replace his knowledge and experience in the short term.
Government Policy and Regulations Risk	Changes in the Corporations Act, taxation laws, accounting standards and other legislation that may be adopted in Australia or other countries could possibly adversely affect the Company's profitability.
Contingent Liability Risk	Braaap holds contingent liability risk of approximately \$2,000,000 from transactions that have closed but statute of limitations still have approximately 1 year until expiry. If these contingent liabilities were exercised then Braaap may not be able to continue to operate profitably.





Risk	Description
Unforeseen Expenditure Risk	Braaap's allocation of funds has been carefully devised based on it's experience operating over a number of years. However, unforeseen expenditure could occur that would increase the cost of achieving the strategic goals.
Intellectual Property Risk	Braaap currently does not have formal protection in place for its intellectual property (IP). All IP is considered trade secrets and protected using confidentiality agreements, as a result products and services offered by Braaap will not be able to be protected and could be at risk of being copied by other companies which would negatively affect Braaap's competitive advantage.
Regulatory Risk	<p>Braaap has not yet received full regulatory approval to sell all our bikes throughout the USA. Our growth strategy depends on obtaining approvals from the relevant regulatory authorities.</p> <p>There is no guarantee that we will receive all necessary regulatory approvals and we cannot predict with certainty the timelines for such approvals, or whether other requirements may be imposed by regulatory authorities.</p>

2.10 Financial information

2.10.1 Braaap Motorcycles Pty Ltd Financial Statements

Below are the financial statements of the Company which have been prepared in accordance with the Accounting Standards. A copy of the financial report is available on the Intermediary's (Swarmer.com.au) platform. Braaap Pty Ltd is the holding entity. All trading activities occur through the wholly owned subsidiary Braaap Motorcycles Pty Ltd. For transparency, financial statements for both entities have been included.



Profit and Loss

Braaap Motorcycles Pty Limited For the year ended 30 June 2022

	2022	2021
Income		
Trading Revenue		
Revenue	4,717,176	3,839,828
Total Trading Revenue	4,717,176	3,839,828
Cost of Sales		
Purchases	2,622,887	2,090,376
Bank and Service Fees	175,809	26,675
Freight	345,023	373,387
Registration and insurance	153,524	122,574
Total Cost of Sales	3,297,243	2,613,011
Gross Profit	1,419,934	1,226,817
Other Income		
Government Subsidies	-	47,000
Income - Interest Income	2	570
Total Other Income	2	47,570
Operating Expenses		
Advertising & Marketing	165,890	163,039
Bad Debt	-	4,545
Bank Fees	13,935	119,808
Depreciation	3,510	11,721
Donations	1,646	3,255
License, Fees, & Permits	22,480	50,148
Foreign Currency Gains and Losses	346	-
Insurance	869	1,836
Interest Expense	2,555	26,567
Motor Vehicle	31,564	46,914
Printing, Stationary and Postage	2,174	6,806
Professional Services Fees	231,709	46,538
Rent and Outgoings	50,483	32,319
Repairs and Maintenance	10,265	31,604
Software and website expenses	40,640	32,349
Staff Costs and Benefits	469,966	308,701
Travel and Accommodation	-	2,748
Telephone & Internet	11,187	9,514
Total Operating Expenses	1,059,222	898,410
Net Profit from Trading	360,714	375,977
Change in Revenue Recognition		

	2022	2021
Unearned Revenue	(459,309)	-
Total Change in Revenue Recognition	(459,309)	-
Abnormal Items		
Debt restructuring	1,488,606	44,194
Total Abnormal Items	1,488,606	44,194
Profit/(Loss) before Taxation	1,390,012	420,171

Balance Sheet

Braaap Motorcycles Pty Limited As at 30 June 2022

	NOTES	30 JUN 2022	30 JUN 2021
Assets			
Current Assets			
Cash and Cash Equivalents	2	171,015	64,757
Trade and Other Receivables	3	171,375	342,489
Inventories	4	850,110	53,909
Total Current Assets		1,192,501	461,155
Non-Current Assets			
Trade and Other Receivables	3	84,505	-
Property, Plant and Equipment	5	57,750	16,289
Total Non-Current Assets		142,254	16,289
Total Assets		1,334,755	477,444
Liabilities			
Current Liabilities			
Trade and Other Payables			
Trade Creditors	6	199,823	191,087
GST	6	174,735	180,780
PAYG Withholdings Payable		9,875	13,396
Superannuation Payable		9,461	21,185
Wages Payable - Payroll		-	7,100
Deferred Revenue	6	1,027,745	-
Total Trade and Other Payables		1,421,640	413,548
Total Current Liabilities		1,421,640	413,548
Non-Current Liabilities			
Financial Liabilities	7	2,707,784	4,248,578
Total Non-Current Liabilities		2,707,784	4,248,578
Total Liabilities		4,129,425	4,662,126
Net Assets		(2,794,670)	(4,184,681)
Equity			
Share Capital		100	100
Retained Earnings		(2,794,770)	(4,184,781)
Total Equity		(2,794,670)	(4,184,681)

The accompanying notes form part of these financial statements. These statements should be read in conjunction with the attached compilation report.

Statement of Cash Flows - Direct Method

Braaap Motorcycles Pty Limited For the year ended 30 June 2022

	2022	2021
Operating Activities		
Receipts From Customers	5,101,114	4,184,822
Payments to Suppliers and Employees	(4,670,326)	(3,640,098)
Finance Costs	(16,638)	(158,045)
Cash Receipts From Other Operating Activities	343,188	91,764
Cash Payments From Other Operating Activities	(110,784)	(499,795)
Net Cash Flows from Operating Activities	646,554	(21,351)
Investing Activities		
Payment for Property, Plant and Equipment	(41,461)	(16,289)
Loans to Related Parties	(66,215)	(70,219)
Other Cash Items From Investing Activities	(82,565)	-
Net Cash Flows from Investing Activities	(190,240)	(86,508)
Financing Activities		
Proceeds from Borrowing	1,908,733	(63,785)
Repayment of Borrowings	(2,258,443)	(54,071)
Net Cash Flows from Financing Activities	(349,710)	(117,856)
Net Cash Flows	106,604	(225,716)
Cash and Cash Equivalents		
Cash and cash equivalents at beginning of period	64,757	290,473
Cash and cash equivalents at end of period	171,015	64,757
Net change in cash for period	106,258	(225,716)

Movements in Equity

Braaap Motorcycles Pty Limited For the year ended 30 June 2022

	2022	2021
Equity		
Opening Balance	(4,184,681)	(4,604,852)
Increases		
Profit for the Period	1,390,012	420,171
Total Increases	1,390,012	420,171
Total Equity	(2,794,670)	(4,184,681)

2.10.2 Braaap Pty Ltd Financial Statements

Below are the financial statements of the Company which have been prepared in accordance with the Accounting Standards. A copy of the financial report is available on the Intermediary's (Swarnar.com.au) platform. Braaap Pty Ltd is the holding entity. All trading activities occur through the wholly owned subsidiary Braaap Motorcycles Pty Ltd. For transparency, financial statements for both entities have been included.



Income Statement

Braaap Pty Ltd

For the year ended 30 June 2022

	NOTES	2022	2021
Total Income		-	-
Profit/(Loss) before Taxation		-	-
Net Profit After Tax		-	-
Net Profit After Dividends Paid		-	-

The accompanying notes form part of these financial statements. These statements should be read in conjunction with the attached compilation report.

Balance Sheet

Braaap Pty Ltd As at 30 June 2022

	NOTES	30 JUN 2022	30 JUN 2021
Assets			
Current Assets			
Investments at market value - Braap Motorcycles Pty Ltd		5,000,000	5,000,000
Total Current Assets		5,000,000	5,000,000
Non-Current Assets			
Loan - Braaap Motorcycles Pty Ltd	2	912,466	832,466
Total Non-Current Assets		912,466	832,466
Total Assets		5,912,466	5,832,466
Liabilities			
Non-Current Liabilities			
Loan - Directors		100	100
Total Non-Current Liabilities		100	100
Total Liabilities		100	100
Net Assets		5,912,366	5,832,366
Equity			
Reserves		4,999,900	4,999,900
Share Capital	3	912,466	832,466
Total Equity		5,912,366	5,832,366

The accompanying notes form part of these financial statements. These statements should be read in conjunction with the attached compilation report.

Statement of Cash Flows - Direct Method

Braaap Pty Ltd

For the year ended 30 June 2022

	2022	2021
Investing Activities		
Loans to Related Parties	(80,000)	-
Net Cash Flows from Investing Activities	(80,000)	-
Financing Activities		
Issuance of Ordinary Shares	80,000	-
Net Cash Flows from Financing Activities	80,000	-
Net Cash Flows	-	-
Cash and Cash Equivalents		
Cash and cash equivalents at beginning of period	-	-
Cash and cash equivalents at end of period	-	-
Net change in cash for period	-	-

Movements in Equity

Braaap Pty Ltd

For the year ended 30 June 2022

	2022	2021
Equity		
Opening Balance	5,832,366	832,466
Increases		
Share Capital	80,000	-
Market Value Increase - Braaap Motorcycles Pty Ltd	-	4,999,900
Total Increases	80,000	4,999,900
Total Equity	5,912,366	5,832,366

Section 3: Information about the Offer

3.1 Terms of the Offer

The Company is offering up to 15,923,567 shares at an issue price of 12.58 cents per share to raise up to \$2,000,000. The key terms and conditions of the Offer are set out in Table 4 below.

Term	Details
Shares	Fully-paid ordinary shares
Price	12.58 Cents per share
Minimum Subscription	\$400,000
Maximum Subscription	\$2,000,000
Opening date	27/09/2022
Closing date	28/10/2022

A description of the rights associated with the shares is set out in Section 3.3 below. To participate in the Offer, you must submit a completed application form together with the application money via the Intermediary's platform. Swarmer's website (www.swarmer.com.au) provides instructions on how to apply for shares under the Offer.

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

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

The Offer is not underwritten.





3.2 Use of funds

Table 6 below sets out the intended use of funds raised under this Offer based on the minimum and maximum subscription amounts.

Use	Minimum Subscription	Maximum Subscription
Purchase Inventory	\$374,100	\$1,150,000
Brand Awareness	\$0	\$300,000
Electric Motorbikes R&D	\$0	\$50,000
International Expansion	\$0	\$100,000
Operational Staff	\$0	\$278,100
Raise Cost	\$25,900	\$121,900
Total	\$400,000	\$2,000,000



Funds will be transferred as a loan from the holding entity Braaap Pty Ltd into the wholly owned subsidiary Braaap Motorcycles Pty Ltd (trading entity). The loan will not be repaid until exit.

Between \$374,100-\$1,150,000 will go towards purchasing inventory. This will improve cashflow and meet the current demand for bikes.

Up to \$300,000 will be spent on brand awareness. This includes purchase and fit out for a mobile showroom, resources for a national roadshow and digital marketing.

Up to \$50,000 will be spent on designing new electric equivalent models for the existing internal combustion fleet of bikes.

Up to \$100,000 will be spent on licencing, logistics, warehousing and marketing for the US expansion.

Up to \$278,900 will be spent on increasing staffing resources to meet demand.

The Offer costs includes the Intermediary's fees under the hosting agreement between the Company and the Intermediary. These fees are 6% of all funds raised by the Company through Swarmer Pty Ltd (Intermediary), plus \$1,900 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 strategic objectives over the next 24 months.

If only the Minimum Subscription amount is raised, the Company will require further funding to be able to carry out all strategic goals over the next 24 months. In such circumstances, the Company may consider undertaking a further crowd-sourced funding (CSF) offer under the CSF regime. Until additional funding is obtained, we will scale back our strategic goals and focus on increasing sales of our existing bike range in Australia.

3.3 Rights associated with the shares

Immediately after issue, the shares 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 Company's constitution. A summary of these rights is set out below. A copy of the constitution is available on the intermediary's platform.

3.3.1 Voting rights

Each shareholder present at a meeting of shareholders (in person, by proxy, attorney or representative) has one vote for each fully paid share they hold.

3.3.2 Election and removal of directors

The Directors will consist of no more than five directors and must have at least two directors while the Company is making a CSF Offer or has one or more CSF Shareholders. Subject to the maximum number of directors not being exceeded:

- the Directors by unanimous resolution may appoint a director;
- the Company in general meeting may appoint a director.

3.3.3 General meetings and notices

The Directors must call a meeting of shareholders when requested by the shareholders specified in the Corporations Act. At least 21 days' notice must be given of a general meeting. However, unless prohibited by the Corporations Act, the Company may call a general meeting on shorter notice if shareholders with at least 95% of the votes that may be cast at the meeting agree beforehand.

A meeting of shareholders makes a decision by passing a resolution. A resolution is passed if more than 50% of the votes cast by shareholders entitled to vote are in favour of the resolution (unless the law requires a special resolution). A special resolution is passed if:

- the notice of the meeting sets out an intention to propose the special resolution and states the resolution; and
- it is passed by at least 75% of the votes cast by shareholders entitled to vote on the resolution.



3.3.4 Dividends

Subject to any special rights or restrictions attached to a share; and any restrictions in the Corporations Act, the Directors may pay Dividends as they decide. Subject to any special rights or restrictions attached to a share, the holder of a fully paid share is entitled to the full Dividend on the share (whether the issue price was paid or credited or both). The Directors may determine that a Dividend will be payable on a share and fix:

- the amount;
- the time for payment; and
- the method of payment.

3.3.5 Winding-up

Subject to any special rights or restrictions attached to shares:

- if on a winding up there are enough assets to repay all capital to shareholders, all capital must be repaid to the shareholders and any surplus must be distributed among the shareholders in proportion to the amounts paid on their respective shares before the winding up began;
- if on a winding up there are not enough assets to repay all capital to shareholders, the available assets must be distributed among the shareholders in proportion to the amounts paid on their respective shares before the winding up began (without the necessity of a call up).

3.3.6 Drag Along Rights

If the Company or any shareholder receives a bona fide offer from a third party to purchase all of the shares in the Company and shareholders acting together owning at least the Drag Threshold of the issued shares in the Company wish to accept the Third Party Offer, any Dragging Shareholder is entitled to issue to some or all of the remaining shareholders a notice requiring each such Other Shareholder to sell to the third party specified in the Drag Along Notice some or all of the Other Shareholder's shares.





3.3.7 Tag Along Rights

A Tag Along Notice gives each Tag Along Shareholder the right (Tag Along Option) to require the Seller to procure the purchase. If a shareholder (Seller) is entitled, and wishes, to sell unallocated shares to a third party purchaser, and the unallocated shares total the Tag Threshold or more of the total issued shares in the Company, the Seller must, before that sale, give notice to the Directors to that effect, and the Directors must (as agent of the Seller) notify each other shareholder of the Seller's intention (Tag Along Notice).

3.3.8 Pre-emptive rights

Before issuing shares of a particular class, the Directors must offer them to the existing holders of shares of that class.

3.3.9 Share Plan

At any time the Directors may establish a formal written share plan to issue shares in the Company or grant options over unissued shares in the Company to eligible service providers (whether directors, employees or contractors) that result in the issue of that number of shares of an amount up to 15% of the fully diluted share capital of the Company as at the date of the written share plan.

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 sale of the Company
- A listing on a registered stock exchange (eg the ASX)
- A private equity acquisition of the Company
- A share buy-back by the Company

There is no guarantee that any of the exit options will eventuate. Therefore potential shareholders should consider this investment as illiquid and be prepared to hold it until there is an exit event as set out above.

3.5 Investor Rewards

In addition to being a shareholder of Braaap, a range of rewards are being offered for investors. The table below sets out these rewards, based on the investment amount.

Investment Amount	Reward
More than \$3,000	\$100 Discount off your next Braaap bike
More than \$5,500	\$500 Discount off your next Braaap bike Braaap T Shirt - Limited Edition for Investors
More than \$9,500	Exclusive invite to testing beta Software & Future M'cycles Braaap T Shirt - Limited Edition for Investors \$1,000 discount off your next Braaap bike





Section 4: Information about investor rights

4.1 Cooling-off rights

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 (the Cooling-off Period).

You must withdraw your application via the Intermediary's platform as follows: Proceed to your profile on the top right-hand side of the screen, select investments on the bar on the right side, find Braaap Motorcycles raise, select "Withdraw", confirm the selection.

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

4.2 Communication facility for the Offer

You can ask questions about the Offer on the communication facility available on the Intermediary's platform. You can also use the communication facility to communicate with other investors, with the Company and with the Intermediary about this Offer.

You will be able to post comments and questions about the Offer and see the posts of other investors on the communication facility. The Company and/or the Intermediary will also be able to respond to questions and comments posted by investors.

Officers, employees or agents of the Company, and related parties or associates of the Company or the Intermediary, may participate in the facility and must clearly disclose their relationship to the Company and/or Intermediary when making posts on the facility. Any comments made in good faith on the communication facility are not subject to the advertising restrictions in the Corporations Act.

4.3 Proprietary company corporate governance obligations

4.3.1 Annual report

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

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

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

4.3.2 Distribution of annual report

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

4.3.3 Related party transactions

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



4.3.4 Takeovers

If we successfully complete this Offer and have more than 50 shareholders, the takeover rules in the Corporations Act will only apply to the Company in a very limited way. If someone wants to buy more than 20% of the voting shares in the Company, they will be able to do so without complying with the takeover rules. This means that 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.

Glossary

‘Braaap’, ‘Company’ and ‘we’ means Braaap Pty Ltd ACN 115 144 137

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

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

Intermediary means CSF Intermediary Co Limited AFSL 123 456

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

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

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

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