



OKANAGAN CRUSH PAD

Okanagan Crush Pad Investment Opportunity
FAQ



What is the minimum investment?

\$24,000 per unit, minimum investment (1,600 Common Shares @ \$15 per share). This is eligible for Accredited Investors only.

What is the share structure being offered, and how does it differ from the existing shares issued?

OCP only has one class of shares. New shareholders will be on equal footing to founding shareholders.

How involved are Christine and Steve moving forward?

Steve and Christine, as founders, have hold over 50%, \$19 million and 15 years in OCP.

What level of commitment will the Founding Shareholders have going forward?

Steve and Christine will maintain at least 500,000 of their 850,000 shares until the liquidity event, at which time all shares of the Company will be tendered or redeemed.

Will funds raised be used to give liquidity to any Founder or Current Shareholder?

No. All monies raised from this financing will be used to purchase assets, improve OCP properties, or build inventory. None will be used to provide Shareholder liquidity, as OCP has cash reserves that may be used for this purpose over the next five years.

Explain the 30% EBD Tax Credit

BC residents are eligible to receive a reimbursement payment of 30% of their investment amount from the BC government's VCC-EBC Investment Program. Some restrictions apply, such as shares must be held for 5 years or the tax credit is reduced.

How do I get the Tax Credit?

OCP will provide a certificate of proof of your investment, and you attach it to your year-2022 income tax return. You will receive either a cheque or an electronic transfer from the government.



What secures my investment?

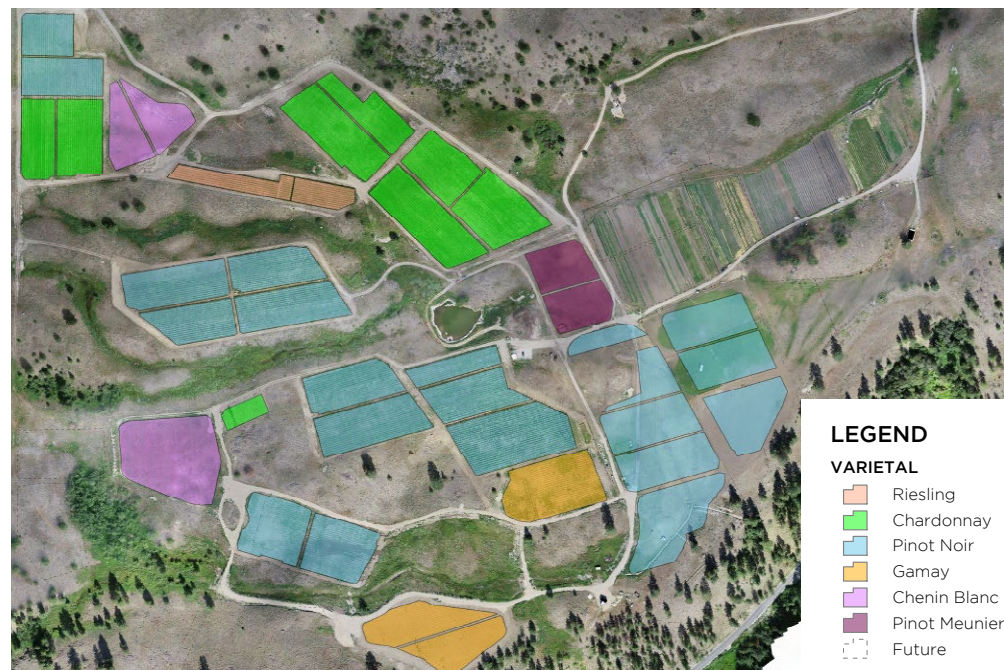
The OCP Winery & Switchback Vineyard	\$	7,500,000
Garnet Valley Ranch	\$	19,500,000
Inventory	\$	7,000,000
Equipment	\$	2,000,000
Cash	\$	2,000,000
Total OCP Hard Assets	\$	38,000,000
OCP Long Term Debt	\$	13,500,000



Can you describe the 330 acres OCP owns?

Switchback Vineyard (Organic) is the home vineyard, 10 acres in size, 6 acres planted. The balance is the winery, parking, managers house, and future development area for the expanded cellar space.

Garnet Valley Ranch (Organic) is 320 acres of rural ranch land within the District of Summerland, served with water and power. The team has planted out 65 acres in vines and has additional plantable acres left, with the rest of the site in ground crops, a lavender farm, and hayfields. The site has various Okanagan geology and landforms, such as a pond, swamp, forest, and rock bluffs.





Will there be any other benefits in being an OCP Shareholder?

Absolutely:

- A tour this summer of the spectacular Garnet Valley Ranch (GVR).
- Shareholders get first dibs on small lot wine offers along with discounts on select wines.
- An exclusive shareholder “living room” at The Pond House at GVR.
- Shareholders visiting OCP will be given priority to book a seated VIP hosted wine tasting.
- A yearly event held at The Pond House at GVR, with food, wine, and live music.
- Invitation to other exclusive events at the winery.
- Your name on a vineyard row.
- Numerous perks including exclusive VIP guest experiences and wine perks, shipping credits, access to limited release products and special events.



POND HOUSE
AT GARNET VALLEY RANCH

Can I review the Financial Statements?

We provide a Historic and Projected Synopsis in our Private Investor Webinar. Once you become a Shareholder you are entitled to all subsequent Financial Statements.

What percentage of the deal will I own?

Each \$24,000 unit (1,600 shares x \$15.00) will be between 0.212% and 0.175% of the Company.

Am I liable for anything beyond my investment?

No. One of the features of share ownership in a Limited Liability Company is that you are not legally liable for any kind of obligation to the operation beyond your initial investment.



Will there be any cash calls?

No. If for whatever reason the Company needs to raise additional capital in the future, and if it decides to do it by way of the offering of additional shares, there will be no requirement for existing Shareholders to participate. Existing Shareholders will be given a right of first refusal to participate.

Is my return taxable?

Returns to Shareholders may be in either or both of two formats, both taxable:

- Dividends may be declared and paid to Shareholders on a prorated basis, (ie: equally per share held) if the Directors of OCP see fit to do so.
- If the Company is sold, then any distributions that accumulate up to 100% of your initial contribution are considered return on capital. This is non-taxable. Any distributions in excess of the capital contribution (\$24,000 per unit) will be taxable at capital gain rates.
- The company is currently classified as a Qualified Small Business, which creates potential capital gains exemptions.

Will there be any kind of tax loss that we can get for this?

No, not as an individual Shareholder.

What do you mean by OCP “pursuing a liquidity event”?

OCP Founders believe that a 5-to-7-year time horizon will allow the team to build up the value of the business to a point where it could be an opportune time to sell the company or all or some of the assets of the Company. The possible purchasers may be one of Canada’s nationally based major wine production firms, a foreign entity wishing a presence here, or a wealthy individual wanting to be part of the wine industry, or other potential parties. This timeline allows the OCP team time to drive up the EBITDA (Earnings Before Interest, Taxes, Depreciation, and Amortization) to achieve top dollar for OCP.

What can a Shareholder expect to make at the time of the Liquidity Event?

Management has plans to drive up the value of OCP over the next five years. All Shareholders will benefit in proportion to their shareholding if management of OCP is successful in this.



What happens if I need to cash in my Shares before the 5-to-7-year Liquidity Event?

You should not invest unless you can wait out this time period. To sell out early you must request a share repurchase from the OCP Board, which, if offered, may come at a discount.

What risks does the Okanagan wine industry face?

Risks to the BC wine industry are mainly weather-related. But as this past year demonstrated, the industry can face challenges during global crises such as a financial market correction or a pandemic. While there is stiff competition from import wines, BC wineries have some market advantages, such as being able to direct deliver to customers.

How have seasonal wildfires affected the industry?

In two ways: smoky skies discourage tourists who make up 25% of the industry's overall sales dollars, and heavy smoke late in the season can have a detrimental impact on grape crop if vineyards are close to the smoke source. OCP has extensive fire mitigation systems in place and has installed fire hydrants around the perimeter of GVR, its most vulnerable vineyard. This system was put to the test in 2018 and worked to successfully keep wildfires 100 yards from the property line.

I thought OCP was a custom crush facility whose business was to provide wine making services for up-and-coming winemakers. Why did you stop doing that?

OCP's original business strategy called for a custom crush concept to bring in additional revenue until its own wine portfolio grew to support overhead costs. Over time, OCP production needs have taken over the entire cellar. The revenue from custom crush business helped build OCP into an asset rich company yet the timing was right to end this business segment and focus on the winery's own wine production and sale of finished goods.



How have OCP's crop yields been?

The home vineyard, Switchback, has 15-year-old vines, yielding a solid and reliable 4 tons/acre. Garnet Valley's vines when mature should give the winery 3 tons/acre. These yields are what one would expect for super-premium grapes.

How does OCP cover off interest rate risk?

The winery has 95% of its debt locked in until June 2026 at a 2.6% interest rate.

What happens if Steve and Christine are “not around anymore”?

Steve and Christine, founding shareholders and OCP managers, are in great health and have a passion and enthusiasm for OCP and its potential. They have every intent to remain at the helm of OCP. The winery also has a very capable director of estates Julian Scholefield who runs the day-to-day (since 2012), chief winemaker Matt Dumayne (since 2013), director of viticulture, Duncan Billing (since 2016), director of sales Andrew Raines (since 2021) and newly-appointed chief executive officer Darryl Brooker (since 2022). This team has in-depth knowledge and understanding of the wine business and OCP's operations.

Who makes up the rest of the OCP team?

OCP has more than 30 staff, about one-third being seasonal. Six people make up the sales team, five work on the hospitality team, three in administration, and two in the winery operations. The rest work in the vineyards. The key management team has been with the winery for close to ten years.

OK, I'm ready. What do I do next to invest in OCP?

- Go online to
- Fill out the Subscription Agreement and the Accredited Investor attestation
- Send a cheque or electronic transfer to Farris and Company in Trust (details in the Subscription Agreement)



For Further Information:

Christine Coletta

Founder and Board Member
investors@okanagancrushpad.com
604-802-9005
www.okanagancrushpad.com

Darryl Brooker

Chief Executive Officer
investors@okanagancrushpad.com
250-868-7647
www.okanagancrushpad.com