



Crowd-sourced Funding Offer Document

Dated: 28 November 2024

Issuer: Harvest Hub Pty Ltd (t/a Box Divvy)
ABN 47 620 754 449

Intermediary: Swarmer Pty Ltd AFSL 507867

Offer of fully-paid ordinary shares in Harvest Hub Pty Ltd at \$2.80 per share to raise a maximum of \$1,568,000

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

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Section 1:

Risk Warning

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

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

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

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

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

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

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



Section 2: Information about the company.

2.1 Company Details.

2.1.1 The Company.

This offer of shares is made by Harvest Hub Pty Ltd ABN 47 620 754 449 (the Company). The Company was incorporated on the 4th January 2021.

Company Name:	Harvest Hub Pty Ltd
ABN / ACN:	ABN 47 620 754 449
Date of Incorporation:	28th July 2017
Registered Office:	735 Little Run Road, Wherrol Flat NSW 2429
Principal place of business:	Warehouse C, 9 Ferndell Street, South Granville NSW 2142
Offer Type:	Ordinary Shares
Website:	https://www.boxdivvy.com/





2.2 Description of the Business.

2.2.1 Introduction

Harvest Hub Pty Ltd (trading as Box Divvy) is on a mission to change the food system, and make it work for farmers, food producers and shoppers alike.

We connect local communities with farmers and food producers to provide market-fresh, locally and Australian-grown, seasonal fruit, vegetables and groceries helping you cook and eat better for less. Join us on our mission to 'unsupermarket' the food system and become a shareholder today.

This investment opportunity relates solely to Harvest Hub Pty Ltd (trading as Box Divvy's NSW/ACT operations), which operates under an exclusive licence from the parent company, Box Divvy Pty Ltd. The parent company intends to expand into other jurisdictions by issuing licences to separate entities. Investments in these future entities will be offered as separate opportunities and are not included in this offer unless explicitly stated in future public offers.

The NSW/ACT operations conducted solely through Harvest Hub presents a significant opportunity due to the exclusive licence and the strong demand for fresh, locally sourced produce in these regions.

This is a Private Equity Crowdfunding Raise, open only to Hubsters, Box Divvy members, staff and suppliers.

A top-down photograph of fresh vegetables including a red bell pepper, a green bell pepper, a bunch of carrots, and a head of bok choy, resting on a dark wooden surface. A silver garden trowel is also visible. A large green circular graphic is overlaid on the right side of the image, containing the text "Come on the journey with us and unsupermarket." in white.

**Come on the journey with
us and unsupermarket.**

2.2.2 Our story

Back in 2015, Co-Founders Jayne, Anton and Richard were dabbling with food co-ops – but they were too niche, too expensive, and not easily scalable.

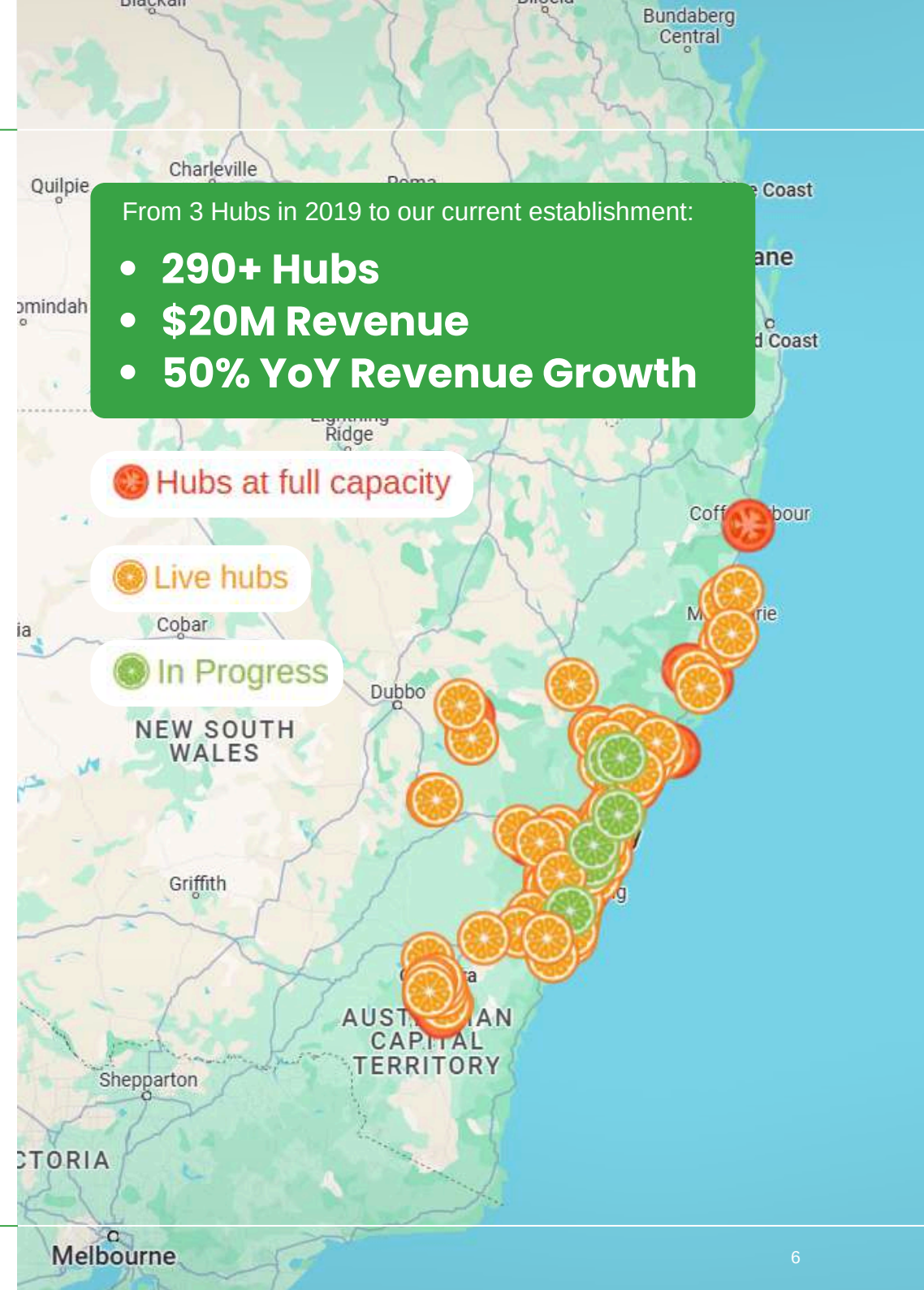
In 2017, we were invited to join the Western Sydney Diabetes Alliance – part of NSW Health. They liked our ability to set up food Hubs in areas with poor access to affordable, fresh food and they set us a challenge - Can we make it scalable and cheaper?

So we redesigned the model. We focussed around box sharing, with lower prices, fresher produce, shorter lead times and 80% less packaging. We called it Box Divvy.

We launched with 3 Hubs in early 2019. Fast forward to today, and we're operating 290 Hubs from Canberra to Coffs Harbour, with over 13,000 members. We're opening 1-2 new Hubs a week with two out of three Hubs near full capacity, with an average membership size of 40-45.

When we started, we offered fruit, veg, eggs, bread, nuts and beans – with an average basket size of \$35. Today, we sell about 900 products across fruit, vegetables, bakery, dry groceries, meat, seafood and dairy with an average basket size around \$75.

The best part? Our model works. Our business is good for the people and the planet, and it's profitable too! We generated over \$20M in revenue in FY24 and we're currently growing at a rate of 50% Year on Year.



2.2.3 The Problem:

Supermarkets in Australia are suffering from a trust deficiency, and it's making shoppers reconsider their choices.

The past 18 months have shown how concentrated and uncompetitive the Australian grocery market really is. The supermarket duopoly has been in the dock at several federal and state inquiries and found wanting. According to the [Roy Morgan Risk Monitor](#), Coles and Woolworths have gone from being the most trusted brands in Australia to some of the least trusted brands and they only have themselves to blame. ^[1]

In addition to uncompetitive pricing, misleading promotions, illusory discounts and *shrinkflation*, we would like to add something that has had little attention but in many ways has had even more negative impact. Supermarkets have always wanted us to know they are the curators of healthy foods. Turns out, not quite...

According to the George Institute for Global Health, more than half of all packaged food items on Australian supermarket shelves are classed as 'discretionary' or junk foods: they'll give you a burst of energy, but little by way of nutrition. More than two-thirds of what is called off-location display – end of aisle or gondolas – are used to promote sugary drinks, snack foods, cookies, biscuits and other junk food. Why? They are the only categories to have shown increased consumption rates when on promotion, and snack food manufacturers are willing to pay big money for these displays. Moreover, the discounts on unhealthy foods are far greater than the discounts typically offered for fresh or healthy foods.

Australian supermarkets no longer have your health at heart.

So there you have it: whilst we're all shopping in supermarkets, turns out they're not that great for your wallet, your health and our planet. When you think about it, their business model was invented 100 years ago, and perhaps they are no longer fit for purpose in the 21st century...

[1] <https://www.roymorgan.com/findings/distrust-replaces-trust-for-coles-and-woolworths>

Major supermarkets' takeover strategy prevents smaller grocers from growing into stronger competitors, inquiry hears.

2 days ago

 The Guardian

Coles and Woolworths face class actions over claims misleading promotions deceived customers – as it happened

Clare Nowland manslaughter trial: Kristian White said 'I've had a look and, supposedly, we aren't meant to taste elderly people', court hears...

2 days ago



 The Australian

Woolies, Coles 'fake' discounts spread across the entire supermarket

Woolworths and Coles fooled customers into buying everyday groceries by using fake discounts spanning almost every aisle of the supermarket,...

4 weeks ago



 Australian Broadcasting Corporation

Coles and Woolworths hit with more reputational damage after year of negative headlines

Negative headlines about Australia's two biggest grocers have dominated the past 12 months, and accusations have run the gamut from price gouging to tricky...

1 month ago



 Australian Broadcasting Corporation

Trust in Coles, Woolworths sinks amid rise in cost of living and public scrutiny, survey shows

Coles is among Australia's most distrusted brands, while rival Woolworths has taken a major slide down the rankings of the country's most trusted brands.

8 May 2024



 The New Daily

'Greedflation' sinks trust in Coles and Woolworths

Coles and Woolworths have lost their place among Australia's most trusted brands...



2.2.4 The opportunity

Come on the journey with us and unsupermarket!

We connect your local community with farmers and food producers to provide market-fresh, locally and Australian-grown, seasonal fruit, vegetables and groceries helping you cook and eat better for less.

A lot of people claim to support local farmers, but we're actually putting our money where our mouth is. We're working with between 30 and 40 Sydney-basin growers at any given time, with about a dozen who supply us each week. All up, they represent 50-60% of our fresh produce purchases – more than any other retailer we know. A lot of fruit and some vegetables are simply not grown in Sydney, so we rely on wholesalers on the Sydney Markets for things like pineapples and beans.

- We offer sustainably low prices, with full transparency and no gimmicks.
- We prioritise healthy, fresh foods from family farms and small family-run and owned producers. i.e. We don't sell Coca-Cola or Tim Tams.
- Box Divvy members have a much lower carbon footprint than the average supermarket shopper due to less infrastructure and lower transport emissions, and also all perishable food is pre-ordered by our members meaning there is no leftover food waste. Any food that does remain is donated to charity.

Box Divvy is an idea whose time has come and we aim to be the most trusted retail brand in Australia.

**30% cheaper than
the supermarket**

**Supporting the local
community, farmers and
food producers.**

2.2.5 Traction to date.

Box Divvy was first launched in 2019 with 3 hubs. Today we operate over 290 Hubs from Canberra to Coffs Harbour with 13,000 members, opening 1-2 new hubs each week.

In just 5 years of operations we've reached some incredible milestones.

- **290+ Hubs.**

In November, we opened our 293rd Hub. We now operate more Hubs in NSW/ACT than there are Coles stores (266) and Aldi stores (215) all in under 6 years of operations compared to the two industry giants who have been operating since the 1960s and 2001 (respectively).

- **\$600k in weekly sales.**

In October 2024, we broke through \$600k in weekly sales and have since gone on to achieve more than \$660k. We generated over \$20M in revenue in FY24 and our Year-on-Year sales growth has been between 40% and 60% every week since June 2024.

- **92% Successful splits.**

Also in October, the % of successful Splits hit 92% - up from 82% in previous months. This is an important measure of how much members' needs are being met. When we first started in 2019/20, this number was closer to 50%.



2.2.5 Traction to date.

Continued.

■ **32% Membership growth.**

In the last year, we've grown membership by 32%, and added 10 new pantry suppliers, 2 new chilled suppliers and 3 new local farmers.

■ **7000L of plastic saved.**

Over the past 4 months, we have collected from just 6 trial Hubs over 7000L of soft plastics for recycling through RecycleSmart. Once we roll this out to all 290 Hubs, **we anticipate* that we will keep 150,000L of soft plastics out of landfill.**

■ **Word of mouth spreads!**

Our sales & marketing spend is less than 0.5% of sales. The bulk of our advertisement comes from word-of-mouth recommendations and organic growth.

■ **3,500m² warehouse.**

We moved from a 1200 sqm warehouse to a 3500 sqm warehouse within a week **without dropping a ball or missing an order.**



2.3 Business Strategy

2.3.1 Strategy

Box Divvy wants to change the food system by making it more efficient, sustainable and fair for shoppers, growers and suppliers alike. To create impact, we need scale – and accelerate our already rapid growth.

This is growth not for growth's sake, but growth to maximise our impact:

- Help more family farms in the Sydney basin and on the Central Coast to remain financially viable.
- Help more Hubsters run a rewarding micro business from home, without taking undue risks.
- Provide small family-owned food and grocery producers more business certainty at a time when many of their other customers – small retailers and providers – are under pressure.
- Make fresh, healthy and affordable food accessible to more people in NSW and the ACT.
- Increase Box Divvy's relevance by offering a wider product range and enable people to skip supermarkets altogether.
- Finally, help our members reduce their environmental footprint by minimising (plastic) packaging, re-using boxes, reducing our collective carbon footprint and collecting soft plastics for genuine recycling. We call this: Low Impact Living.

We can achieve these impacts by:

1. Accelerating the number of new Hubs.
2. Expanding our product range, whilst staying true to our principles of minimal processing, few if any artificial additives, and minimal packaging, preferably sourced from small, Australian-owned and run family businesses (but without being obsessed about this criteria).

We plan to achieve the adjoining objectives by:

Accelerating the number of new Hubs.

Expanding our product range.

Whilst staying true to our principles of minimal processing, few if any artificial additives, and minimal packaging, preferably sourced from small, Australian-owned and run family businesses.

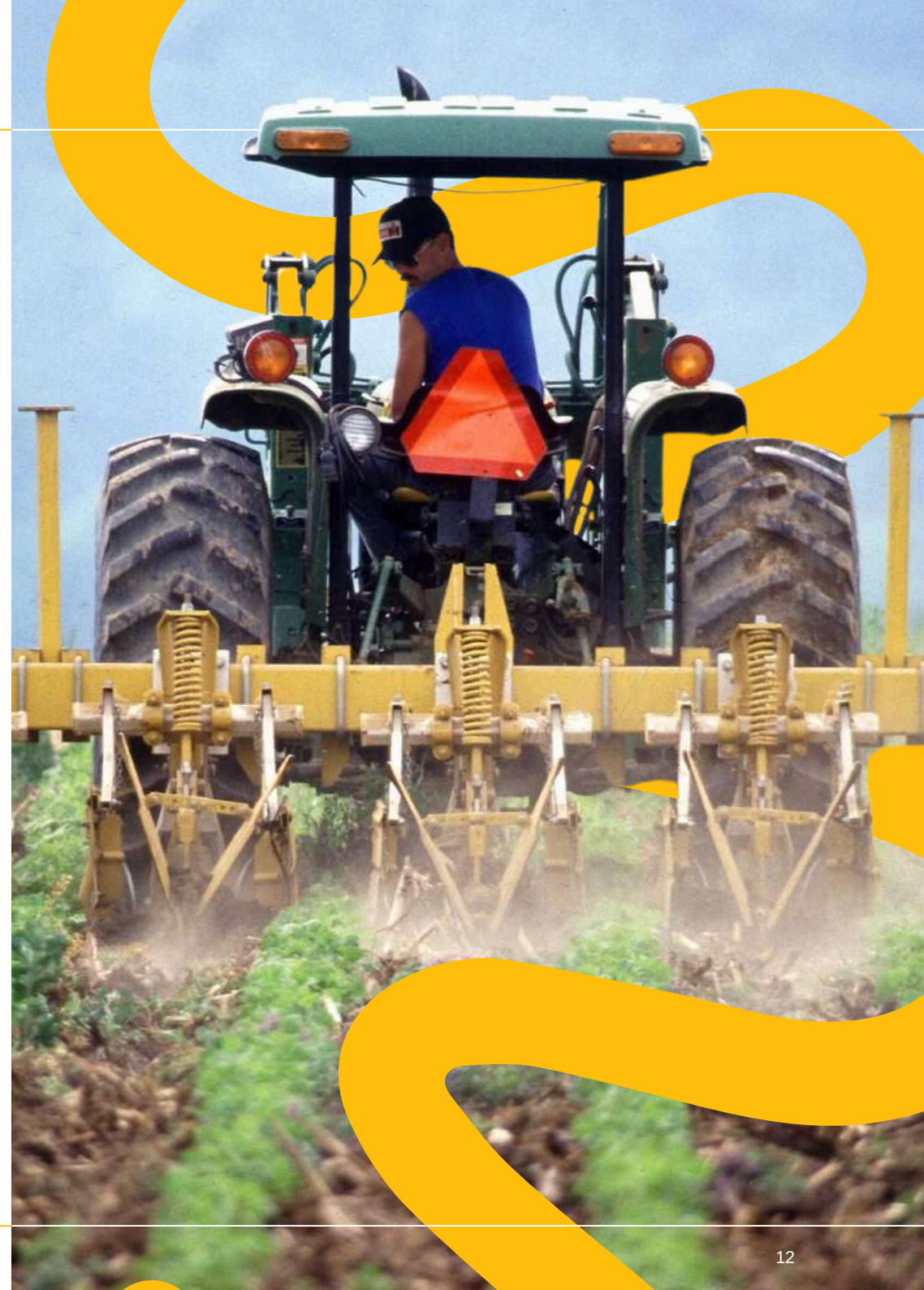
2.3.1 Strategy

Continued.

The expansion of the product range should result in bigger baskets and increased earnings for Hubsters, which in turn will assist in Hubster recruitment. Double whammy!

Just about the only good thing supermarkets can offer these days is choice (and not always the healthiest). Our business strategy, in essence, is to provide our members with more (and healthier) choices. As to everything else supermarkets represent, we'll do the exact opposite:

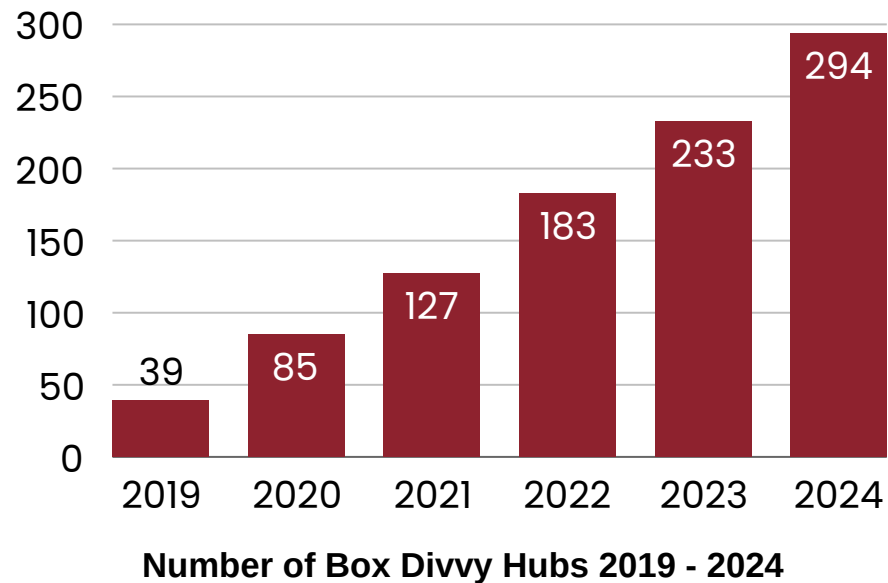
- Price transparency instead of obfuscation and illusionary discounts.
- Staff, growers, suppliers, Hubsters and members first instead of shareholders first.
- Grower/supplier collaboration based on shared values instead of relationships based on uneven power, fear and retribution.
- Healthy products instead heavy reliance on junk food and ultra-processed food.
- Sustainably low carbon footprint rather than high intensity carbon footprint driven by packaging and food waste, 'offset' by dubious carbon credits that do little to reduce carbon emissions.
- A human-centric model, based on community and trust, instead of robotisation, self-serve ideology coupled with increased shopper surveillance.



2.3.2 Business Objectives

For Box Divvy to succeed and prosper, we must achieve the following objectives:

1. Grow Hubs
2. Attract and retain new members
3. Increase order frequently and basket size.



Grow Hubs.

Our most successful medium for growing Hub numbers has been organic community engagement, posting in local community pages, and introducing a referral structure to Hubsters and members (there is \$250 referral fee for Hubsters if a referral leads to an operational Hub).

Over the past few years, we have experimented with paid media, shopping centre intercepts and markets such as the Granny Smith Festival. Box Divvy has also been covered in local and national press stories in recent years – for example, Weekend Sunrise, A Current Affairs, ABC and SBS – which has resulted in an influx of both new Hubsters and members.

All of these strategies combined have reliably delivered 50-55 new Hubs per year – roughly one per week.

A relatively new strategy is showing considerable promise: we recently held our first Webinar, which had Hubsters talk about their experience as a Hubster. Despite minimal marketing, it attracted over 20 participants which resulted in 6 Hub applications. This is a relatively inexpensive way of potentially reaching a larger audience, especially if coupled with interesting or well-known characters like chefs, nutritionists etc.

We believe Webinars will be instrumental in lifting our Hub growth from 1 to 1.5 new Hubs per week.

2.3.2 Business Objectives

Continued.

Grow Hubs.

What is the potential 'Hub Universe'?

When could we expect to see Hub Saturation? There are over 4500 suburbs in NSW, including 658 in Greater Sydney with roughly 2m households (source: ABS), or approximately 3000 families per suburb.^[2]

We believe that between 10% and 20% of households would potentially be interested in joining Box Divvy if there was a Hub nearby (the remaining 80-90% would find it too restrictive as they buy from day to day, are too picky or have a lifestyle that is not conducive to group buying).

Even a 10% penetration level would yield approximately 300 families per suburb. The average Hub size is currently 45, which translates to a maximum of 6-7 Hubs per suburb.

Some suburbs like Ryde or the Inner West already have 6-8 Hubs within a 10-minute radius, so an average of 2-3 Hubs across all suburbs is not out of the ballpark. That would effectively give us a potential of 1200-1800 Hubs in Great Sydney alone.

Add to that significant population areas like Newcastle/Central Coast (which generates more than one-third of all Hubster applications), the Hunter, Mid North Coast, Blue Mountains, Central Tablelands, Port Stephens, Shoalhaven, the Illawarra and Canberra, and 2500 Hubs may well be a realistic potential.

[2] <https://www.abs.gov.au/statistics/standards/australian-statistical-geography-standard-asgs-edition-3/jul2021-jun2026/non-abs-structures/suburbs-and-localities>

Current status:

300 Hubs

Which is 12% of the potential for NSW.



2.3.2 Business Objectives

Continued.

Attract & Retain Members.

Once a Hub is set up, it takes 3-4 weeks to reach the 12-15 minimum number of members to get activated. This is largely driven by the Hubster's efforts in getting the message out to neighbours, friends and family.

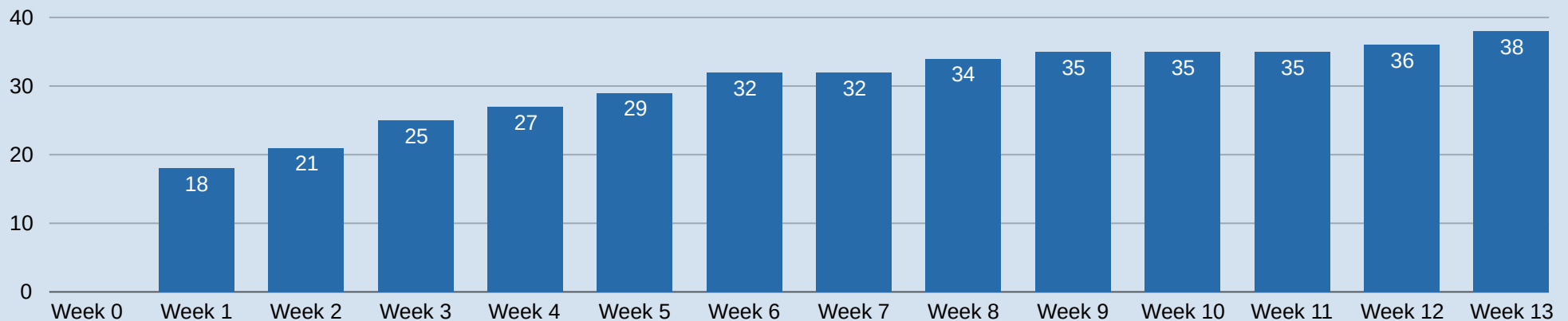
Once a Hub gets started, it invariably grows to between 30 and 50 members within 3-5 months. This chart shows the membership build of 14 Hubs that were activated in the first quarter of 2024: after 12 weeks, the average membership across the 14 Hubs had reached 38. They will eventually reach an average of 44.

Most Hubsters make an effort to promote their Hub: every Hub is given a Facebook page, and provided with (free) weekly content about local growers, industry issues and new products. However, it's mostly word-of-mouth by the membership that will push the numbers.

This is where 'happy members' shine through: they are not merely telling their friends and family about Box Divvy, they become advocates or ambassadors.

The financial impact is significant: many of our peers spend at least 6% of their sales on marketing and advertising (e.g. Our Cow), and others spend as much as 15% (Good & Fugly) or 20%-25% (Hello Fresh). Box Divvy spends less than 0.5% on marketing and advertising.

Average Membership Build for 14 Hubs activated in Q1 2024.



2.3.2 Business Objectives

Continued.

Attract & Retain Members.

In May 2021, Icon Media conducted a large-scale survey among Hubsters and members to find out their motives for joining Box Divvy. We also asked them, on a scale from 0-10, how likely they were to recommend Box Divvy to their friends and family. More than 72% gave Box Divvy a score of 9 or 10: these are our advocates.

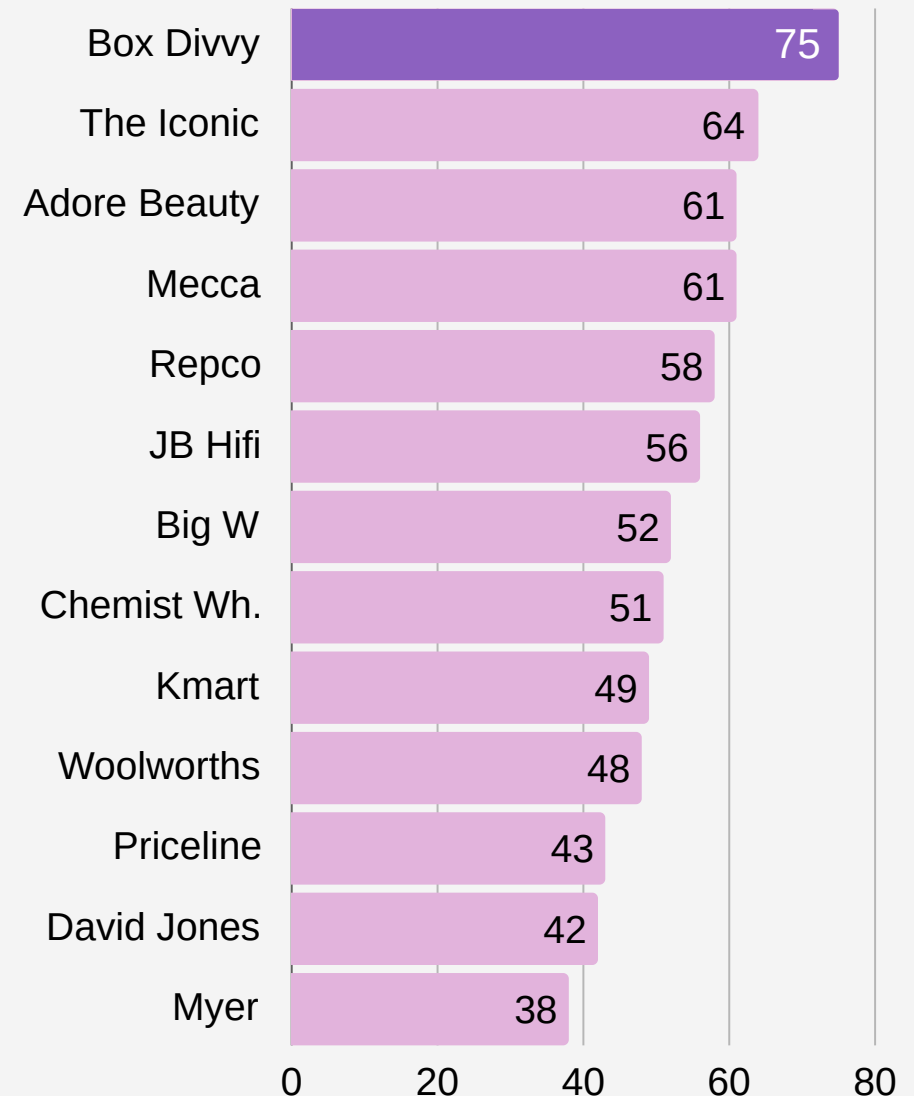
A popular measure of brand strength is derived from this question: it's called Net Promoter Score (NPS) which takes the Promoters (score 9 or 10) and deducts the Detractors – people who actively 'bag' the brand. Box Divvy's NPS was 68.

We repeated the question in a survey conducted by Western Sydney University in May 2024: now 79% gave Box Divvy a score of 9 or 10, and the NPS had risen to 75.

To put this in context: no retailer in Australia scores higher than 64:

It's for this reason that we can continue to grow in the absence of significant marketing and advertising expenditure: our Hubsters and members do our marketing.

Net Promoter Scores 2023/24



2.3.2 Business Objectives

Continued.

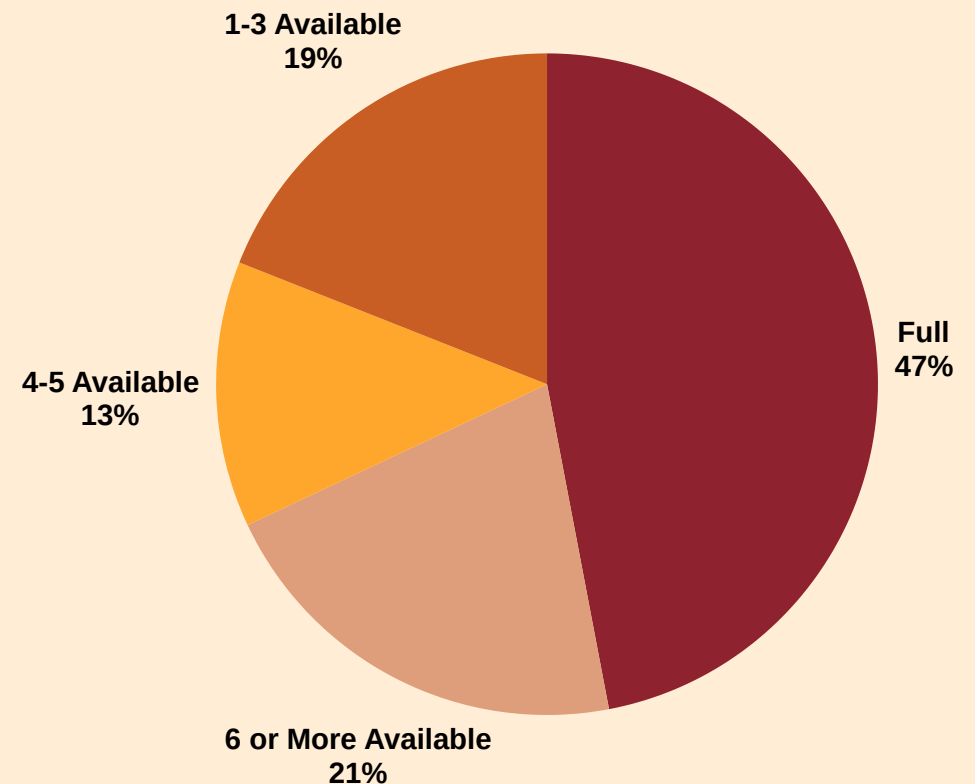
Attract & Retain Members.

In the end, two out of three Hubs are either full or almost full – which is great, but also underlines the need to have a constant inflow of new Hubs that people can join.

After all, we know that Box Divvy is not for everyone: if your life is unpredictable, if you tend to buy for tonight's meal, or prefer to pick your own produce, you may be better off shopping in a physical store. We observe this when we open a new Hub: typically 5-10% drops out in the first couple of weeks. However, for the ones who stay, they end up loving Box Divvy - and tell their family and friends.

Most Hubs are at or near capacity

% of Hubs by how many places are left



2.3.2 Business Objectives

Continued.

Attract & Retain Members.

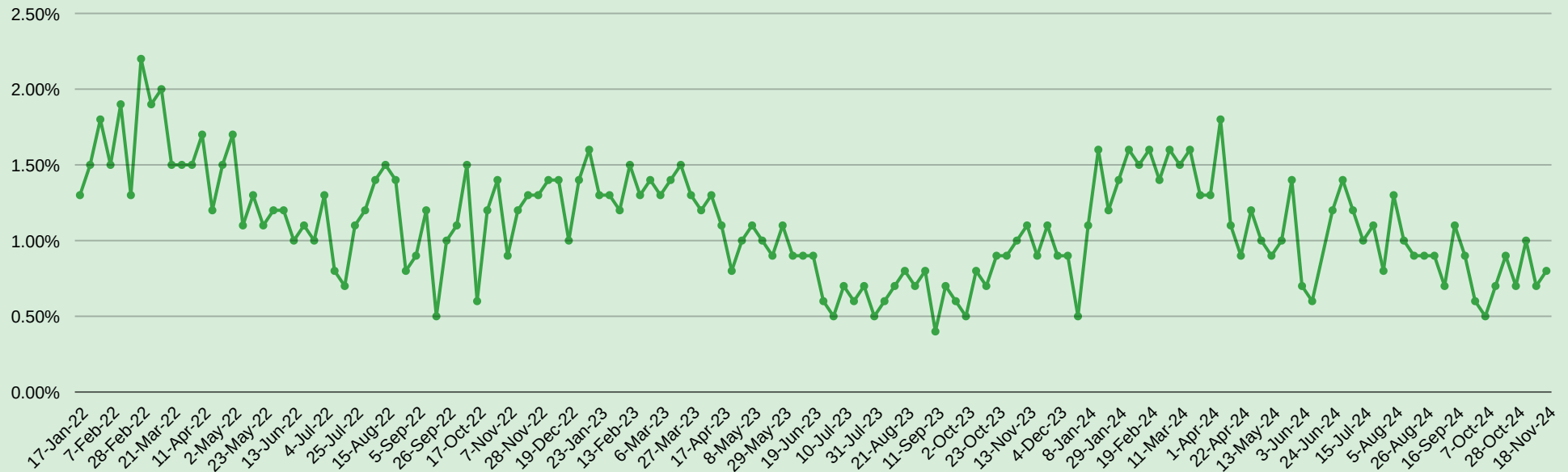
Whilst Hubs are filling up quickly, how effective are we in retaining members?

Over the past two years, our weekly cancellation rate has been fluctuating – but the trend is down. The elevated cancellation levels in early 2024 were the result of high produce prices, at the peak of the Cost Of Living crisis – and in turn caused by extreme weather events across the eastern seaboard, restricting supply. See Risk section for more details.

In addition to a low and declining cancellation rate, Box Divvy members display significant longevity:

- Of all members who joined in 2019 or 2020, one-third are still active members with an average membership length of just under 4.5 years.
- Put differently: of all currently active members, 4 in 10 have been a member for 2.5 years or more
- The average membership of current active members is one year and nine months.

Weekly Cancellation Rate (as % of members)



2.3.2 Business Objectives

Continued.

Increase order frequency & basket size.

Around 73% of members buy weekly, and another 12% fortnightly whilst 15% orders less frequently. Although there is no requirement to order each week, there is an expectation that members order at least fortnightly. However, this is managed by Hubsters themselves: it's their Hub and they can set the rules as they see fit (within reason).

Given the scarcity of places, we identified a number of members who had been inactive for 8 weeks or more in July 2024. We asked them to either start ordering, or suspend their membership so that others could join. We ended up suspending some 800 members. The vacancies this created filled up within weeks, but lifted the weekly participation rate by a few percentage points.

Hubsters are now empowered to identify members who are less engaged – either in order frequency or basket size – and suspend their membership directly, without intervention from our Admin team. This is starting to pay off, with the average basket size accelerating towards \$80. This is also driven by the recent expansion of our pantry range by just over 100 product lines, from kombucha and olives to Jimmy's satay sauce.

Average Basket Size

Jun - Nov 2023 vs 2024



2.3.2 Business Objectives

Continued.

Increase order frequency & basket size.

According to the ABS, the average expenditure per household on food in Sydney is \$217 per week. This includes takeaway food and dining out. The estimate for groceries alone is around \$168 per week, according to Canstar. The average Box Divvy basket is currently around \$78 per week.^[3]

Adjusting for our lower prices for fruit and vegetables, the equivalent supermarket basket would be just over \$100 per week. That suggests we have significant potential left to grow the Box Divvy basket. But in which categories?

Box Divvy started as a fruit and vegetable business, and this still makes up three-quarters of our sales. Over time, we added Bakery, Pantry and Chilled – but their combined contribution, whilst grown disproportionately, is still only 25%.

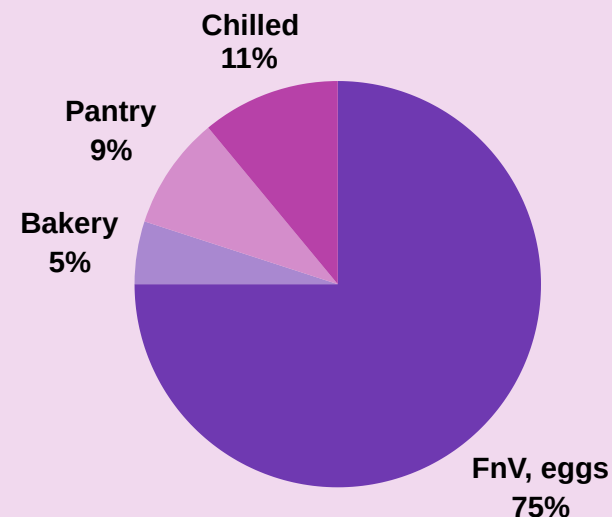
Remember, one of our goals is to keep members out of supermarkets because they are no longer purveyors of healthy products. However, to achieve this, we must offer viable alternatives.

There are growth opportunities in each category – especially once we understand the penetration of each category.

[3] <https://www.canstarblue.com.au/groceries/average-grocery-bill/>

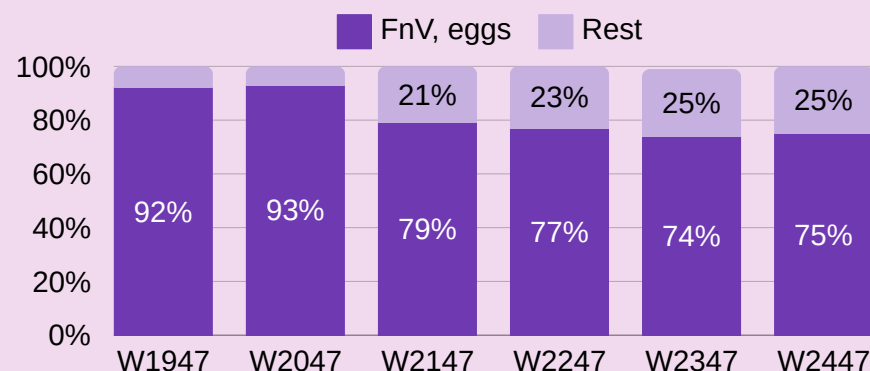
Sales Contribution (\$) by produce category

October - November 2024



Sales Contribution by category

2019 - 2024



2.3.2 Business Objectives

Continued.

Increase order frequency & basket size.

Doubling our chilled sales:

Arguably, the biggest opportunity lies in 'Chilled' meat, seafood, dairy and other fresh food: at best, fewer than one in five members buys from this category, even over a 5-week period. However, this is also the most difficult one to tackle from a logistics viewpoint:

This category is delivered to the member's home – rather than to the Hub like all other categories. The reason for this is that Councils, whilst fine with Hubsters packing fruit, vegetables, bread etc, prohibit meat and seafood to be distributed via the Hub unless there are cold storage facilities. Most Hubs do not have these.

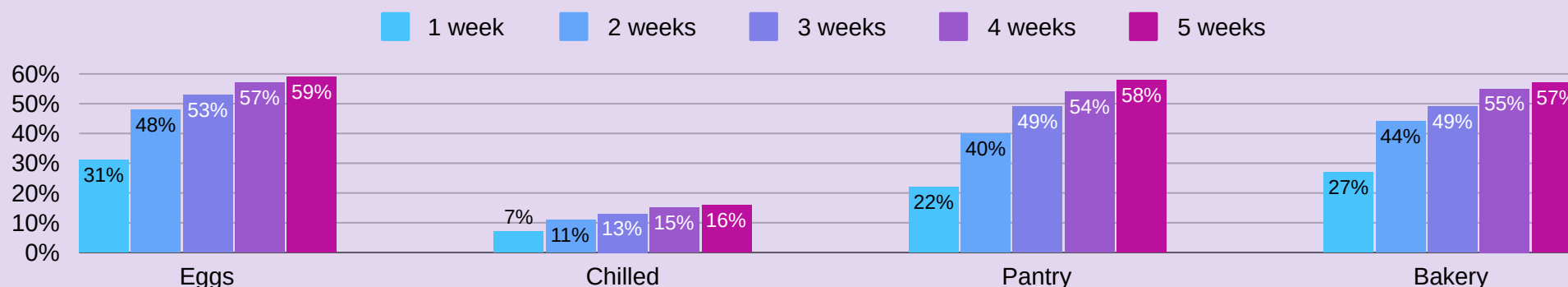
Home delivery means a few extra hurdles:

- A minimum spend of \$50 to avoid a \$10 delivery fee.
- Our meat and seafood, whilst better quality, is not cheaper than the supermarkets.
- Delivery is made either the first or second Saturday, which is a long way behind the rest of the order. This makes meal-planning difficult.

We believe we will be able to improve on this service, by scheduling the home delivery on the same day as the Hub delivery, but this will require major logistic changes in ordering, supply, packing and delivery resource. We aim to tackle this by mid-2025, with the expectation to more than double sales from chilled products.

What proportion of Box Divvy Members buy each category?

5 Weeks ending 13 November 2024.



2.3.2 Business Objectives

Continued.

Increase order frequency & basket size.

Triple our pantry sales:

Just over 20% of members currently buys pantry items weekly, but give them 5 weeks and the number increases to 60%. This tells us 2 things:

1. Many of them (two-thirds) are infrequent buyers – at least from Box Divvy.
2. Four in ten members do not buy pantry items – ever (or at least not in a 5-week period).

Almost anyone buys packaged groceries – food, household goods and health & beauty – and the above chart tells us that even Box Divvy members buy groceries mostly in supermarkets and grocery stores. Industry statistics suggest that packaged food and non-food contribute approximately 40% to supermarket sales, compared with 9% for Box Divvy. For several reasons, we're unlikely to get to 40%:

Supermarkets stock some 15000 – 20000 packaged grocery items; we're unlikely to exceed 1500 items, so Box Divvy members have less choice – but better options.

Box Divvy prioritises packaged food items that are:

- High in fibre and protein, and low in sugar, saturated fat and salt.
- Contain mostly real food ingredients, and avoids artificial additives and preservatives (i.e. ultra processed food).
- Australian-made and owned (albeit not to the complete exclusion of imported food).

That automatically excludes most snack foods, confectionery and sugary drinks. Some popular packaged food products have a poor nutritional profile; unless members are prepared to forgo some of the products they – or their kids – love, in favour of better options in terms of nutrition or some other characteristic important to Box Divvy, they will need to continue buying these items from supermarkets.

2.3.2 Business Objectives

Continued.

Increase order frequency & basket size.

There are some other limitations:

- We won't be able to sell frozen products.
- We're unlikely to offer kitchen gadgets, underwear, stationery and other general merchandise.

Expanding the pantry category however is costly: in order to maintain secure supply, we will need to carry for most products 4-6 weeks of stock (except for products like freshly roasted coffee and nuts). This is needed simply to manage supply chain interruptions: out-of-stocks at the manufacturer; delays in shipping, or in supply of raw materials, packaging, etc. As a relatively small player, we are at the bottom of the pecking order – with priority often given to large and established accounts. Some supplies from interstate can take up to 3 weeks to be delivered.

Add to this the challenge of determining the likely demand, especially for a product type that we haven't sold before. We tend to play it safe and over-rather than under-order.

No supplier will give us credit or even 7-day terms until we've traded with them for 6 months – and often our terms remain COD indefinitely. Some have a Minimum Order Quantity (MOQ) of \$10,000.

Pre-financing the stock is a significant drain on our cashflows, and this is the main reason why we decided to fund this rapid expansion via crowd-sourcing.

Assuming we reach the minimum target of \$168,000 raised, we will be able to add at least 150 new product items.

This will also fund additional resources for product sourcing and order management.

If we were to reach the maximum target of \$1,568,000, we could add around 1200 - 1400 new products to the range – with product sourcing and order management resourced in proportion to the range expansion.

For further information, please refer to the Use of Fund section.

2.4 Business and Revenue Model

2.4.1 The Box Divvy Business Model

Operating Model

The Box Divvy model empowers people to run their own micro business, doing good for the community – but without taking risks. Community members who manage and organise Box Divvy Hubs are called ‘Hubsters’.

Anyone can apply to run a Hub if they meet the basic requirements of time, space and community connection.

After we approve Hubster’s application, and agree on a delivery day and time, we set up their Hub, registration page and Facebook page. The Hubster is responsible for recruiting the initial 12-15 neighbours, friends, and family members to get a Hub started. This typically takes 2-4 weeks.

Once activated, the Hub orders as a group – and Box Divvy packs and delivers the produce in bulk. Almost every Hub will grow to between 25 and 50 members within a few months, with an average turnover of \$2000-\$2500 per week. The average Hubster income is \$270 per week, and rising.



2.4.1 The Box Divvy Business Model

Continued.

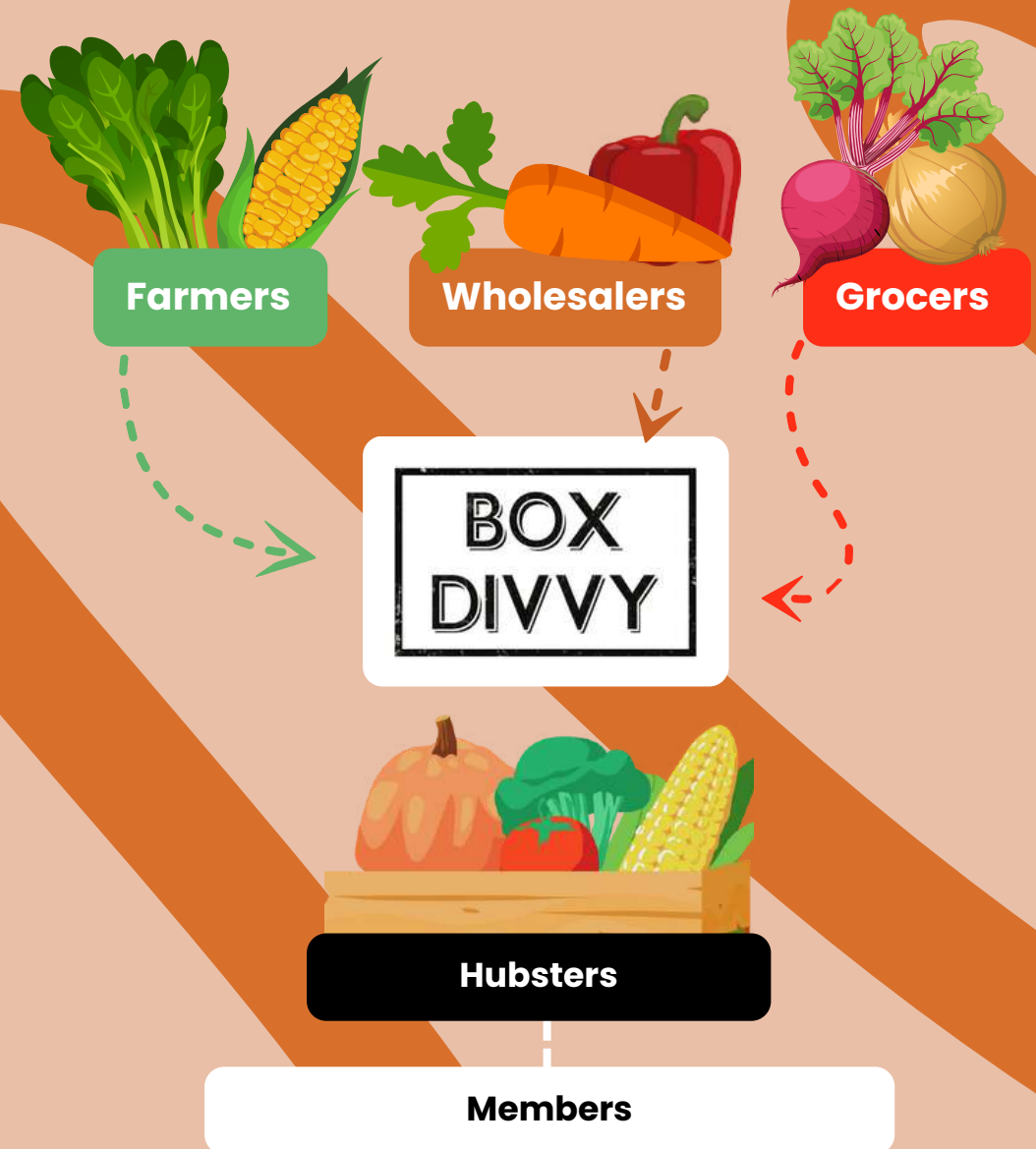
Revenue Model

Box Divvy purchases produce from farmers, wholesalers, and grocers, apply our mark-up and make these figures available to our members and Hubsters. In addition, we apply a commission to cover the Hubster's effort in packing the orders and managing the Hub.

All our fresh produce including fruit, vegetables, meat, seafood, and dairy is based on member orders, so there is no or minimal waste at the end of the week. Any leftover produce that does remain, is donated to charity.

Of the 13,000 members currently subscribed to Box Divvy, some 8500 members have an active order in any given week, spending around \$75 each for a cumulative revenue of over \$600,000 per week.

This weekly revenue is growing at a rate of 1% per week (compared with the prior week), or 40-60% versus the same week last year.



2.4.1 The Box Divvy Business Model

Continued.

How do we unsupermarket sustainably?

Box Divvy pays farmers fairly, yet charges members less. How is this sustainable?

It's because the bit in the middle – the cost of doing business – is done at a much lower cost than supermarkets and other online food providers:

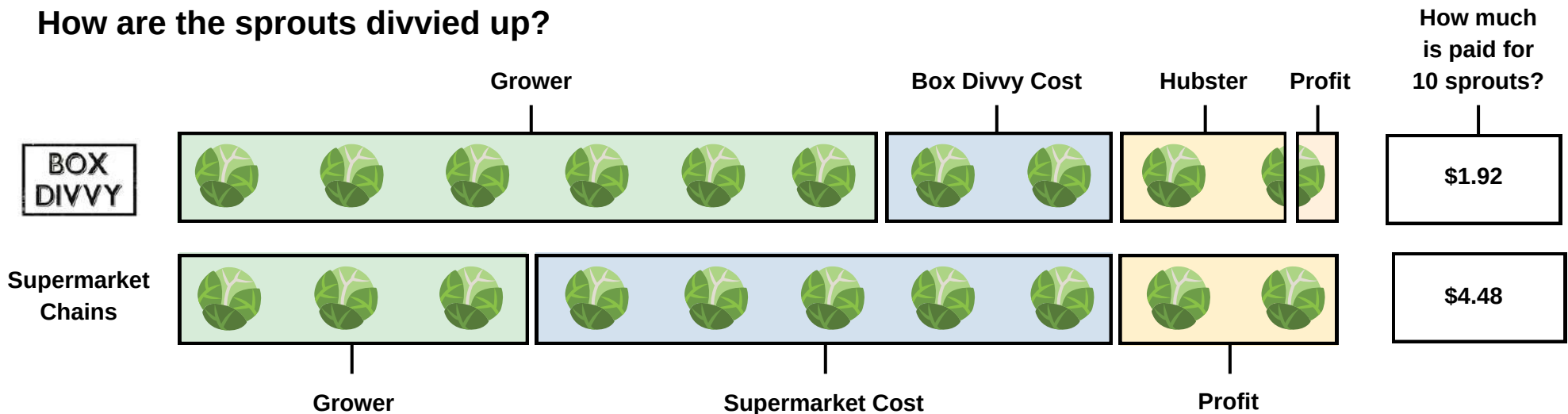
1. Box Divvy packs Hub orders in bulk, and leaves the individual order divvy to the Hubster. As a result, our packing costs are around 8% of sales – one of the lowest ratios in the industry.

2. We deliver the Hub orders in bulk: a single 6-pallet truck can deliver 6-8 Hubs with 200-250 orders in a 6-8 hour run. Online supermarkets and other online suppliers take 5 days to deliver 200 orders, which in effect makes our delivery cost 80% lower than other industry participants.

This low-cost advantage enables us to set our pricing approximately 30% lower than the major supermarkets, which in turn fuels our top-line growth via new hub and member growth.

Since moving into our new 3500 sqm warehouse, our efficiency has improved even further: our packing, delivery and admin costs have fallen from 22.7% of sales (FY24) to 20.4% today.

How are the sprouts dividied up?



2.4.1 The Box Divvy Business Model

Continued.

Speaking of sustainability.

Not only is the Box Divvy model financially sustainable, but it also goes hand-in-hand with environmental sustainability – focused on the EPA motto of *Reduce – Reuse – Recycle*.

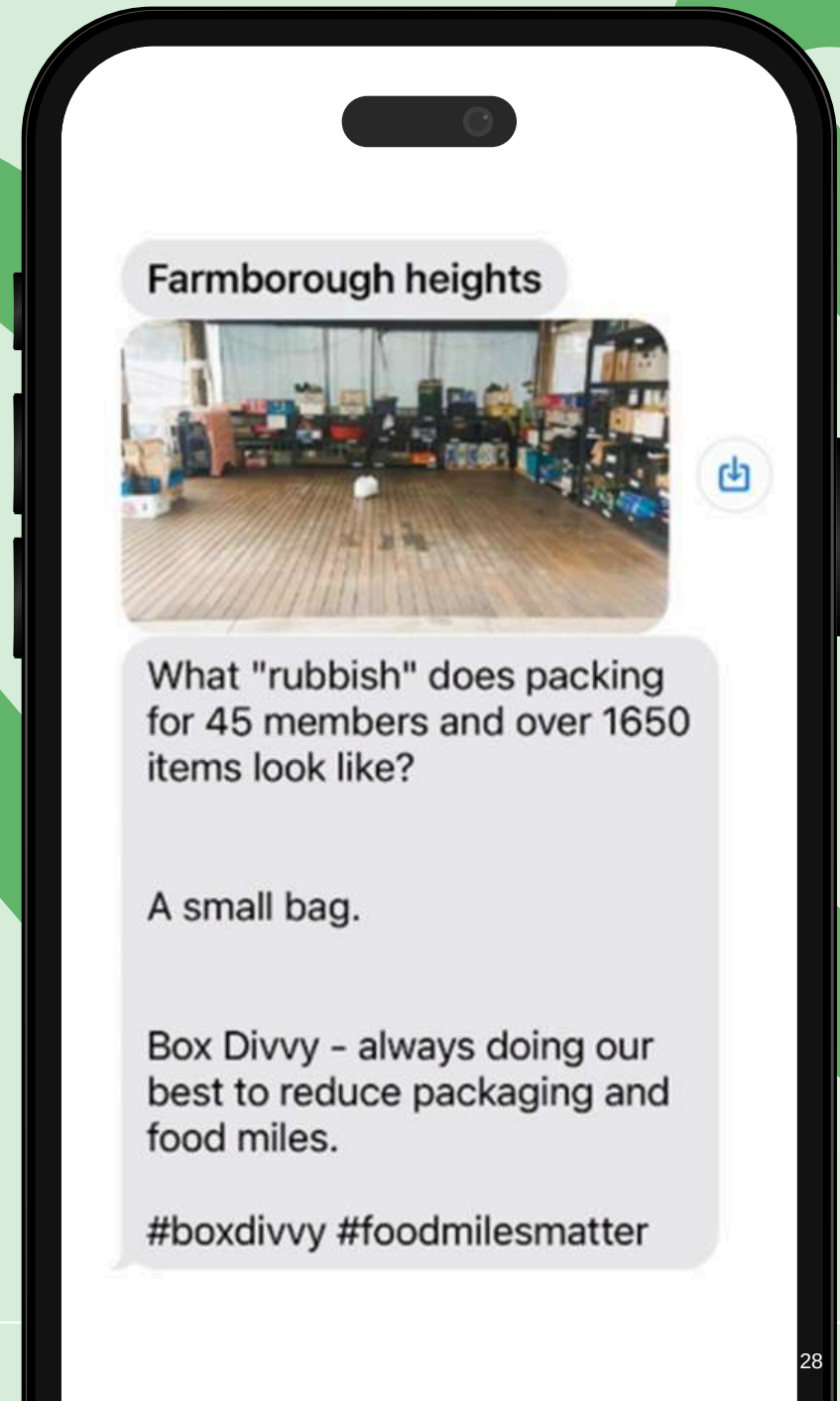
1. We use **minimal plastic packaging** for our fruit & vegetables: typically only our berries come in punnets, whilst most cherry and grape tomatoes come loose. Hubsters are encouraged to use paper bags where possible.
2. We deliver the produce in the original boxes in which it was packed by the grower. Some are used by the Hubsters to pack orders in, but most are collected by us for **re-use** (after inspection for any dirt or mould).
3. However, our pantry expansion will lead to an increase in plastic waste. We are therefore planning to collect soft plastics from the Hubs in 2025, after a 4-months trial with 6 Hubs. More details below.

2.4.1 The Box Divvy Business Model

Continued.

Speaking of sustainability.

4. Box Divvy products have low food miles:
 - A. More than half our produce comes from a 200km radius of the Sydney CBD: most of our local growers are clustered around Wilberforce, Agnes Banks, Maroota, Horsley Park, Wallacia, Rossmore, Leppington, Orange, Bathurst and Kulnura. Additionally, we get a proportion of our bananas from around Coffs Harbour and Murwillumbah.
 - B. Additionally, all bakery products, most pantry and chilled products are produced in Sydney
 - C. The carbon footprint of our Hub deliveries is 80% lower than the equivalent home delivery footprint.
5. Our Hubs have, by their very nature, a minimal carbon footprint compared with supermarkets (no fridges and freezers, air conditioning, etc).
6. The Hubs are surrounded by the communities they serve: the average distance between members' homes and their Hub is 4km – with many living a few streets away at most. Many members have a buddy pickup system where they take turns to pick up each other's order.



2.4.1 The Box Divvy Business Model

Continued.

Soft Plastics Collection Trial

In July of this year, we commenced a trial to collect soft plastics:

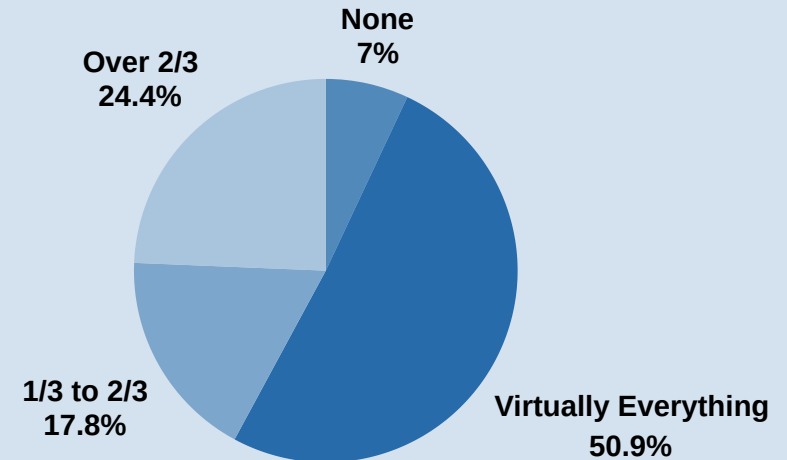
- We selected 6 Hub on the same run.
- We placed a wheelie bin at each Hub and invited members to bring any soft plastics on Hub Day and deposit this in the wheelie bin.
- Box Divvy collected the soft plastics every week or fortnight, and once a fortnight RecycleSmart would collect it for recycling APR Plastics where it is turned into a resin that is used as a feedstock for 2nd life plastic bags.

The trial was considered a success:

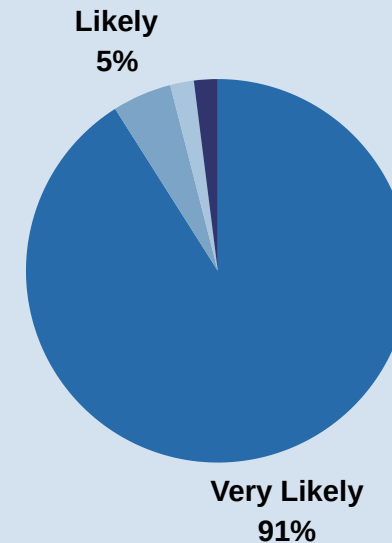
- More than 7000L or 180kg of soft plastics were collected from the 6 Hubs in the 14 weeks between late July and October. If we project this to all Hubs and achieve the same result, this initiative could remove **30 tonnes** of soft plastics from landfill per annum.
- About 70% of respondents are prepared to pay to cover the cost of collecting and recycling (as well as a fee for Hubsters to accommodate the wheelie bin).
- From a post-trial survey, we learned that for most members we collected the majority of their soft plastics. Unsurprisingly, over 90 percent wants us to continue and make this permanent.

Armed with these results, we are applying for an EPA grant to cover at least the initial cost of the wheelie bins. We are conducting some additional research to help us understand what type of cost recovery model.

Over the 16 week trial, roughly what proportion of your plastics do you estimate went in the RecycleSmart bin?



If the RecycleSmart collection was to continue, how likely are you to continue using the service at your Hub?



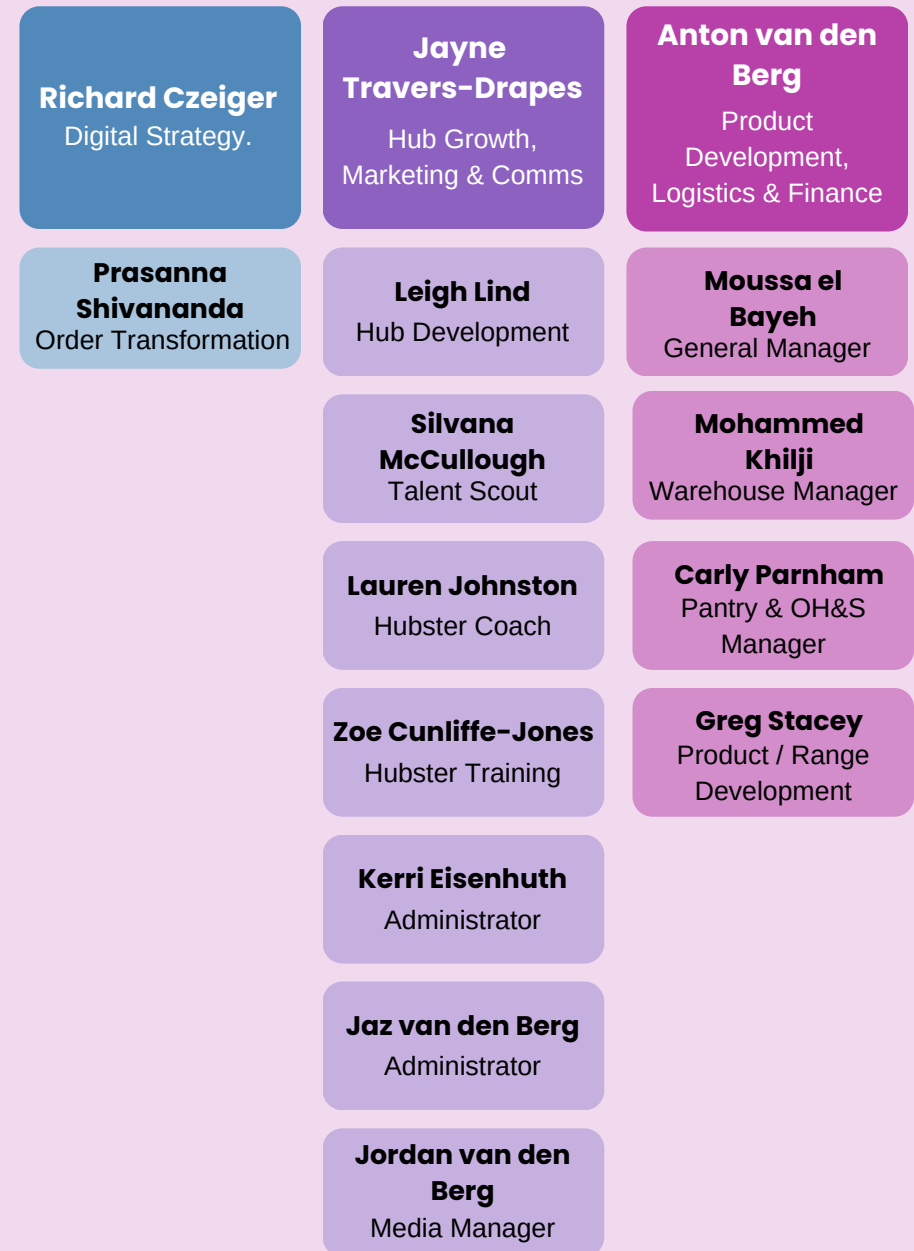
2.4.2 What does our Organisation look like?

Box Divvy operates with a decentralized management structure, foregoing the traditional roles of a formal CEO or Managing Director. Instead, the business is collectively managed by its three Directors, each overseeing their respective areas of responsibility. See adjacent Figure 1.

2.4.3 Legal or disciplinary actions against the Company

There are no current or past legal or disciplinary actions against the company.

Figure 1: Organisational structure



2.5 Capital Structure

2.5.1 Issued Capital

As at the date of this CSF offer document, the Company has 9,440,000 shares on issue. As set out in Table 1 below, the shares are held by Box Divvy Pty Ltd and Moussa El Bayeh (Founding Shareholders).

Table 1: Issued capital of the Company before the Offer

Shareholder	Share Type	Shares
Box Divvy Pty Ltd	Ordinary	8,968,000
Moussa El Bayeh	Ordinary	472,000
Total	N/A	9,440,000

Table 2: Issued capital of the Company following the Offer

Shares	Minimum Subscription	Maximum Subscription
Existing shares	9,440,000 (99.37%)	9,440,000 (94.4%)
Offer shares	60,000 (0.63%)	560,000 (5.6%)
Total shares on issue (undiluted basis)*	9,500,000 (100%)	10,000,000 (100%)



Rights associated with the shares.

The following is a summary of the more significant rights attaching to shares. This summary is not exhaustive and does not constitute a definitive statement of the rights and liabilities of shareholders.

(a) Issue of Shares

Subject to the Corporations Act and any rights and restrictions attached to a class of shares, the Board may, on behalf of the Company, issue, grant options over or otherwise dispose of unissued shares to any person on the terms, with the rights, and at the times that the Board decides.

(b) Transfer of Shares

Subject to the Constitution and to any restrictions attached to a member's shares, shares may be transferred by a written instrument of transfer which complies with the Constitution or by any other method permitted by the Corporations Act.

Pre-emptive rights in a constitution mean that before transferring shares to a third party, they must be offered to other shareholders first (pro-rata to their shareholding).

The Constitution provides that pre-emptive rights:

- will not apply to transfers by CSF Shareholders whose shareholdings are comprised solely of shares issued pursuant to a CSF Offer; and
- will not require offers to be made to CSF Shareholders whose shareholdings are comprised solely of shares issued pursuant to a CSF Offer.

In addition, a Founding Shareholder may transfer their shares to another Founding Shareholder without offering the shares to other shareholders first.

(c) Tag along rights

The Constitution contains tag along rights. Tag along rights allow shareholders to 'tag along' with a selling shareholder's sale of shares to a third party. This means that if a shareholder wants to sell its shares to a third party, the other shareholders have the right to sell their shares, on the same terms and conditions as the other shareholder. Tag along rights will only apply if the sale to a third party meets the 'Tag Threshold'. The Tag Threshold provided in the Constitution is 75%. The objective of the tag along right is to protect minority shareholders, so they will not miss out an opportunity to sell their shares at the same time as a major shareholder.

(d) Drag along rights

The Constitution contains drag along rights. Drag along rights allow a shareholder selling its stake to 'drag' the other shareholders so that they must also sell their stake. The objective of a drag along right is to protect major shareholders, so they will not be left in a position where a sale of all of the shares in the company is being blocked by one or more minority shareholders. Drag along rights will only apply if the sale to a third party meets the 'Drag Threshold'. The Drag Threshold provided in Constitution is 60%.

(e) Share buy-backs

Subject to the Corporations Act, the Company may buy back shares in itself.

Rights associated with the shares.

Continued.

(f) Variation of class rights

If at any time the share capital is divided into different classes of shares, the rights attached to any class (unless otherwise provided by the terms of issue of the shares of that class), whether or not the Company is being wound up, may be varied or abrogated with the consent in writing of the holders of 75% of the issued shares of that class, or if authorised by a special resolution passed at a separate meeting of the holders of the shares of that class. Any variation of rights shall be subject to Chapter 2P of the Corporations Act.

(g) Voting and general meeting

Subject to any rights or restrictions for the time being attached to any class or classes of shares in the Company (at present, there is only one class of shares), whether by the terms of their issue, the Constitution or the Corporations Act, at a general meeting of the Company, every Shareholder present in person or by proxy, representative or attorney has one vote on a show of hands and, on a poll, one vote for each share held.

Shareholders are entitled to be present in person, or by proxy, attorney or representative to attend and vote at general meetings of the Company. Shareholders may requisition meetings in accordance with section 249D of the Corporations Act and the Constitution.

(h) Dividends

The Board may from time to time resolve to pay dividends to shareholders and fix the amount of the dividend, the time for determining entitlements to the dividend and the timing and method of payment.

(i) Winding-up

The assets of the Company must on a winding up be applied in repayment to the shareholders in proportion to their respective holdings, subject to the rights of shareholders (if any) entitled to shares with special rights in a winding up.

(j) Alteration of Constitution

The Constitution can only be amended by a special resolution passed by at 75% of Shareholders present and voting at the general meeting.

(k) Exit provisions

The Constitution includes exit provisions, requiring shareholders to facilitate an 'Exit'. An Exit is an event that allows investors in a company to cash out their shares. The most common exit events are initial public offerings (IPOs) and acquisitions by other companies. The draft constitution includes a broad obligation for each shareholder to exercise its powers with the purpose of achieving an Exit.

Copies of the Company's constitution are available on the intermediary's platform.

2.5.2 Debt Funding & other sources of funding.

Loans

To date, our activities have been primarily self-funded. However, to assist in the recent warehouse move, we obtained a loan from Peralin Pty Ltd. The key terms of this loan are set out below:

- Commencement March 2024
- Loan amount \$244,000
- Annual interest 8%
- Repayment terms \$10,000 per month, starting in February 2025.

Additionally, we have a line of credit with Prospa which has not been used to date. Details of the Line of Credit:

- Commencement September 2023
- Loan amount \$150,000
- Interest \$69 per month
- Repayment terms N/A

Government Grants

In 2022, the Company was granted access to the Entrepreneurs' Programme - Growth Grant through Department of Industry, Science and Resources. This provided \$20,000 in matched funds for development costs for a digital project, in addition to access to a range of assisted services.

In 2023, the Company was also successful in its application for the Research and Development Tax Incentive, administered also by Department of Industry, Science and Resources. This tax offset dramatically decreased the third party costs, allowing the Company to conduct research and development of a sophisticated administrative platform designed to enhance efficiencies in our ordering and product management.



2.6 Directors & Senior Managers

2.6.1 Our Directors and Management.



Anton van den Berg

Director of Operations

Born and raised in The Netherlands, Anton began his career in advertising with a Bachelor of Marketing Communications. After four years in the industry, his adventurous spirit led him to travel the world, eventually arriving in Sydney in 1987. There, he met Jayne, and five years later, they married.

In 1988, Anton joined McNair Anderson, which later became AGB McNair and eventually Nielsen Research. During his tenure, he developed exceptional analytical and marketing skills, holding various roles in marketing and client services. His dedication and expertise earned him a promotion to Head of Client Service in 2006.

In 2009, he left Nielsen to pursue a small business dream with Jayne, and set up Harvest Hub – but with only moderate success. Having learned from this start-up experience, they designed a New and Improved version in 2017, which launched as Box Divvy in 2019. The rest, as they say, is history: An overnight success, 10 years in the making.



2.6.1 Our Directors and Management.



Jayne Travers-Drapes

Director of Recruitment,
Administration, PR and Marketing.

With over 30 years of expertise spanning drama education, business innovation, and community-driven initiatives, Jayne began her career as a Speech and Drama specialist, teaching across primary & secondary levels in Perth and Sydney.

In the late 1970s, Jayne worked in Hong Kong as General Manager of Retail Credit and Counterfeit Investigations. On returning to Western Australia, she launched the state's first wedding gift registry, later selling the concept to a major department store.

Jayne's entrepreneurial journey continued with the creation of Fruit Loops, a food cooperative for families and friends. Whilst she raised her family she completed a Marketing and Management degree at UTS in 1999. This experience evolved into a larger venture, Harvest Hub, a community-focused food distribution system. Her dedication to sustainable food systems culminated in co-founding Box Divvy in 2017.

At Box Divvy, Jayne leads team recruitment, development, training, and coaching. She also oversees administration, public relations, and social media strategy, driving the organization's mission to improve food accessibility and resilience.



2.6.1 Our Directors and Management.



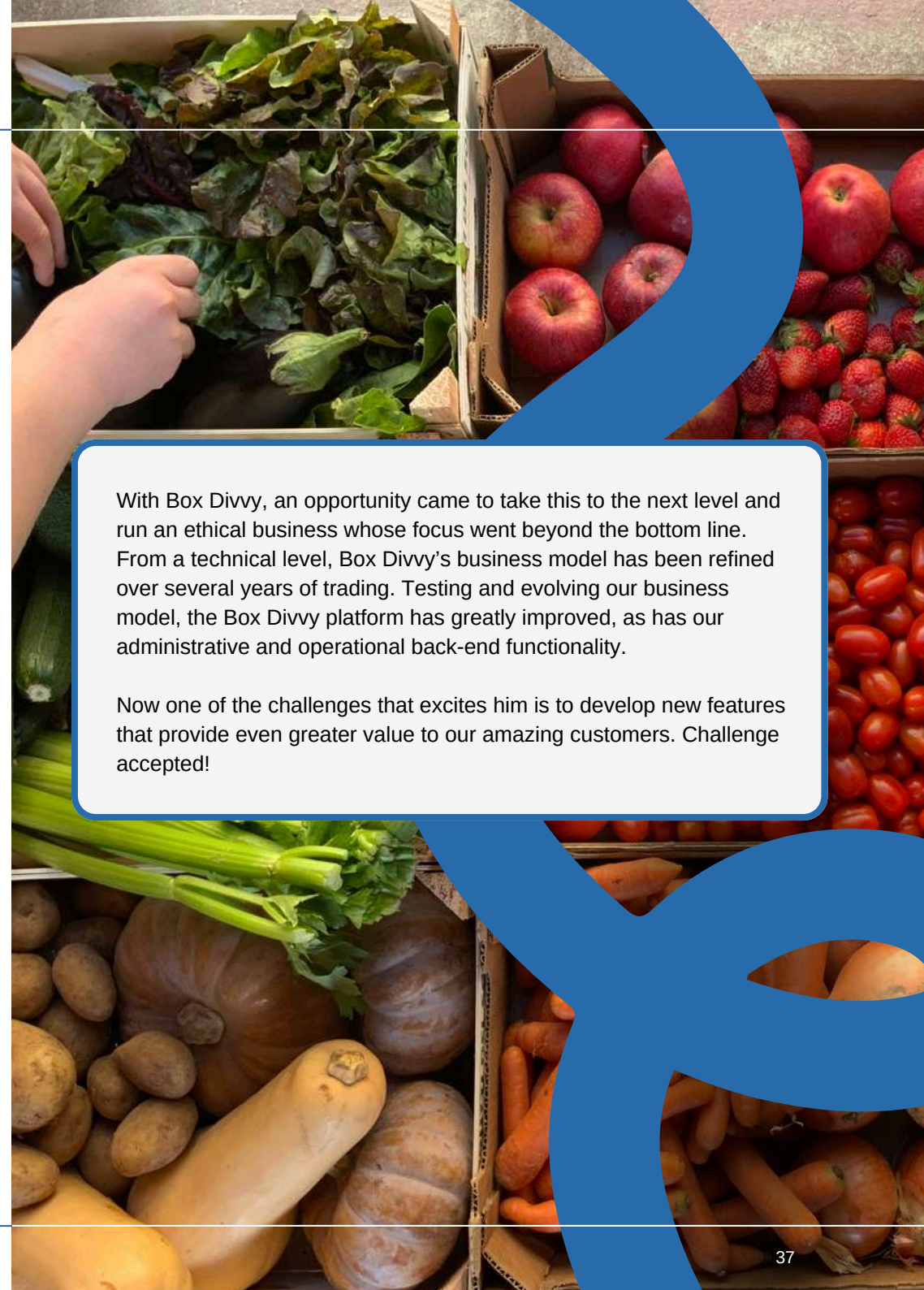
Richard James Czeiger
Director, Digital Strategy

Richard began his career in marketing and communications but quickly fell in love with all things digital at the start of the dot com boom. With a bachelors in Arts, Graduate Diploma in Commerce (Marketing) and a Masters in Interactive Media, Richard was able

to take a multi-disciplinary approach to projects, resulting in cutting-edge user experiences which returned real value to the client.

In 2000, he set up a graphic design and digital agency with his brother. Together they designed and developed hundreds of websites and online platforms for clients ranging from small restaurants to national organisations like Philips, YMCA and the NSW Government.

After 18 years of successfully growing his agency, he moved to Canberra with his family to explore a new direction. This involved adapting our nation's building regulations from well-worn and outdated paper copies to an interactive and customisable digital reference. It also gave him his first taste of doing something big for the Australian community.



With Box Divvy, an opportunity came to take this to the next level and run an ethical business whose focus went beyond the bottom line. From a technical level, Box Divvy's business model has been refined over several years of trading. Testing and evolving our business model, the Box Divvy platform has greatly improved, as has our administrative and operational back-end functionality.

Now one of the challenges that excites him is to develop new features that provide even greater value to our amazing customers. Challenge accepted!

2.6.2 Legal or disciplinary actions.

There are no current or past legal or disciplinary actions against any Directors and Senior Managers of the company.

2.7 Risks facing the business

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

Table 3: Main risks

Type of risk	Description of risk
Funding.	The Company is in the process of raising funds to achieve its strategic business objectives and cover its projected operating expenses associated with growing the company. The Company may not raise all of the required funding and therefore may not achieve all of its business objectives. Depending on the success of the Offer, the Company may also need to raise additional funds in the future from investors or third parties. There is no assurance that the Company will be able to obtain additional rounds of funding on substantially the same terms as outlined in this Offer Document or at all. The Company's value may be materially affected if the required additional funding is not available



2.7 Risks facing the business

Continued.

Type of risk	Description of risk
Dilution	A shareholder's interest in the Company could be diluted if the Company raises further capital via share issuance and existing shareholders do not participate in future fundraising.
Returns are not Guaranteed.	There is no guarantee of any income distribution or capital return on the shares in the Company nor is there a guarantee of repayment of capital amounts. Shareholders will not be entitled to any guaranteed distributions of profits or capital. There is no guarantee that distributions will be at a certain level or that there will be distributions at all.
Dividends.	Any future determination as to the payment of dividends by the Company will be at the discretion of the Directors and will depend on the financial condition of the Company, future capital requirements and general business, and other factors considered relevant by the Directors. No assurance in relation to the payment of dividends or franking credits attaching to dividends can be given by the Company.

Type of risk	Description of risk
Competition Risk.	The Company operates in a competitive market, with several known competitors. There are however moderate barriers to entry that could give rise to new and unknown competitors. If the Company is unable to successfully compete with existing and/or new competitors, this would have a negative impact on the revenue, profitability, and future prospects of the business.
Unforeseen Expenditure Risks.	Expenditure may need to be incurred that has not been taken into account in the preparation of this Offer Document. Although the Company is not aware of any such additional expenditure requirements, if such expenditure is subsequently incurred, this may adversely affect the expenditure proposals of the Company.
Supply Risk.	Dependence on suppliers, produce and resources may lead to vulnerabilities in Box Divvy's supply chain. This may result in supply shortages and delays.
Regulatory & Compliance Risks.	Variability in local regulations may result in operational delays, increased costs, or challenges in the deployment and operation of hubs. To date, wherever these have been encountered Box Divvy has been able to achieve a successful outcome and to date has not been forced to close any Hub.

2.8 Financial Information

2.8.1 Balance Sheet Statement.

Balance Sheet

Harvest Hub Pty Ltd (t/a Box Divvy)

For the period 1 July 2024 to 31 October 2024.

Current Assets	Jul - Oct 24 (4 Months)	FY24 (12 Months)
Cash Assets		
St George Freedom Business	563,801	605,413
St George Business Saver	85,802	17,570
Cash on hand	1,000	1,000
Term Deposit	3,720	91,577
	654,323	715,560
Receivables		
Loan - Box Divvy	4,780	3,640
Inventories		
Stock on hand	325,982	

Please note:

The Financials presented compare
Jul - Oct 2024 (4 Months) with FY2024 (12 months).

Current Tax Assets

Jul - Sep BAS	58,671	
Apr - Jun BAS		59,792
August IAS	(36,922)	
October IAS	(40,257)	
Integrated Client Account	3,002	3,002
GST clearing	54,373	19,594
Taxation	6,630	(21,385)
Other		
Prepayments		72,493
Total Current Assets	1,030,582	852,696

2.8 Financial Information

2.8.1 Balance Sheet Statement.

Non-Current Assets	Jul - Oct 24 (4 Months)	FY24 (12 Months)	Other		
Receivables					
Loan - Private	50,000	50,000	Preliminary expenses	579	579
Loan - Other related-parties	14,157	14,157	Accumulated amortisation	(579)	(579)
	64,157	64,157	Borrowing expenses	1,268	1,268
			Accumulated amortisation	(163)	(119)
				1,105	1,149
Property Plant & Equipment					
Plant & equipment	228,158	200,501	Total Non-current assets	462,248	448,953
Accumulated depreciation	(14,617)	(13,405)			
Motor Vehicles	347,166	347,166			
Accumulated depreciation	(165,821)	(152,715)	Total Assets	1,492,830	1,301,649
	394,886	381,547			
Intangible Assets					
Other intangibles	2,100	2,100			

2.8 Financial Information

2.8.1 Balance Sheet Statement.

Current Liabilities	Jul - Oct 24 (4 Months)	FY24 (12 Months)	Non-Current Liabilities	Jul - Oct 24 (4 Months)	FY24 (12 Months)
Financial Liabilities (Secured)			Financial Liabilities (Unsecured)		
HP 2020 Hino Truck	12,627	18,940	HP 2020 Hino Truck	4,735	4,735
HP 2022 Hino Truck (Metro Finance)	22,767	34,151	HP 2022 Hino Truck (Metro Finance)	105,299	105,299
HP 2022 Hino Truck (Peppermoney)	12,309	21,101	HP 2022 Hino Truck (Peppermoney)	63,302	63,302
HP 2020 Hino Truck	(929)	(1,742)	HP 2020 Hino Truck	(96)	(96)
HP 2022 Hino Truck (Metro Finance)	(7,111)	(11,091)	HP 2022 Hino Truck (Metro Finance)	(15,718)	(15,718)
HP 2022 Hino Truck (Peppermoney)	(3,951)	(6,147)	HP 2022 Hino Truck (Peppermoney)	(9,569)	(9,569)
	35,711	55,211	Loan - Private	246,142	238,142
Provisions			Total Non-Current Liabilities	394,095	386,095
Superannuation Payable	66,131	100,878			
Payroll Tax Payable	0	27,537	Total Liabilities	495,937	569,721
Total Current Liabilities	101,842	183,626	Net Assets	996,893	731,928

2.8 Financial Information

2.8.1 Balance Sheet Statement.

Equity	Jul - Oct 24 (4 Months)	FY24 (12 Months)
Issued Capital		
Issued & paid up capital	1,000	1,000
Retained profits / (accumulated losses)	995,893	730,928
Total Equity	996,893	731,928



2.8 Financial Information

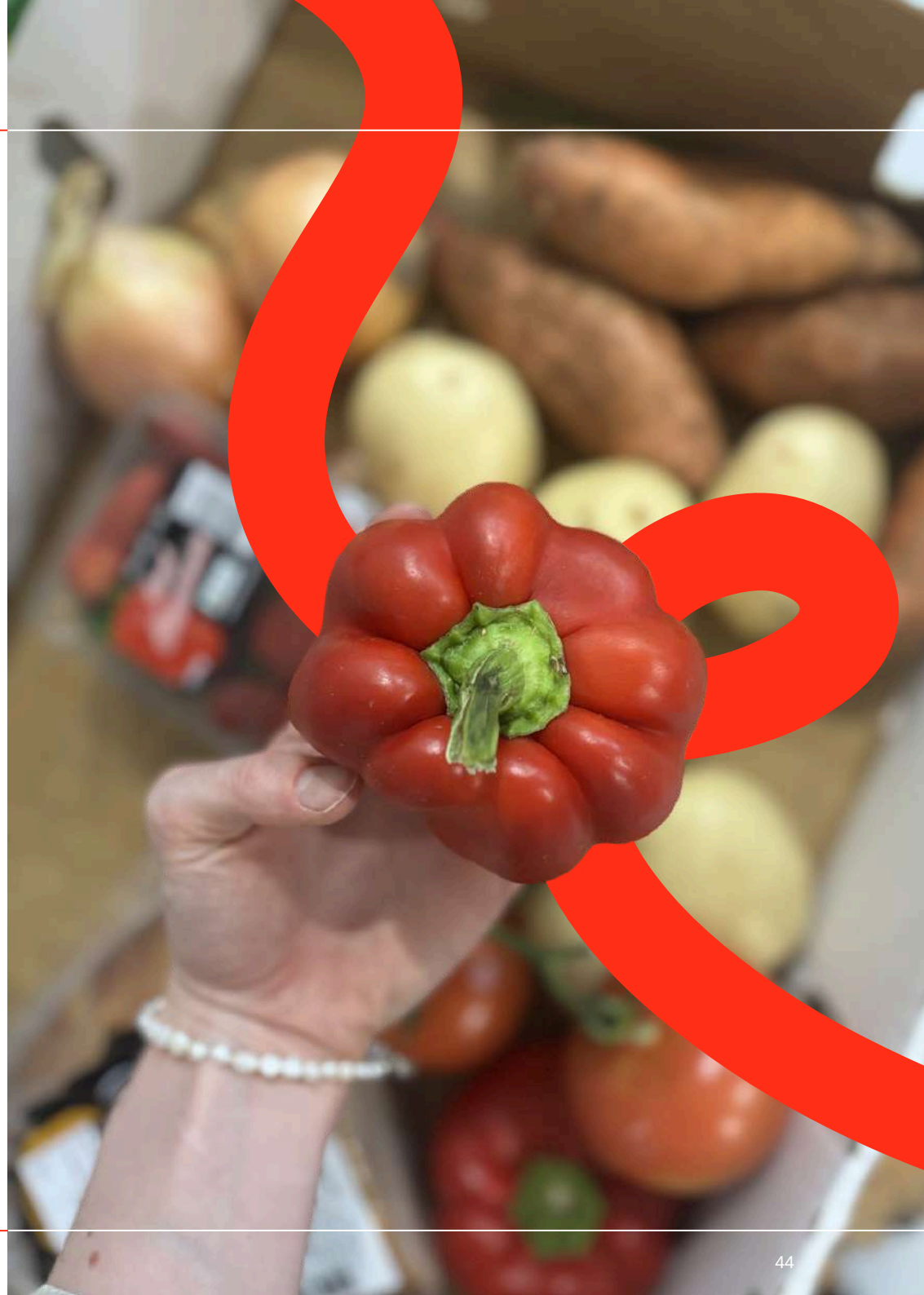
2.8.2 Profit and Loss Statement.

Profit and Loss Statement

Harvest Hub Pty Ltd (t/a Box Divvy)

For the period 1 July 2024 to 31 October 2024.

Trading Income:	Jul - Oct 24 (4 Months)	FY24 (12 Months)
Sales	9,640,774	20,654,252
Total Trading Income	9,640,774	20,654,252
Cost of Sales:		
Purchases	5,868,969	11,690,190
Less: Closing Stock	325,982	
Cost of Sales	5,542,987	11,690,190
Gross Profit from Trading	4,097,787	8,964,062



2.8 Financial Information

2.8.2 Profit and Loss Statement.

Income:	Jul - Oct 24 (4 Months)	FY24 (12 Months)
Trading Profit	4,097,787	8,964,062
Interest Received	3,977	1,614
Other income	0	19,791
Fuel Tax credits received	20,044	0
Total income	4,121,808	8,985,468

Expenses:	Jul - Oct 24 (4 Months)	FY24 (12 Months)
Salaries and Superannuation	804,612	2,647,753
Contractors and Consultants	430,986	121,259
Hubster Fees	1,160,653	2,544,693
Transport & motor vehicle cost	730,433	1,921,186
Warehousing cost incl electricity	341,254	355,861
Advertising and Promotion	27,263	102,506
Bank fees & transaction cost	117,513	172,111
Insurance	19,782	89,116
Rubish removal & recycling	32,683	122,317
Legal & accounting fees	350	60,184
IT & Computer cost	84,230	33,307
Depreciation	14,678	64,405
Interest expenses	14,989	30,316
Payroll Tax	51,434	110,180
Miscell	25,984	79,853
Total expenses	3,856,844	8,455,047

2.8 Financial Information

2.8.2 Profit and Loss Statement.

Profit from Ordinary Activities before income tax	Jul - Oct 24 (4 Months)	FY24 (12 Months)
Operating profit before income tax	264,964	530,421
Income tax (credit) attributable to operating profit (loss)	0	(148,651)
Operating profit after income tax	264,964	381,770
Retained profits at the beginning of the financial year	730,928	349,159
Total available for appropriation	995,893	730,928
Retained profits at the end of the financial year	995,893	730,928



2.8 Financial Information

2.8.2 Profit and Loss Statement.

Directors comments on the Profit and Loss Statement.

Our single biggest expense - Admin, Packing and Delivery Costs (including salaries, wages, contractor payments, Superannuation, fuel, tolls and on-road costs) as a % of sales has been steadily coming down from 23.7% in F2023 to 20.4% over the 4 months to October '24.

In October, it dropped below 20%. This is driven in part by scale, and part by having a more efficient packing area after we moved to a larger warehouse. For a fast-growing business, it is important for the bottom-line to have your variable cost grow more slowly than your revenue.

By contrast, our warehouse expenses have doubled as a % of sales - from 1.7% in F2024 to 3.5% over the past 4 months to October. We moved from a 1200sqm warehouse to a 3500sqm warehouse in June '24, with rent quadrupling and energy cost doubling.

This has had very little impact on F2024, but it has fully impacted on the past 4 months. However, as this is a largely fixed expense - apart from the annual rent increase of 4% or CPI - we expect this expense to diminish over time as a % of sales. This will directly benefit the bottom-line.

Major expenses (excl COGS) as a % of sales	Jul - Oct 24 (4 Months)	FY24 (12 Months)
Admin, Packing and transport expenses	20.4%	22.7%
Hubster fees	12.0%	12.3%
Warehouse expenses	3.5%	1.7%
All other expenses	4.0%	4.2%
Total expenses (excl COGS) as % of sales	40.0%	40.9%

Prior to June 2023, the Hubster fee was a flat % of sales. In June 2023, this was adjusted to reflect accelerating inflation and a more diverse basket which made for a bigger packing effort.

A final adjustment was made in early 2024, when the Hubster fee on chilled products was reduced to reflect the fact that no packing was required (since chilled orders are home delivered). We would expect Hubster fees to remain steady as a % of sales, but increasing in absolute dollars as we launch more products and grow the baskets size.

2.8 Financial Information

2.8.3 Cashflow Statement

Cashflow Statement.

Harvest Hub Pty Ltd (t/a Box Divvy)

For the period 1 July 2024 to 31 October 2024.

Account	Jul - Oct 24 (4 Months)	FY24 (12 Months)
Operating Activities		
Receipts from customers	9,640,774	20,654,252
Payments to suppliers and employees	(9,696,462)	(20,057,175)
Cash receipts from other operating activities	20,044	19,791
Net Cash Flows from Operating Activities	(35,644)	616,868
Investing Activities		
Proceeds from sale of property, plant and equipment	0	0
Payment for property, plant and equipment	(27,657)	(439,293)
Other cash items from investing activities	0	0
Net Cash Flows from Investing Activities	(27,657)	(439,293)

Account	Jul - Oct 24 (4 Months)	FY24 (12 Months)
Financing Activities		
Other cash items from financing activities	2,064	145,035
Net Cash Flows from Financing Activities	2,064	145,035
Net Cash Flows	(61,237)	322,610
Cash and Cash Equivalents		
Cash and cash equivalents at beginning of period	714,560	391,950
Net change in cash for period	(61,237)	322,610
Cash and cash equivalents at end of period	653,323	714,560

2.8 Financial Information

2.8.4 Statement of Changes in Equity.

Statement of Changes in Equity.
Harvest Hub Pty Ltd (t/a Box Divvy)
For the period 1 July 2024 to 31 October 2024.

Account	Jul - Oct 24 (4 Months)	FY24 (12 Months)
Equity		
Opening Balance	731,928	350,159
Current Year Earnings	264,965	530,420
Income Tax expense / income	0	(148,651)
Total Equity	996,893	731,928



Section 3: Information about the Offer.

3.1 Terms of the Offer

The Company is offering up to 560,000 shares at an issue price of \$2.80 per share to raise up to \$1,568,000. The key terms and conditions of the Offer are set out in Table 4 below.

Table 4: Terms of the Offer

Term	Details
Shares	Fully-paid ordinary shares
Price	\$2.80 per share
Minimum Subscription	\$168,000
Maximum Subscription	\$1,568,000
Opening date	28 November 2024
Closing date	11 December 2024

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. The Intermediary's website 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 5 below sets out the intended use of funds raised under this Offer based on the minimum and maximum subscription amounts.

Use of Funds	Minimum Subscription	Maximum Subscription
New Products - Stock-on-Hand	\$110,000	\$1,250,000
Product sourcing and order management	\$10,000	\$92,000
Hub recruitment & vetting resource	\$10,000	\$80,000
Extra Fit-Out (shelves, racking)	\$2,500	\$21,000
Crowd-funding cost	\$35,500	\$125,000
Total	\$168,000	\$1,568,000

The funds raised will be used to accelerate Hub recruitment and expand our pantry range.

None of the funds will be used to remunerate any directors, shareholders, senior managers or related parties.

None of the funds will be required to fund our day-to-day operations or working capital. If for any reason we do not reach the minimum target, we have no reason to obtain funds elsewhere - we simply would have to scale back our expansion to the level we can fund from our own surplus.

Specifically, the funds raised will be used to:

- Purchase stock of the new pantry lines. On average, each product line costs \$700-800 in stock - depending on the sales velocity, Minimum Order Quantity (MOQ), and other factors.
- Expanding the product range will require additional resources for product sourcing and ordering, roughly in proportion to the size of the range expansion.
- Some additional racking and shelving will be required to accommodate the new product lines.
- To accelerate new Hub Recruitment, we will need additional resources for organising Hubster Webinars, identifying talent and vet potential new Hubsters for suitability.

The costs of the Offer include the Intermediary's fees under the hosting agreement between the Company and the Intermediary in addition to commission fees charged by supporting consultants related to the CSF raise. These fees are 6.5% of the total amount raised.

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 the Offer.

The minimum cost of the raise is approximately \$35,500 and the maximum is approximately \$127,500 plus GST.

3.3 Investor rewards.

Reward	Investment
Annual invitation to join the Directors of Box Divvy to review the Company's financial performance and strategy for growth.	\$10,000+

3.4 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 in section 2.5.1. A copy of the constitution is available on the intermediary's platform.

3.5 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.



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).

1. You must withdraw your application via the Intermediary's platform as follows:
2. Proceed to your profile on the top right-hand side of the screen on Swarmer's website by clicking your profile image.
3. Click on the right-hand side bar and select "My Investments".
4. Scroll until you find your Box Divvy Investment Click the "Withdraw" button below the Box Divvy logo.
5. Confirm the selection by clicking the "Confirm" button on the pop up.
6. Your Withdraw request will be processed.

This may take a few days to complete. After your withdrawal has been processed, the Intermediary will refund the application money to your nominated account as soon as practicable.

4.2 Proprietary company corporate governance obligations

4.2.1 Annual Report

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

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

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

4.2.2 Distribution of the 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 via the Company's Share Registry platform (Orchestra) free of charge, or can purchase the report from ASIC.

4.2.3 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).

4.2.4 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.

4.3 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.

Glossary

Company means Harvest Hub Pty Ltd (t/a Box Divvy) ABN 47 620 754 449

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 Swarmer Pty Ltd AFSL 507 867.

Hub means a suburban food co-op managed by a Hubster using Box Divvy's digital platform.

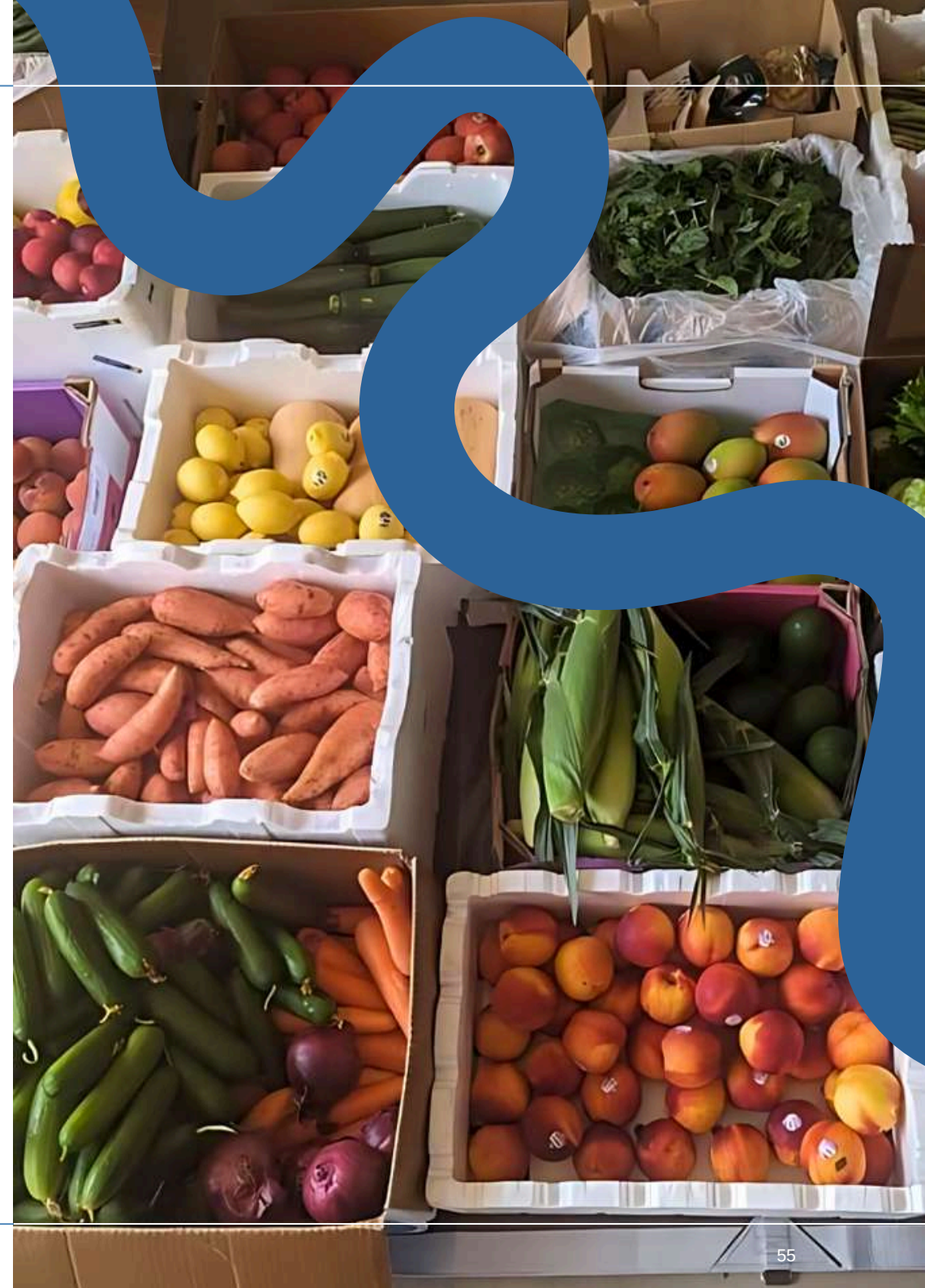
Hubster means someone who runs a Box Divvy Hub.

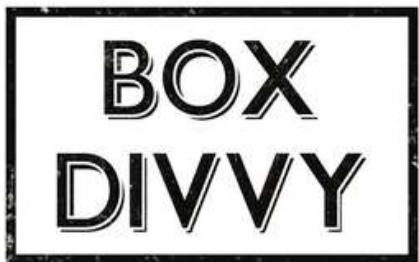
Maximum Subscription means the amount specified in this CSF offer document as the maximum amount sought to be raised by the Offer.

Member means a customer of Box Divvy who is an active member of a Hub.

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.





Unsupermarket with us!

Offer of fully-paid ordinary shares in Harvest Hub Pty Ltd at \$2.80 per share to raise a maximum of \$1,568,000

