



the BUFFALO
FARM.co.uk

Founders Club
2023

www.thebuffalofarm.co.uk



WELCOME

Three years ago we launched the Founders Club to fulfil my ambition to create the first buffalo mozzarella dairy and production facility in Scotland. We received overwhelming support from our customers who supported us, which allowed me to make this dream a reality. I'm proud to say that we're fully operational and it still feels a little surreal but Scottish buffalo mozzarella and ice cream have both been very well received.

We've demonstrated success, have won a significant contract with a national retailer and have earned multiple awards for our unique products.

We hadn't planned for a global pandemic when we started this project but despite the significant challenges of Covid, that we all faced, we're proud of what we've achieved. We've successfully built our dairy and production facility and are fully operational and we've launched two core products. We now want to expand our business further and unlock the unused capacity in our production facility. This will allow us to significantly grow our business, launch new products and help fulfil our potential.

Right at the heart of our successes so far has been the support from our founding members. I can't thank them enough for believing in me and the team and seeing the potential. We're hoping many of our current founders will want to continue on this journey with us as well as adding new founders to the club. It's been such a powerful collaboration, it seems only right to continue this approach and I'm excited to see what this unique club can achieve by working together.

But, before we ask you to invest, let me tell you about the Buffalo Farm and our ambitions for the future.

Steve
'The Big Cheese'

HISTORY OF THE BUFFALO FARM

Following in the footsteps of Robert Mitchell who began farming in the early 1800s, I'm proud to be the sixth generation of the Mitchell family to be farming in Fife.

The Buffalo Farm was born because I wanted to produce something that was a wee bit different for the local farmers' markets. Buffalo gave us a unique selling point and I quickly realised customers loved the taste and quality of the meat.

What started out as a small experiment couldn't keep up with demand. It was very clear I had an opportunity to create a buffalo business and at the same time fulfil my boyhood dream of becoming a livestock farmer. I'm passionate about our animals and how they are looked after and fed – they are the heart and soul of our business and they deserve the very best of care. From a very young age, I always knew I wanted to be a farmer, the idea of supplying direct to the public was inspired by my Aunt Camilla and Uncle Tom, who were the founders of Puddledub. The main lesson I learned from them was that no corner should ever be cut when you are striving to produce a quality product.

Moving into buffalo mozzarella has always been an aspiration for me. From the beginning, customers often asked us for mozzarella. If only I had a pound for every time I was asked, I would be able to do this out of my own pocket! But, it was TV chef Gordon Ramsay, who gave me the kick I needed when he visited us for The F Word and couldn't believe we didn't offer mozzarella.

A trip to Naples sealed it for me. I was amazed at the popularity and quality of the mozzarella products they had to offer. It became obvious that although it was relatively uncommon in the UK it was mainstream in other places. I was amazed to find 12% of all milk sold in the world is buffalo milk. Finding out that buffalo milk also offers an alternative to those intolerant to the lactose of cow's milk made it all the more appealing. There is so much potential to be had from buffalo milk.



Steve's Grandad Tom and Uncle Tom on the tractor alongside Dad, Brian.



Steve and his Auntie Camilla showing 'Twinkle' Steve's first pedigree cow at Kinross Show.



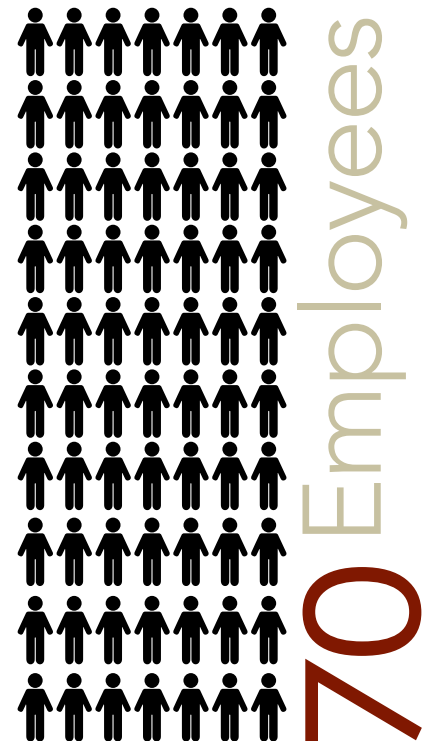
Steve on his first bull Malky in 2005.

OUR BUSINESS

The Buffalo Farm was established in 2005 by Steve Mitchell and now operates 3 butchers' shops, Scotland's first buffalo mozzarella dairy and production facility, a destination coffee shop and bistro. Alongside our retail business we support an ever-expanding portfolio of trade clients including restaurants, hotels, farm shops, wholesalers and Aldi stores across Scotland.

The farm enterprise consists of 600 acres of rented grass, across 2 farms - the original family farm at Clentrie, Auchtertool and Raith Estate, which runs between Kirkcaldy and Auchtertool. This land is predominantly used for summer grazing, growing hay and silage to sustain our ever growing herds of buffalo.

We're ambitious and we're confident we can increase our turnover from £6.5 Million to £10 Million over the coming 3 years.



In 2022 there were **125,000** visitors to Boglily Steading.

2022 a year in review...

1,070,000 SAUSAGES

228,000 BURGERS

219,000 PIES

27,000 ONLINE ORDERS

6,600 GOAT CUDDLES IN SCHOOL HOLIDAYS

A GREAT TEAM

Buffalo farming is complex enough, but when you add in a new dairy herd, new production facility and the development of new products it quickly becomes even more complex.

The dairy business is a natural extension to our original meat business but it does require specialist expertise and knowledge.

While many people think that building a herd of 550 buffalo was a challenge – making sure we had the right people in place has been the hardest part.

Over recent years we've worked hard to put a brilliant leadership team in place. I'm now confident we've got the perfect team to drive the business forward and continue to grow sustainably.

I'm so grateful to work with these great people to grow our business.



RETAIL TEAM

With over 300 years of combined experience in the butchery and bakery crafts, our teams at Boglily Steading, Blacketyside, and Craigies Farm Shop deliver a full retail offering to our local area, alongside our Bothy and Shop team who are renowned for their exceptional customer service.



ADMIN & MARKETING TEAM

The faces that are traditionally behind the scenes, making sure that everything runs like clockwork. From taking your orders, to ordering all that's needed to create our products, to marketing and HR. We have a loyal and dedicated team who know the Buffalo Farm inside out.



DAIRY TEAM

The individuals with the skill to produce award winning dairy products. Alongside Juan, Jim, Scott and Joanna we are really excited to have Neil join us as dairy factory manager with over 15 years' experience in food production with Walkers, and Stewart who joins us as Assistant Cheesemaker, after 20 years with Quakers.



EMMA JOHNSON (SALES MANAGER)

Emma, our Sales Manager has over 20 years' experience in dairy product sales with renowned companies such as Rowcliffe's. A self-proclaimed 'cheese geek' she brings a real passion for artisan, locally produced dairy products.



FARM TEAM

The team that care for our animals ensuring they are kept to the best possible standards. With over 50 years of combined experience in livestock handling, they've got all areas covered from managing our young stock, buffalo herd and even the pygmy goats at Boglily Steading.



GERRY STEPHENS (HEAD OF FINANCE)

Gerry has recently joined the team as Head of Finance & IT, after 13 years' with Mackie's of Scotland as Director of Finance. He brings a wealth of experience from the dairy & farming industry, as well as time in his career with Land Rover and Direct Wines.

THE DAIRY'S BIGGEST STARS

We wouldn't have a dairy business without our herd or the stock men and women who look after them. We're loving developing our herd of 144 milking buffalo and 3 very lucky bulls! We like to think of ourselves as buffalo experts but the management and nurturing of a dairy herd has been a steep learning curve. Balancing commercial yields and processes without any compromise on the welfare of the animals has been tricky at times but we've learned a lot.

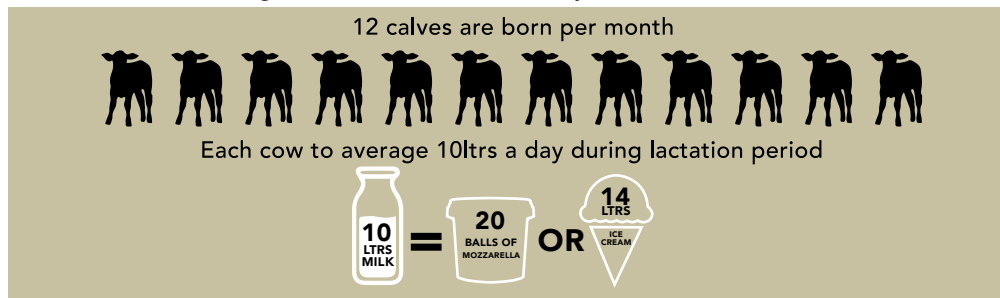
A good buffalo is capable of being milked for up to 15 years, three times the average of a normal dairy cow.

From the herd of 144 females, we are aiming to-

- Milk 100 buffalo every day, twice a day.
- Produce 365 000 litres of milk a year.
- On average have 12 calves born each month.

To do this we need on average each cow to-

- Have one calf every 390 days
- Produce on average 10 litres of milk a day



We are currently milking 75 buffalo a day but expect to hit our target of 100 this spring. The challenge for our farm team is to lift the daily average from its current level of between 6 and 7 litres per day to our target of 10 and above. We are quite confident that now the animals have settled, and we have a higher percentage of animals in the herd from quality milking genetics, we will see steady improvement on this figure and are aiming to be on target by 2024 at the latest.



Buffalo don't produce milk continuously. In fact, the average buffalo has a target lactation period of 270 days, she will then have a rest period of 120 days before calving again. The cycle then repeats - so in practice 1/3 of the herd is always dry (resting).



CREAM OF THE CROP

A big attraction of our original Founders Club offer was the chance to name a buffalo. For various reasons, it's not developed as quickly as we had hoped. The main reason being that we only name a buffalo if she produces a calf and in turn, milk!. Although we haven't named our whole herd yet, the first 70 animals have now been named. The way that we have chosen to give them names now means that this legacy will continue and that each calf they have will continue on with the founders names.

We are looking forward to launching our quarterly league table celebrating the top 10 producing buffalo. Here is a snapshot of some of our top producing cows from November - can't wait to see who is on top when the prizes start being handed out.

CURRENT TOP 3 COWS...



JESPEN

ID: NL673166533
Collar Number: 11



BERNICE

ID: IE219695421377
Collar Number: 77



RUBY

ID: IE219695411368
Collar Number: 32

STRONG BRAND

We're asking members to trust in us and we know that's a lot to ask in the current environment but we believe we've got strong foundations to underpin our ambitions.

Here's just a selection of awards we have picked up so far in 2022. The highlight was winning silver in the World Cheese Awards, placing ahead of a number of well established, well known brands.

(There were no golds given for the mozzarella category this year, but definitely something we will strive for in the future).



We have built up a high profile brand over the years through with a loyal and growing fan base on social media. A lot of our early success was driven through our exposure through various TV opportunities but our focus is now on organic growth. Our priority is to grow our YouTube channel through unique content and influencer partnerships to further broaden our reach and provide a solid brand platform to grow our business.

We pride ourselves on our customer service, it's commented on time and time again in the thousands of positive reviews we have received.

Don't just take our word for it...



4.9/5



4.7/5



4.8/5



WE'LL INVEST YOUR MONEY WISELY TO GROW THE BUFFALO FARM

When I think back to the business I started in 2005 and compare it to its size, popularity and breadth of our business today I couldn't be prouder or more grateful for the support we've enjoyed. When I look forward, I see so much opportunity to drive further growth as well as a unique opportunity to educate people on buffalo and sustainable food production in the modern world.

We're seeking further investment to help us accelerate our dairy business, expand our product offering and to help educate people.

As part of our 3 year business plan, we are planning to implement the following:

GROWING OUR HERD

A priority of our next phase of development is the expansion of the herd. It is also our priority to introduce partnerships with other farms to supply them with buffalo so they can become milking partners to help us unlock and maximise use of our capacity.

EXPAND OUR REACH

Significantly upgrade our website to create a modern experience for customers and Founders. We want to improve its functionality, accessibility and make it easier for users to find what they're looking for on any device.

SEGMENT OUR MARKET

At the moment we try to make everything available to everyone whether that's in store or online. In the future we want to adopt a new retail strategy focussed on two key channels:

In-store

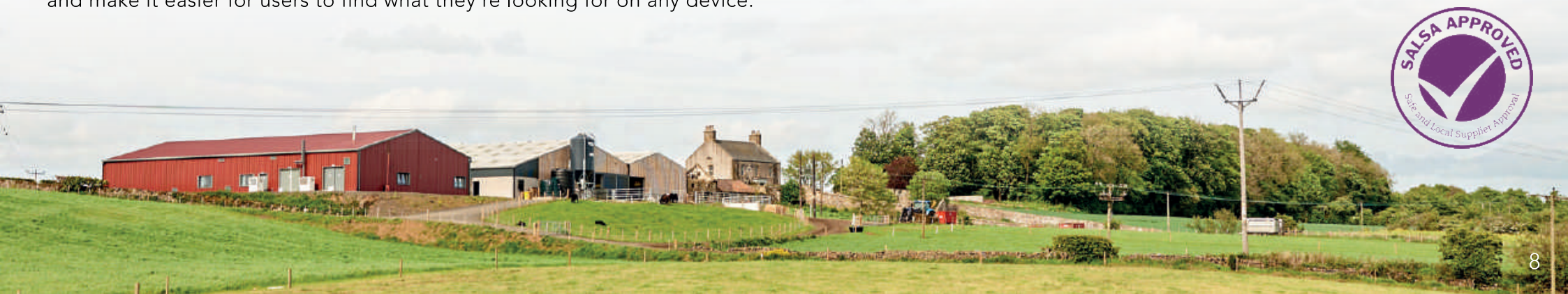
We'll offer our full butchers range so we can establish ourselves as the best 'local' butcher in the communities we operate in.

Online and mail order

The unique nature and popularity of our grass-fed buffalo range across the UK makes it ideal for those who live locally or further afield. Therefore, we'll focus our online and mail-order business on our buffalo range and carefully curated products from our wider range. Our full range will still be available for click-and-collect.

Of course, we'll make sure our Founders have access to the entire range of courier-friendly products (no amount of wool packaging can protect our eggs!) even if they can't get into store.

This approach will provide clear focus, help us become more sustainable and ensure our customers receive a fantastic experience however they buy from us.



PROVENANCE AND SUSTAINABILITY

Whilst we pride ourselves on our sustainability credentials and the provenance of our supply chain it's very difficult for us to demonstrate it. Investing in a new ERP system will make our business more efficient, highlight waste and will allow much better traceability across our supply chain.

We are committed to closing the gap for our customers so that they can fully understand what they are eating and where it's been produced.

We are proud to work with some fantastic local farmers, producing incredibly sustainable and tasty products but our systems currently don't allow us to demonstrate this to our customers.

EXPAND OUR RANGE

We want to build on the success of our ice cream by creating mini tubs which are regularly requested from the wholesale market. We also want to allow customers to buy fresh milk using vending machines to fill up their own bottles. Interest in buffalo milk is increasing because it's a good alternative for those who're lactose intolerant, suffer from skin conditions as well as fitness and nutritional reasons.

We're also considering product development on burrata, ricotta, hard cheese, yoghurt, kefir and believe it or not, a vodka from whey!

DEVELOPMENT OF BOGLILY

We want to develop our Boglily site to allow visitors to meet the animals undercover. Create opportunities for people with special needs to gain work experience and for our visitors to get closer to the animals in a fun and safe environment.

We are looking at options to build upon the success of the milk bar by creating a drive through collection point for wood fired pizzas and ice cream to allow our customers to have a convenient, local, quality alternative to the traditional fast food options.



GROW OUR DAIRY BUSINESS

Our production facility has a lot of untapped additional capacity. In order to maximise this opportunity, not only will we be increasing our own yields as our herd matures, but our priority is to ensure we grow with the help of 3rd parties.

Milking partners

We want to create opportunities for other farmers across Scotland to work with us as milking partners. This will help increase volumes and help create greater resilience for more consistent yields across the year. To help accelerate our partnership programme, this membership scheme will advance this process and allow us to grab this opportunity while it's there. This is critical to allow us to achieve our plans to increase turnover from 6.5 million to 10 million.

Although we have no farms officially agreed, we have 2 currently in the pipeline and hoping to have this agreed in spring 2023. Clearly, if anyone knows of a dairy farm that could be interested, please ask them to get in touch!



Annual Milk Volumes

2022 = 300,000ltrs → 2025 = 1,000,000ltrs

Max. Mozzarella Volumes

2022 = 1 tonne per week → 2025 = 4 tonnes per week

Tubs of Ice Cream

2022 = 1,400ltrs per week → 2025 = 2,800 ltrs per week

THE KEY REVENUE GENERATORS IN THE BUFFALO FARM

BOTHY & MILK BAR



With the aim of showcasing the specialties of the buffalo farm, both the bothy and milk bar have become popular with locals. We hope to develop this with the introduction of a woodfired pizza offering for weekend takeaway - possibly even drive through depending on demand.

RETAIL SHOPS & ONLINE



In addition to our flagship store at Boglily steading, our butcher concessions at Blacketyside in Leven and Craigie Farm outside Edinburgh see us providing the best of local produce with the highest standard of customer service.

ALDI



Aldi have been a huge part of our dairy journey so far. They have been supportive and fair to deal with. We presently have a contract to supply 104 Scottish stores with our mozzarella under a tertiary brand. It's planned for next summer to do a similar deal with Buffalo burgers. Provided sales continue to grow in Scotland, then there is a huge opportunity to see our mozzarella be sold across Aldi UK which would require 10x the current volume produced.

FOOD SERVICE



On top of our own local deliveries, we work with a number of key distributors giving our dairy range a UK-wide route to market. It's our aim to grow this side of the business at the same rate as our Aldi sales to ensure we are not overly dependent on one customer.

YOUTUBE



This is an opportunity to really grow. We plan to develop our channel and capitalise on the unique nature of our business and inspire milking partners. If we do it well, we believe our YouTube channel can become an income generator, a key driver for promoting all retail sides of the business and a valuable educational resource for customers and fellow farmers interested in our herd.

GENETICS



Our ambition is to develop the herd to be the best in the UK and one of the top herds in Europe. As buffalo have great longevity, once our herd and our milking partners' herds are established, we will be able to sell breeding stock. We are noticing an increase in interest in buffalo and feel this will develop to becoming a significant income generator in years to come.

WHAT IS THE BUFFALO FARM MEMBERSHIP SCHEME?

Hopefully we've convinced you that we're a unique business with strong foundations and lots of ambition to grow but we need your help.

That's why we've created the Membership Scheme, comprising of the **Buffalo Farm Founders Club** and the **Buffalo Farm Founders Executive Club** to invite you to help us take our business to the next level.

By joining the Buffalo Farm Founders Club or the Buffalo Farm Founders Executive Club, you are pledging money in the form of your joining fee for the duration of your membership, which has an initial fixed term of 5 years. After the initial 5-year period, you can choose to resign from your membership and we will refund your money (in accordance with our terms and conditions), or you can hold on to your membership and receive the same rewards for so long as the Membership Scheme continues.

SO, WHAT'S THE OFFER?

By becoming a member of the **Founders Club** (which requires the payment of a refundable joining fee of £1,000 per Founders Club membership), Founders Club members will receive:

- Product vouchers, added to your membership card, are issued throughout the duration of the membership to an annual value equal to 10% of each joining fee (i.e., for each £1,000 joining fee paid, product vouchers with a retail value of £100 will be issued each year, in arrears, for the duration of the membership). The vouchers will be provided on account as Buffalo Farm Vouchers and can be redeemed in the farm shop or the Bothy Coffee Shop. Please note each voucher will, to the extent it has not been used, expire 12 months after the date it is issued;
- A plaque on the Founders Wall in the mozzarella dairy with the member's name on it;
- First access to events and new products from our dairy;
- A tour of the new dairy for you and a guest. You can meet the milking herd and see where our dairy products are made - bookable in advance (to be taken between May and September 2023);
- An invitation to the 20th Birthday Party in 2025, called "Buff in the Barn";
- A membership card entitling the member to additional benefits throughout the year,
- A 20% discount on hiring the Bothy as an events venue (subject to availability);
- The members name will go into a ballot for annual naming rights to be able to name your buffalo when new buffalo are brought into the herd.



By becoming a **Founders Executive Club** member (which requires a minimum payment of a refundable joining fee of £10,000 per Founders Executive Club membership), Founders Executive Club members will receive:

- Product vouchers issued monthly in arrears for the duration of the membership to an annual value equal to 12% of each joining fee (i.e., for each £10,000 joining fee paid, product vouchers with a retail value of £100 will be issued on the 1st of each month (equivalent to £1,200 per year) for the duration of the membership, with the first vouchers being issued 30 days after becoming a member). The vouchers will be provided on account as Buffalo Farm Vouchers and can be redeemed in the farm shop or Bothy Coffee Shop; please note that each voucher, to the extent it has not been used, expire 12 months after the date it is issued.
- A plaque on the Founders Wall in the mozzarella dairy with the member's name on it;
- First access to events and new products from our dairy;
- A personal tour by founder, Steve Mitchell, of the Buffalo Farm and new dairy. You can meet the milking herd and see where our dairy products are made - bookable in advance (to be taken between May and September 2023);
- An invitation to the the 20th Birthday Party in 2025, called 'Buff in the Barn';
- A membership card entitling the member to additional benefits throughout the year;
- A 20% discount on hiring the Bothy as an events venue (subject to availability);
- The right to name one of the new milking buffaloes.



HOW MUCH CAN I PLEDGE?

The Buffalo Farm Founders Club has a joining fee of £1,000 and the Buffalo Farm Founders Executive Club has a joining fee of £10,000, however, you can subscribe to as many Club Memberships as you wish and receive the same fantastic rewards based on your total membership value.

FOUNDERS CLUB

Club member aggregate joining fee paid	Value of rewards issued	Total value after 5 years
£1,000	£100	£1,500
£2,000	£200	£3,000
£5,000	£500	£7,500
£8,000	£800	£12,000

FOUNDERS EXECUTIVE CLUB

Club member aggregate joining fee paid	Value of rewards issued	Total value after 5 years
£10,000	£1,200	£16,000
£20,000	£2,400	£32,000
£30,000	£3,600	£48,000
£40,000	£4,800	£64,000

FOUNDERS CLUB QUESTIONS & ANSWERS

Q: HOW MUCH CAN I PLEDGE?

A: The joining fee for Founders Club members is £1,000 for one membership and the joining fee for Founders Executive Club members is £10,000 for one membership. However, multiple memberships may be purchased.

Q: WHO CAN BECOME A MEMBER OF THE MEMBERSHIP SCHEME?

A: Anyone over the age of 18 can become a member. The scheme is aimed at UK residents but you can join from outside the UK. However your vouchers must be used within the UK. The team will be happy to assist those from outwith the UK to use their vouchers to send bespoke hampers for friends or relatives within the UK.

Q: CAN I CHANGE MY MIND?

A: Yes of course. We will offer a 14 day "cooling off" period in case you change your mind, no questions asked. Simply send us an email withdrawing your application to founders@thebuffalofarm.co.uk

Q: WHAT BENEFITS DO I RECEIVE AS A MEMBER?

A: The benefits depend on which tier of Membership you purchase and are set out in this document and in the Membership Scheme rules which are attached as an appendix to this prospectus.

Q: IS THE MEMBERSHIP TRANSFERABLE?

A: Memberships are only transferable with the consent of the Company, on a case-by-case basis and at the discretion of the Company. Any reward paid in product vouchers will be applied to the account of the Member only.

Q: CAN I GET A REFUND OF MY MONEY BEFORE THE END OF THE INITIAL TERM?

A: Unfortunately not. The Buffalo Farm Founders Club and Founders Executive Club memberships are issued on an initial five-year term and are non-transferable.

The Buffalo Farm reserves the right to refund all or part of the membership value at any time.

Q: WHAT HAPPENS AT THE END OF THE 5 YEAR INITIAL TERM?

A: At the end of the 5-year initial term, you will have the right to a refund of your membership in exchange for the initial value from the Buffalo Farm or you can choose to continue the membership and receive the agreed benefits that it offers. The specific rules, timings and conditions for any such refund are set out in the Membership Scheme rules attached as an appendix to this brochure. Should you want a refund of your membership, please contact us via email on founders@thebuffalofarm.co.uk in the first instance. We will then send you a form to complete and return.

The Buffalo Farm reserves the right to refund all or part of the membership value at any time.

Q: DO I NEED TO DISCUSS THE BUFFALO FARM MEMBERSHIP SCHEME WITH A FINANCIAL ADVISOR BEFORE PARTICIPATING?

A: Yes. We strongly recommend that you seek the advice of an independent financial advisor or other competent advisor before participating, particularly if you are in any doubt as to the nature of terms of the Membership Scheme.

Q: DOES PARTICIPATING IN THE MEMBERSHIP SCHEME MEAN THAT I HAVE SHARES IN THE COMPANY?

A: No, the Founders Club and Founders Executive Club memberships are rewards-based crowdfunding schemes. No ownership arises from participation in the Membership Scheme and no shares or other securities are issued.

Q: WHAT HAPPENS TO MY MEMBERSHIP IF I DIE?

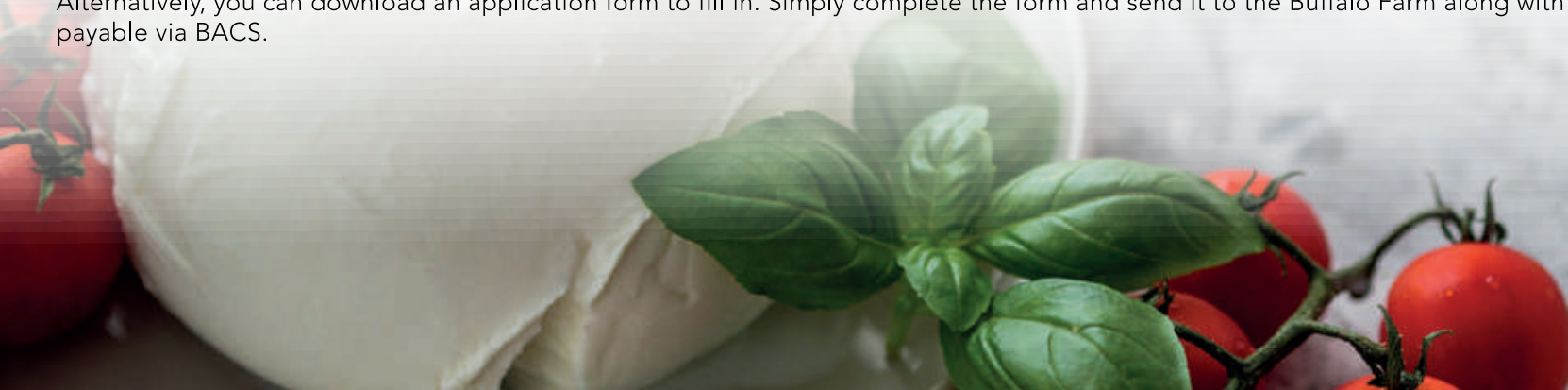
A: Your membership would form part of your estate and would initially be held by the executors or administrators of your estate. The membership could then be transferred to the intended beneficiary by sending us the completed membership transfer document.

Q: CAN I USE MY INVESTMENT TO BUY SHARES IN THE COMPANY?

A: No, is the answer at the moment, but we are definitely not ruling out equity shares as a means to grow the business in the future. We would look to reach out to our founding members in the first instance.

Q: I WOULD LIKE TO PARTICIPATE – WHAT DO I DO NOW?

A: That is fantastic. You can purchase memberships online. Head to www.thebuffalofarm.co.uk/founders-club-membership and click on the link to buy online. Alternatively, you can download an application form to fill in. Simply complete the form and send it to the Buffalo Farm along with the required payment by cheque or payable via BACS.



HEAR FROM OUR FOUNDERS

unique ways people have used the club so far...

"My wife and I have been following Steve Mitchell and the Buffalo farm for several years now, after watching them progress and grow on TV. We watched him grow from the ground up and becoming a founder was an opportunity to be part of something amazing that is the Buffalo Farm and Steve Mitchell's dream and passion. While we have never been to Scotland we are planning a trip this January from America and will visit the Buffalo Farm." - **Steve & Betty Cornwell**

"I believe in Steve and what he is trying to achieve. He is a credit to Fife and local businesses and I believe in Fifers investing locally. My investment has given me a better return than any bank or building society could do and using the monthly vouchers treats family within the Bothy and farm shop." - **Jean Abercrombie**

"It makes me feel good knowing I'm helping Steve and his team showcase the best of Scotland on a national scale. Being able to enjoy it for myself using my membership credit makes it taste even better." - **Rory Sandilands**

"Delighted to be supporting this unique local business, being kept informed of their progress and all the continuous development at the Buffalo Farm. My family also enjoy the benefits and rewards with vouchers gained in exchange for tasty produce ordered for click-and-collect or when visiting the Buffalo Farm Shop" - **Deryck Hogge**



ARE YOU READY TO GO ON THIS JOURNEY WITH US?

Thank you for taking the time to read this document. Hopefully I've demonstrated the huge potential I see in the Buffalo Farm business and in particularly the opportunity for growth on the dairy side. I genuinely believe we've created a great business but it's only just the start.

I have understood the importance of our customers since I attended my first farmers market selling our buffalo meat – granted at that time, I could have counted them on one hand, maybe two!

And even now, I love getting out to speak to our customers, whether it's in our shop, helping with goat cuddling sessions or getting out to speak to our wholesale customers.

We've had so much support from our customers over the years. That's why I'm excited about taking this journey with customers, suppliers and supporters like you. I'll never take that support and belief in me and my team for granted. I hope you can see the enormous potential to continue to create something special here in Scotland.

Hopefully I've convinced you to join or add to your membership in the Founders Club but I appreciate it's a lot to ask and it won't be right for everyone.

So, I just want to say a massive thank you for all your support and for reading this. It is very much appreciated.

Steve

How to Apply
Go to:

www.thebuffalofarm.co.uk
and apply online or download the application form



LEGAL NOTICES

This brochure has been issued by The Buffalo Farm Limited (the "Company") in connection with its proposed Membership Scheme.

Participation in the Membership Scheme is subject to the rules of the Membership Scheme, as set out in the appendix to this brochure (the "Rules"). The Rules should be read in full. Whilst the Company has sought to accurately summarise the Rules in this brochure, this brochure is not a substitute for reading the Rules in full.

If you are in any doubt about the action you should take or the contents of this document, you should contact your solicitor, accountant or other professional advisor who specialises in advising on rewards-based crowdfunding schemes. Before applying for participation in the Membership Scheme you should make sure that you fully understand the risks involved and you should determine whether participation is suitable for you. In the event that the Company becomes insolvent you may lose some or all of your joining fees.

The information in this brochure may be subject to further verification and amendment. This brochure does not constitute, or form part of, any offer or invitation to sell or issue, or any solicitation of any offer to purchase or subscribe for, any securities in the Company in any jurisdiction nor shall it, or any part of it, or the fact of its distribution, form the basis of, or be relied on in connection with or act as any inducement to enter into, any contract therefor.

The information in this brochure has been provided by the Company.

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This brochure is not considered to be a financial promotion for the purposes of section 21 of the Financial Services and Markets Act 2000 on the basis that it does not relate to investment activity. Instead it relates to a membership scheme which is being made available on the terms set out in this brochure. Accordingly this document has not been approved as a financial promotion. This document does not constitute a prospectus.

The Buffalo Farm Limited
FOUNDERS CLUB and FOUNDERS EXECUTIVE CLUB
MEMBERSHIP RULES & REGULATIONS
(2022 version, applicable to all membership subscriptions made on or after 1 November 2022)

1. Introduction to The Buffalo Farm Limited and its Membership Scheme

1.1 The Buffalo Farm Limited (the "Company") is a Scottish private limited company. It was incorporated on 10 December 2004 and has its registered office at Boglily Farm Steading, Boglily Road, Kirkcaldy, Fife, KY2 5XY.

1.2 The Company created a membership scheme in 2019 (the "Membership Scheme"). The Company has now decided to reopen the opportunity for existing and prospective members to apply to be a member of the Founders Club and Founders Executive Club categories of the Membership Scheme, as described in paragraph 1.5 below. These rules and regulations (the "2022 Rules") are the rules and regulations of the Membership Scheme as regards all membership subscriptions made on or after 1 November 2022. All membership subscriptions made on or before 31 October 2022 shall continue to be governed by the rules and regulations of the Membership Scheme that were published in or around August 2019 (the "Original Rules"). To the extent existing members of the Membership Scheme ("Existing Members") wish to submit a further membership subscription, their original (pre 1 November 2022) subscription shall continue to be governed by the Original Rules and their new (post 1 November 2022) subscription shall be governed by the 2022 Rules (unless otherwise agreed on a case-by-case basis between the relevant member and the Company).

1.3 The purpose of reopening the Membership Scheme to applications is to build on the existing scheme and continue the link between the Company and its customers, providing customers (and others) who wish to either extend their membership or become members with membership benefits (as referred to in these Rules), whilst also generating funding for the Company via the payment of membership fees. The membership fees are intended to be used to support the working capital of the Company, to help extend the manufacturing capability of the existing buffalo mozzarella production facility and to allow for further development and growth of the Buffalo Farm business.

1.4 Unless the Board of the Company determines otherwise from time to time, there is no maximum number of members.

1.5 The tiers of Membership Scheme participation (each a "Membership") which are now available for application are as follows:

1.5.1 Founders Club: comprises a Founders Club membership in exchange for a joining fee of £1,000 per Founders Club membership. The minimum duration of this membership is 5 years (i.e., Founders Club members will not be able to withdraw their membership before the date falling 5 years after they pay their membership fee, and any withdrawal will then be subject to the terms set out in these 2022 Rules). The joining fee is refundable on cessation of the membership, subject to the remainder of these 2022 Rules. Founders Club members will receive:

- (a) A plaque on the Founders Wall in the Company's new mozzarella dairy with the member's name on it;
- (b) First access to events and new products from our dairy;
- (c) A tour of the new dairy for you and a guest. You can meet the milking herd and see where our dairy products are made - bookable in advance (to be taken between May and September 2023);
- (d) An invitation to the 20th Birthday Party in 2025, called "Buff in the Barn";
- (e) A membership card entitling the member to additional benefits throughout the year, as determined by the Board of the Company from time to time;
- (f) Product vouchers are issued throughout the duration of the membership to an annual value equal to 10% of each joining fee (i.e., for each £1,000 joining fee paid, product vouchers with a retail value of £100 will be issued each year for the duration of the membership). Where a Founders' Club membership is subscribed before 1 June in any calendar year, the corresponding vouchers will be issued on 1 December that calendar year, and each 1 December thereafter for the duration of the membership. Where a Founders' Club membership is subscribed after 1 June in any calendar year, the corresponding vouchers will be issued on the 1 December the following calendar year, and each 1 December thereafter for the duration of the membership). The vouchers will be provided on account as Buffalo Farm Vouchers and can be redeemed in the farm shop or the Bothy Coffee Shop. Please note each voucher will, to the extent it has not been used, expire 12 months after the date it is issued;
- (g) A 20% discount on hiring the Bothy as an events venue (subject to availability); and
- (h) The member's name will go into a ballot for annual naming rights to be able to name your buffalo when new buffalo are brought into the herd.

1.5.2 Founders Executive Club: comprises a Founders Executive Club membership in exchange for a joining fee of £10,000 per Founders Executive Club membership. The minimum duration of this membership is 5 years (i.e., Founders Executive Club members will not be able to withdraw their membership before the date falling 5 years after they pay their membership fee, and any withdrawal will then be subject to the terms set out in these 2022 Rules). The joining fee is refundable on cessation of the membership, subject to the remainder of these 2022 Rules. Founders Executive Club members will receive:

- (a) A plaque on the Founders Wall in the Company's new mozzarella dairy with the member's name on it;
- (b) First access to events and new products from our dairy;
- (c) A personal tour by founder, Steve Mitchell, of the Buffalo Farm and new dairy. You can meet the milking herd and see where our dairy products are made - with a guest, bookable in advance (to be taken between May and September 2023);
- (d) An invitation to the 20th Birthday Party in 2025, called "Buff in the Barn";
- (e) A membership card entitling the member to additional benefits throughout the year, as determined by the Board of the Company from time to time;
- (f) Product vouchers issued monthly in arrears for the duration of the membership to an annual value equal to 12% of each joining fee (i.e., for each £10,000 joining fee paid, product vouchers with a retail value of £100 will be issued each month (equivalent to £1,200 per year) for the duration of the membership, with the first vouchers being issued 30 days after becoming a member). The vouchers will be provided on account as Buffalo Farm Vouchers and can be redeemed in the farm shop or Bothy Coffee Shop. Please note each voucher will, to the extent it has not been used, expire 12 months after the date it is issued;
- (g) A 20% discount on hiring the Bothy as an events venue (subject to availability); and
- (h) The right to name one of the Company's new milking buffaloes.

1.6 Any Existing Member who is a Founders Club member under the Original Rules and who wishes to acquire further membership rights under the 2022 Rules will have their existing membership fee(s) added to their new membership fees for the purposes of membership categorisation. To the extent the aggregate amount is £10,000 or more, they shall be categorised as a Founders Executive Club member for so long as their membership fees lodged with the Company are £10,000 or more.

2. Status of the Membership Scheme

2.1 The Membership Scheme comprises a contractual arrangement between the Company and the participants in the Membership Scheme. Participation in the Membership Scheme does not comprise any ownership or investment relationship with the Company and no participant will be entitled to shares or other securities in the Company by virtue of participating in the Membership Scheme. Each joining fee paid by a Founders Club or Founders Executive Club member is considered an unsecured and contingent obligation of the Company (contingent on the Membership Scheme or the Membership in question being terminated). Joining fees and donations are not protected from loss by the Financial Services Compensation Scheme.

2.2 For regulatory purposes, the Founders Club and Founders Executive Club Membership Scheme is considered to be a “rewards-based crowdfunding arrangement”. The Membership Scheme is not intended to be an equity or debt crowdfunding arrangement, or any other arrangement which is regulated by the Financial Conduct Authority (the “FCA”). The Company shall be entitled to make such amendments to the Membership Scheme as may be required from time to time to ensure the Membership Scheme remains an unregulated scheme for the purposes of the FCA.

3. Duration of Memberships

3.1 Each Membership subscribed on or after 1 November 2022 has a minimum duration of 5 years, commencing on the date on which the corresponding membership fee is paid (the “Initial Period”). After the Initial Period, the Membership in question will continue unless and until terminated by the Company or the member pursuant to these 2022 Rules.

3.2 Notwithstanding paragraph 3.1, the Company shall be entitled to terminate the Membership Scheme at any time by giving Members at least 6 months’ prior written notice of the termination of the Membership Scheme.

3.3 Individual members will be entitled to resign from their Membership by giving the Company at least 6 months’ prior written notice, provided that any such notice is not effective if it is provided during the Initial Period (unless the Company agrees otherwise, on a case-by-case basis and in its sole discretion).

3.4 Where the Membership Scheme is terminated by the Company, joining fees paid by Founders Club and Founders Executive Club are refundable on the cessation of the Membership Scheme. For the avoidance of doubt, all entitlements to discounts and product vouchers pursuant to paragraph 1.5 above shall terminate with effect from the cessation of the Membership Scheme. No credit shall be given for accrued but unissued or unredeemed vouchers, unless the Company determines otherwise in its sole discretion and on a case-by-case basis.

3.5 Where a Membership is terminated by a Founders Club or a Founders Executive Club member pursuant to paragraph 3.3 above, the joining fees paid by the member in question are refundable to the member in question on the cessation of their Membership, subject at all times to the cashflow of the Company. If the Company considers (acting reasonably and in good faith) that it has insufficient cashflow to refund a joining fee pursuant to this paragraph 3.5, it shall be entitled to suspend the refund until the Company considers (acting reasonably and in good faith) that it has sufficient cashflow to refund the joining fee in question [and shall in the interim increase the amount of the product vouchers to an amount equal to 12% per annum of the joining fee in the case of a Founders Club member and 15% per annum of the joining fee in the case of a Founders Executive Club member]. For the avoidance of doubt, all entitlements to discounts and product vouchers pursuant to paragraph 1.5 above shall terminate with effect from the repayment of the joining fee in question. No credit shall be given for accrued but unissued or unredeemed vouchers, unless the Company determines otherwise in its sole discretion and on a case-by-case basis.

3.6 Notwithstanding any other Rule, in the event of the insolvency or cessation of the Company the Membership Scheme shall be automatically terminated and all joining fees then outstanding shall be repayable as unsecured obligations of the Company. For the avoidance of doubt, no personal guarantees or other undertakings are given in relation to joining fees which are not refunded for any reason.

3.7 In the case of death of a member, the Membership in question may pass to the member's spouse or to the member's estate or to the member's children. If the member's spouse or children do not want to become members of the Membership Scheme, the Membership in question will be resigned in accordance with these Rules but waiving the prohibition on resigning within the Initial Period.

3.8 A Membership may be suspended or terminated by the Company if, in the sole judgment of the Company, the member's conduct was improper or likely to endanger the welfare, safety, harmony or good reputation of the Company, other members of the Membership Scheme or the Company's staff or livestock. Where a member's rights or access are restricted or suspended from time to time pursuant to this paragraph 3.8, such member shall not be entitled to any repayment or refund or other compensation.

4. General

4.1 Memberships are not transferable (save with the prior written consent of the Company on a case-by-case basis and at the sole discretion of the Company).

4.2 These 2022 Rules may be amended from time to time at the discretion of the Company, provided that no change shall be made to the benefits set out in paragraph 1 or the refund of joining fees pursuant to paragraph 3 unless such amendment is required for regulatory purposes or to comply with applicable law or regulation.

4.3 The Company makes no representation about the tax and other consequences of becoming a member and receiving rewards. Members are responsible for obtaining their own professional advice.

4.4 The 2022 Rules, the Membership Scheme and any dispute arising in relation thereto are governed by Scots law and the Company and each member hereby submit to the exclusive jurisdiction of the Scottish Courts.



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