



Edible Cutlery Pty Ltd. Crowd-sourced Funding Offer Document

Dated: 30 April 2024
Issuer: Edible Cutlery Pty Ltd ABN: 61 664 528 554
Intermediary: Swarmer Pty Ltd AFSL: 507 867

Offer of fully-paid ordinary shares in Edible Cutlery at \$5.00 per share to raise a maximum of \$600,000.

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

Letter from the Founders

We are thrilled to offer this opportunity to invest in Edible Cutlery, the sustainable solution combating single-use cutlery and revolutionising sustainable dining.

Since launching in December 2022, we have been steadfast in our commitment to providing eco-friendly alternatives to traditional disposable utensils, contributing to a greener and healthier planet.

Our journey began as a response to the ban on disposable cutlery in Western Australia, recognising the urgent need for innovative solutions to tackle single-use waste. With an estimated market size of \$14.6B (USD) in Asia Pacific alone,¹ we identified a significant opportunity to introduce edible cutlery as a viable and environmentally friendly alternative.

Our products have gained considerable traction since launching, with strategic partnerships established with prominent retailers such as IGA and Amazon. Our successful pilot programs conducted with global brands like Isuzu and Deloitte have further validated the efficacy and appeal of our edible cutlery.

As we embark on our next phase of growth, we are actively seeking investment to propel our expansion. The raised funds will be instrumental in establishing a dedicated sales and marketing team, poised to secure partnerships with key distributors and major retailers. Additionally, we aim to enhance our manufacturing capabilities to meet the escalating demand for our products and lay the groundwork for our delicious solution.

We believe that by investing in Edible Cutlery, you not only contribute to the advancement of sustainable practices but also align yourself with a mission-driven company poised for exponential growth and positive environmental impact.

Thank you,

Founders,
Abhinav Nagaraj & Nishanth Ananth.

¹ - <https://www.mordorintelligence.com/industry-reports/asia-pacific-disposable-tableware-market>

2.1 Company details

Company name:	Edible Cutlery Pty Ltd
ABN / ACN:	61 664 528 554
Date of incorporation:	15/12/2022
Registered office:	Unit 1 / 226 Main Street, Osborne Park, WA 6017
Principal place of business:	Unit 1 / 226 Main Street, Osborne Park, WA 6017



2.2 Description of the business

2.2.1 About Edible Cutlery.

Edible Cutlery's mission is to revolutionise the global dining experience with sustainable, edible cutlery, reducing waste and promoting eco-conscious consumption.

**Each day, Australia sends over
7 million disposable utensils to landfill.²**

Created from a shared passion for sustainability, co-founders Abhinav and Nishanth were motivated by Western Australia's ban on disposable cutlery. Pooling their diverse expertise, they developed a range of sustainable, compostable and delicious alternatives to single-use cutlery and utensils.

² - <https://www.nspackaging.com/analysis/australia-plastic-waste>



2.2 Description of the business

2.2.1 About Edible Cutlery. (continued)

The Problem:

- Single use utensils end up polluting or in landfill.
- Recent studies have shown bamboo alternatives are being recalled due to toxicity and are causing harm to consumers.³



The Solution:

- Naturally biodegradable ingredients.
- Suitable for allergy or intolerances. All products are plant based & nut free.
- Long lasting and durable for any cuisine.
- Natural flavours and non GMO.



We have also identified a number of new use cases with expressions of interests from hospitals, detention centres, prison, suicide prevention and special education centres where our cutlery meets a unique product market fit for a range of specialist consumer needs.

To date, Edible Cutlery has reduced 220,000 units of disposable cutlery from entering Australian landfills!

³ - https://www.europarl.europa.eu/doceo/document/E-9-2020-000642_EN.html



2.2.2 Business Highlights

Since launching in December 2022, Edible Cutlery has quickly established itself tackling single-use cutlery head-on;



Piloted with City of Kwinana across three community events.



Partnered with IGA and Amazon.



Successfully completed pilot launches with 3+ global brands & in conversations for larger trials.



Acquired Use N Eat, Australia's first edible cutlery business, expanding our market reach and product line.



Exhibited at Fine Food Australia, establishing key industry connections and garnering significant interest from food service providers.



Secured government grants to support further research and development.



Won placement at the Sushi Tech Tokyo 2024 Global Startup Program



Salty Start Up Winner by SummerXSalt Markets



Won second place in the City of Canning - Plus Eight Sprint program.



Shortlisted as Australian Financial Review's Sustainability Leader (to be published in July 2024).

And we're only just getting started!



2.2.3 Business model

Edible Cutlery operates with a multi-channel approach in B2B2C. i.e. Business to Business to Consumer sales. The majority of revenue comes from a B2B source, current channels and partnerships under our B2B model include;

- **Food Service Industry:** Direct sales to restaurants, cafes, and catering services.
- **Event and Festival Supplies:** Providing edible cutlery for use at events, festivals, and corporate functions.
- **Institutions & Councils:** Supplying to educational and healthcare institutions and to government councils.

Edible Cutlery's D2C channels bring in revenue through our online e-commerce platform and sales from supermarkets following our partnership with IGA and Amazon.

Edible Cutlery has launched a wide range of products including edible spoons, sporks, dessert spoons and straws. We also intend to introduce a new product line of edible cups and bowls, which are launching in Mid-2024.

With the funds raised through this CSF offer, our expansion will also look to introduce major customer networks including airlines, cruises, prisons, hospitals, suicide prevention centres, correctional facilities and schools.



2.2.4 Our Product Range

Our delicious product range includes various flavours of spoons, sporks and straws. Edible Cutlery also caters for custom orders providing branding and customisation option for businesses with larger order volumes.

Edible Spoons:



Oregano



Chocolate



Classic



Peri Peri



Cheesy Garlic

Edible Sporks:



Cheesy Garlic



Oregano



Peri Peri

2.2.4 Our Product Range (continued).

Edible Dessert Spoons:



Strawberry



Green Mango

Edible Straws:



Chocolate



Vanilla

Our Ingredients:

Our products are made from naturally produced multi-grain flour and extracts from wheat, rice, cane sugar and oats.



Wheat



Rice



Cane Sugar



Oats

2.2.5 Industry & Competitors

Edible Cutlery operates within the Disposable Tableware Market which is estimated at \$14.6B USD in 2024 in Asia Pacific Alone,⁴ catering to a range of eco-conscious consumers and distributors. Of this \$14.6B USD TAM, we estimate a serviceable addressable market (SAM) of 10% at \$1.46B USD, encompassing consumers willing to purchase a higher quality, tastier product with a strong value proposition. Edible Cutlery aims to capture 10% of this segment within the next five to ten years, positioning its serviceable obtainable market (SOM) at \$146 million USD.

Inspired by Western Australia's ban on disposable cutlery, Edible Cutlery is seizing the momentum of waste reduction initiatives and new legislation. We anticipate this market to grow as additional states follow suit in banning single-use utensils and packaging, driving both consumers and businesses to Edible Cutlery's sustainable alternative. Currently, NT and TAS are the only remaining states yet to ban single-use cutlery and straws, and despite this we have already established recurring customers in Tasmania.

⁴ - <https://www.mordorintelligence.com/industry-reports/asia-pacific-disposable-tableware-market>

Australian Single-Use Plastic Bans.⁵

Single Use Plastic	Edible Cutlery Product range.	Where is the ban in place?							
		ACT	NSW	NT	QLD	SA	TAS	VIC	WA
Cups	Launched & in stock	No	No	No	No	2024	No	No	Yes
Cutlery	Launched & in stock	Yes	Yes	2025	Yes	Yes	No	Yes	Yes
Straw	Launched & in stock	Yes	Yes	2025	Yes	Yes	No	Yes	Yes
Plates & Bowls	Under development	Yes	Yes	2025	Yes	Yes	No	Yes	No

*2024 & 2025 are proposed bans.

⁵ - <https://www.marineconservation.org.au/which-australian-states-are-banning-single-use-plastics/>

Competitors.

In 2023 Edible Cutlery acquired 'Use N Eat' a South Australia based competitor, significantly expanding our market reach and product line.

Our main competitor in the Australian Market is 'Good Edi' whom currently only offer edible cups. Edible Cutlery's unique advantage over Good Edi is our product range and affordability.

2.2.6 Competitive Advantage

Edible Cutlery's competitive advantage lies in its unique proposition of edible, compostable, and flavourful cutlery that offers a novel solution to single-use pollution.

Unlike traditional disposables, our products leave no aftertaste and are made from sustainable, plant-based materials that are both nutritious and delicious, providing added value to the dining experience. To further our moat, we have a granted identity trademark in relation to 'edible cutlery' and the use of said terms.

In addition to our unique product, we have also acquired 'Use N Eat', a South Australia-based competitor, Australia's first Edible Cutlery brand, allowing us to build our product line and also capture further market share.



Use N Eat was acquired in May 2023, with an existing customer base which is being converted across to Edible Cutlery. The strategic acquisition also brought over a large database of customers and potential leads, including a global Mexican QSR.

As part of the acquisition, Use N Eat's Founder Amol Kingaonkar has been a mentor to Edible Cutlery in streamlining our production and logistics efforts.

Emerging use cases.

Edible Cutlery is currently receiving high interest from a range of different user groups and customers, excited to embrace our sustainable solution for more than its environmental benefits.

Champions and leaders in the neuro-diverse community have expressed interest in our products due to the unique flavour and texture of our cutlery range. We have received feedback from some users who note Edible Cutlery has an ability to stimulate customers with neuro-divergent challenges.

Additionally, Prison and Correctional Facilities have commenced trials with Edible Cutlery to test its suitability for safety and prevention of harm to self and others, prompting further research into new customer profiles and wholesale and retail opportunities.

2.2.7 Marketing & Partnerships

To date, Edible Cutlery's marketing focus has primarily been organic, specialising in influencer partnerships, collaborations with sustainable brands and active engagement on social media platforms.

We have also been selected to sponsor and showcase our products at various events, markets, and food expos increasing our brand visibility and consumer awareness.

Featured in:



Whilst only recently launching our e-commerce platform and establishing our product line, Edible Cutlery has undertaken pilot programs with Deloitte and Isuzu and is proudly stocked in selected IGA, Kogan, Dick Smith, and Spice Merchant stores, as well as partnering with Amazon.

Stocked in:



Pilot with the City of Kwinana.

In 2023, the Local Council - City of Kwinana trialled Edible Cutlery for an event at the Honeywood Oval ordering 1,000 units of cutlery.

This led to a further 3,000 units at the Bertram Summer Sounds festival in February 2024 and now recently in March 2024 at Alcoa Children's Festival we sold 11,000 units of cutlery.

The council and community have had a very positive experience which has led to continued collaborations and follow on sales.



2.2.8 Business strategy

Our vision is to establish Edible Cutlery as a leading brand in the global movement towards sustainable dining. We aim to establish market share outside of Australia in Asia Pacific and oceanic regions where we have received multiple expressions of interest in our products.

Similarly to Australia these Asia Pacific regions are phasing out single use cutlery and plastics in a move to provide more sustainable long term solutions. ⁶

Bamboo alternatives are also at risk of being phased out on discovery of harmful chemicals and resins used to bind the bamboo in poor quality products. There are multiple cases in the EU of products being recalled with Austria completely banning bamboo utensils altogether. ⁷ This shift opens a considerable opportunity for Edible Cutlery.

We anticipate leading the change in sustainable product innovation, contributing to the phasing out of disposable cutlery waste. Our objective is to deliver this by cultivating robust partnerships across various industries demonstrated by our pilot programs with Isuzu and Deloitte, and a planned partnership being worked through with Qantas Airlines. By establishing these relationships, we will integrate our products seamlessly into different dining contexts, all the while demonstrating our commitment to environmental sustainability and quality.

We have an exciting go-to-market strategy, but before we get there we need the help of the crowd!

Post raise, in the next 6 months we intend to pilot with distributors in Japan and Singapore. We have also received requests from a luxury hotel in the Pacific Islands, a first step towards our expansion across the Asia-Pacific. With this growth in mind we are also introducing new product offerings, increasing the production capacity of our soon to be launched, and Western Australia made, edible coffee cups.

Funds from this Equity Crowdfunding Campaign will be strategically allocated to establish a dedicated and permanent sales and marketing team, poised to execute and secure partnerships with key distributors and major retailers, as well as prominent players within the food supply industry.

Furthermore, we plan to upgrade our manufacturing capabilities, increasing production capacity to meet escalating demand and build a foundation for expansion into new markets.

⁶ - <https://www.bbc.com/future/article/20220823-quitting-single-use-plastic-in-japan>

⁷ - https://www.europarl.europa.eu/doceo/document/E-9-2020-000642_EN.html



2.2.9 Organisation Structure.

Organisation Diagram:



Our team:



Co-Founder & Director

Abhinav Bijavara Nagaraj

Abhinav is an experienced marketer and entrepreneur, having worked for major tech companies including Google and Reddit. His role as Co-founder and Director includes responsibilities such as operations management, strategic partnership developments and client relations.



Co-Founder & Director

Nishanth Ananth

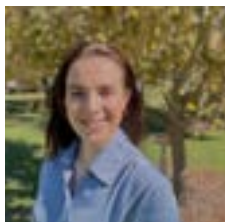
Nishanth is a proficient engineer and innovator, with experience at engineering firms like Prok and Wood. As Co-founder and Director, his focus encompasses research and development, manufacturing, and logistics management.



Sales & Marketing

Arshita Dass

Arshita Dass, the first employee of Edible Cutlery, brings a dynamic blend of sales acumen and marketing expertise. As a key figure in Sales & Marketing, her role involves driving revenue growth, developing strategic marketing initiatives to bolster the company's market position.



Marketing & Public Relations

Aimee Glossop

Aimee Glossop is an adept business journalist transitioning into the world of marketing and public relations at Edible Cutlery. Her roots in the Perth hills, combined with a fervent belief in sustainability, align closely with our eco-conscious ethos.



Manufacturing and Formulations

Bhavin Desai

An entrepreneur with a proven track record of success in the food industry within WA, Bhavin oversees the manufacturing and formulations of Edible Cutlery. His role is pivotal in ensuring our Edible Cutlery not only meets but exceeds industry standards, aligning with our commitment to quality and sustainability.

2.2.10 Legal or Disciplinary Actions.

There are no current or past legal or disciplinary actions against the company. Nor are there any against any Directors and Senior Managers of the company.



2.3 Directors and senior managers

2.3.1 Our Directors and management

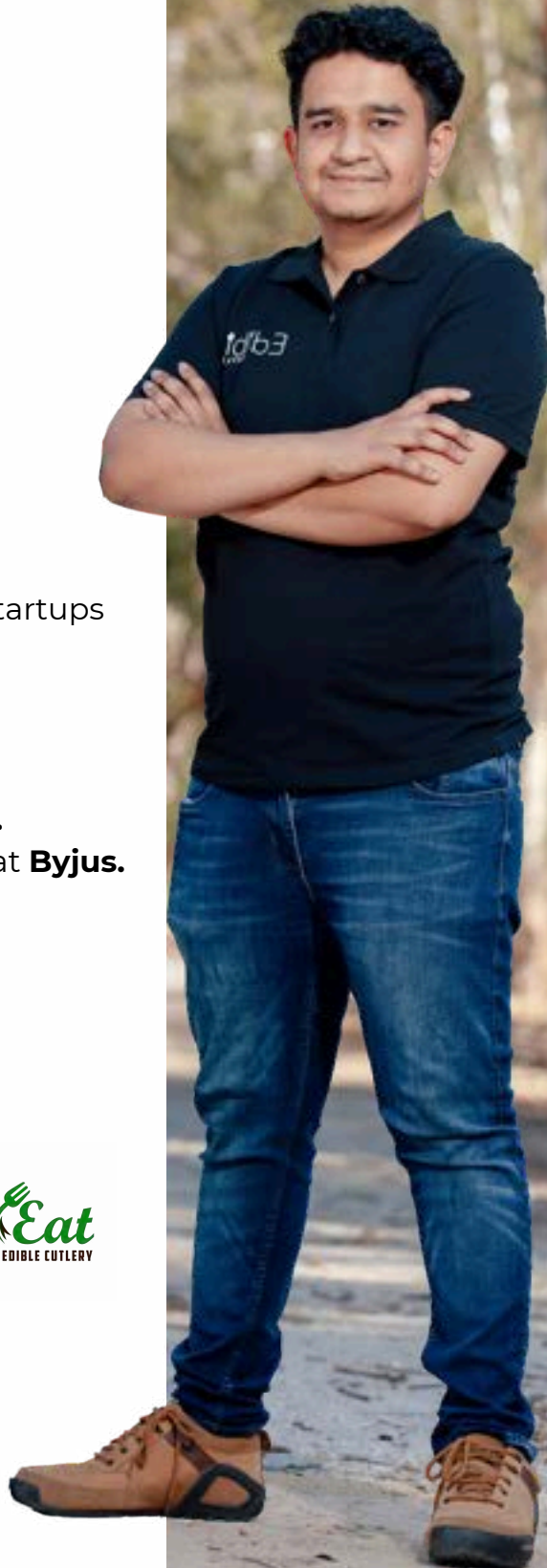
Abhinav Bijavara Nagaraj Co-Founder

Abhinav is a seasoned entrepreneur, he boasts a portfolio of working with industry giants like Google, Reddit, and Byjus. Having managed campaigns for over 40 sustainable businesses in Australia, his strategic vision and market acumen guide our company's direction.

Experience:

- Founder & Director of multiple startups and agencies including;
 - **Pro Shakes**
 - **Use N Eat**
 - **Aeozo**
- Former Ads Specialist at **Google.**
- Former Business Dev Specialist at **Byjus.**

Edible[®]
CUTLERY



2.3 Directors and senior managers

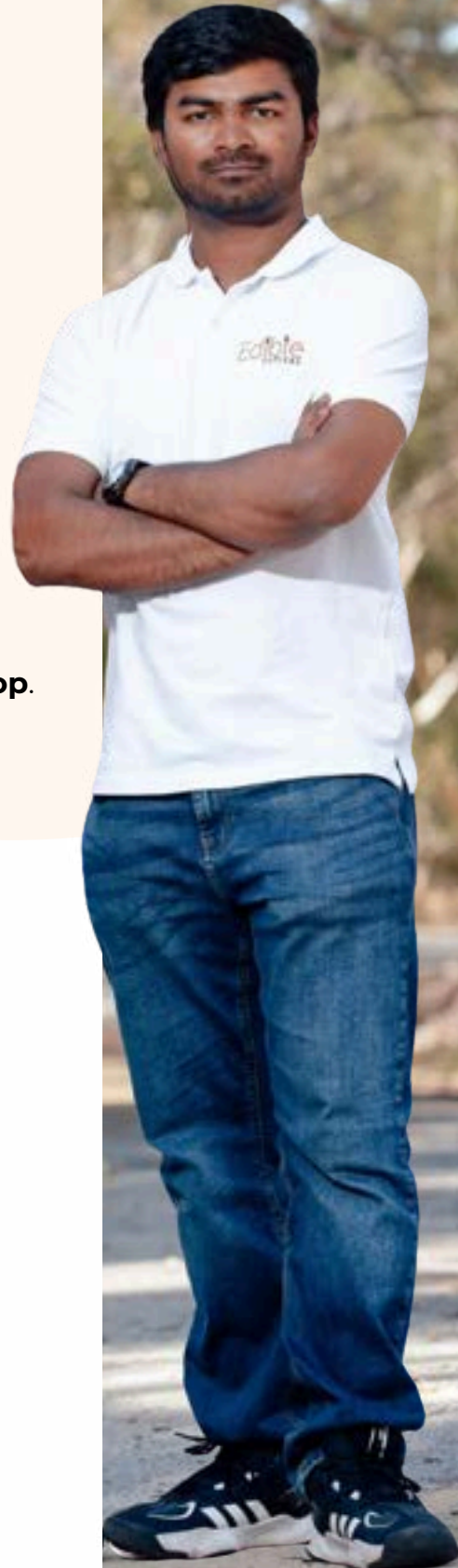
2.3.1 Our Directors and management

Nishanth Ananth Co-Founder

Nishanth, is an engineering expert, who brings his vast experience in manufacturing and supply chain management to our table. His expertise in optimising production processes ensures we maintain a seamless, efficient operation.

Experience:

- Current Grad. Engineer at **WOOD**.
- Former Grad. Engineer at **PROK**.
- Former Grad. Engineer at **Fenner Dunlop**.



2.4 Capital structure

2.4.1 Issued capital

As of the date of this offer, the Company has 1,200,000 ordinary shares on issue. The tables below illustrate the issued capital of the Company.

Issued Capital of the Company before the Offer

Shareholder	Share Type	Shares
Abhinav Bijavara Nagaraj	Ordinary	864,000
Frank Joachim D'Silva	Ordinary	120,000
Bhavin Prafulbhai Desai	Ordinary	162,000
Nishanth Ananth Sriramapura	Ordinary	54,000
Total	-	1,200,000

Issued Capital of the Company following the Offer

Shares	Minimum Subscription	Maximum Subscription
Abhinav Bijavara Nagaraj	864,000 (71.11%)	864,000 (65.45%)
Frank Joachim D'Silva	120,000 (9.88%)	120,000 (9.09%)
Bhavin Prafulbhai Desai	162,000 (13.33%)	162,000 (12.27%)
Nishanth Ananth Sriramapura	54,000 (4.44%)	54,000 (4.09%)
Offer Shares	15,000 (1.23%)	120,000 (9.09%)
Total shares on issue (undiluted basis)*	1,215,000 (100%)	1,320,000 (100%)

*If the convertible note was to convert into equity, the total shares on issue (fully diluted basis) would increase to 1,404,255 shares for the maximum subscription, but it would remain unchanged for minimum subscription.

Rights associated with Ordinary shares

The rights, privileges and conditions attaching to Ordinary Class shares are as follows:

- They shall confer to the holders thereof the right to receive notice of and to attend any meeting of the company's members
- They shall confer the right to attend any meeting of members and to exercise one vote for every share held.
- They shall confer to the holders thereof the right to participate in any dividends declared and payable by the company on the class of share held.
- Upon a winding up of the company they shall confer to the holders thereof the right to repayment of capital paid upon such shares.
- Upon a winding up of the company they shall confer to the holders thereof the right to participate in any distribution of surplus assets or profits of the company.

For a full description of the rights or key provisions associated with Ordinary Shares are set out in the company's constitution on the intermediary's platform.

2.4.2 Debt funding and other sources of funding

To date, no debt funding has been secured to grow the business. Shareholders have however provided contributions and investment as below;

- Nishanth Ananth (\$20,000),
- Bhavin Desal (\$55,000) and,
- Frank D'Silva (\$100,000).

Investor Loans

Edible Cutlery has received convertible note from Startupbootcamp Australia for \$25,000, at 8% annual interest or converts into 6% equity on raising \$350,000 or more.

2.4.2 Debt funding and other sources of funding (continued).

Government & Innovation Grants

Edible Cutlery has successfully secured funding through various grants:

Lotterywest Idea Starter Grant.

Value: \$3,000.

Status: Secured & expensed.

Agrifood and Beverage Voucher Program.

Value: \$2,000.

Status: Secured & expensed.

Salty Start-Up Grant.

Value: \$5,000.

Status: Secured & expensed.

Department of Primary Industries & Regional Development's:

Evoke Ag 2024.

Value: \$2,000.

Status: Secured.

Department of Jobs, Tourism, Science and Innovation's Grant:

Invitation to SusHi Tech Tokyo 2024 - Global Startup Program.

Value: N/A.

Status: Secured.

Department of Primary Industries & Regional Development's:

Agrifood and Beverage Voucher Program (Round 5).

Value: \$10,000.

Status: Secured.



2.5 Risks facing the business

Type of Risk	Description of Risk
Startup Risk	As an early stage business, the Company is subject to all of the risks associated with early stage companies, including uncertainty around the volume and origin of revenue streams, size and existence of repeat customers, and risks associated with evolving technology. In particular, the Company is not currently profitable and is yet to generate revenue through certain anticipated revenue streams. The commercial success of the business will depend on many factors including the Company's ability to attract and retain quality staff and loyal customers.
Cashflow Risk	The Company's operating activities involve a series of cash inflows and outflows. Although the Company seeks to manage its cash flow efficiently, there is a risk that the Company may not have sufficient cash or working capital, at times, to fund both its operations and its expansion plans. This could affect the Company's profitability, future prospects, and its ability to meet its business objectives.
Failure to maintain existing customers or win new customers	The Company's ability to maintain successful relationships with existing customers or win new customers is fundamental to its business, growth and future profitability. There can be no guarantee that the Company will be successful in retaining or winning customers.
Loss of key management personnel	The Company's ability to effectively execute its growth strategy depends upon the performance and expertise of its key management personnel who have deep experience in, and knowledge of, the Company's business and the market in which it operates. The loss of key management personnel, or any delay in their replacement, may adversely affect the Company's future performance.
Competitors and new market entrants	The advent of increased competition may result in lower than expected market share and impact negatively on the Company's performance. In addition, there is always a risk of new entrants in the market which may disrupt the Company's business and market share.

2.5 Risks facing the business

Type of Risk	Description of Risk
Funding risk	The Company is in the process of raising capital to fund its operations and growth. There is a risk that the Company may not be able to secure sufficient funding as required. In the event that the Company fails to raise the necessary capital on acceptable terms, or at all, it may have a material adverse effect on the Company's business operations, financial condition, and prospects. This could include the need to significantly reduce operating expenses, delay or abandon strategic initiatives and expansion plans, or cease operations entirely.
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.
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.
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.



2.6 Financial Information

Below are the financial statements of Edible Cutlery Pty Ltd for the period ended 31 December 2023, prepared in accordance with the Accounting Standards.

Edible Cutlery Pty Ltd - Balance Sheet Statement

Balance Sheet Statement		31 DEC 2023
Assets		
Bank Accounts		
CBA Business Transactions		93,941
Total Bank Accounts		93,941
Current Assets		
Accounts Receivable		240
GST		728
ICA Balance		5,239
JZ & KY Pty Ltd		20,000
Stock on Hand		31,500
Use N Eat Pty Ltd		6,500
Total Current Assets		64,207
Non-Current Assets		
Related Party Receivables/Loan		324,970
Total Non-Current Assets		324,970
Total Assets		483,118
Liabilities		
Current Liabilities		
Loan - StartupBootCamp		25,000
Total Liabilities		25,000
Net Assets		458,118
Equity		
Issued Shares		500,000
Retained Earnings		(41,882)
Total Equity		458,118

2.6 Financial Information

Edible Cutlery Pty Ltd - Profit and Loss Statement

Profit and Loss Statement		31 DEC 2023
Income		
Trading Profit		
Sale of Goods		1,621
Cost of Sales		(1,059)
Total Trading Profit		563
Other Income		
Government Grants		3,000
Total other Income		3,000
Total Income		3,563
Expenses		
Advertising & Marketing		4,811
ASIC Fees		189
Bank Fees		34
Electricity & Gas		45
Freight & Courier		175
Motor Vehicle Expenses		239
Office Expenses		712
Packaging		193
Postage		891
Repairs & Maintenance		61
Subcontractors		3,620
Subscriptions & Memberships		612
Telephone		436
Travel & Accommodation		12,149
Warehouse Cost		3,766
Total Expenses		27,932

2.6 Financial Information

Edible Cutlery Pty Ltd - Profit and Loss Statement (cont.)

Profit and Loss Statement	31 DEC 2023
Profit/(Loss) before Taxation	(24,370)
Net Profit After Tax	(24,370)
Net Profit After Distributions/Dividends Paid	(24,370)



2.6 Financial Information

Edible Cutlery Pty Ltd - Cashflow Statement

Cashflow Statement		JUL - DEC 2023
Operating Activities		
Receipts from customers		1,543
Payments to suppliers and employees		(31,254)
Cash receipts from other operating activities		8,239
Net Cash Flows from Operating Activities		(21,471)
Investing Activities		
Other cash items from investing activities		78,510
Net Cash Flows from Investing Activities		78,510
Financing Activities		
Other cash items from financing activities		19,761
Net Cash Flows from Financing Activities		19,761
Net Cash Flows		76,799
Cash and Cash Equivalents		
Cash and cash equivalents at beginning of period		17,141
Net change in cash for period		76,799
Cash and cash equivalents at end of period		93,941

Edible Cutlery Pty Ltd - Statement of Changes in Equity

Equity	1 JUL 23 - 31 DEC 23	1 JUL 22 - 30 JUN 23
Opening Balance	482,488	-
Increases		
Profit for the Period	(24,370)	(17,512)
Other Increases		
Issued Shares 100,000 @ \$5 ea.	-	500,000
Total Other Increases	-	500,000
Total Increases	(24,370)	482,488
Total Equity	458,118	482,488

Section 3: Information About the Offer

3.1 Terms of the Offer.

The Company is offering up to 120,000 shares at an issue price of \$5.00 per share to raise a maximum of \$600,000. The key terms and conditions of the Offer are set out in the table below.

Terms of the Offer

Term	Details
Shares	Fully-paid ordinary shares
Price	\$5.00
Minimum Subscription	\$75,000
Maximum Subscription	\$600,000
Opening Date	30 April 2024
Closing Date	17 May 2024

A description of the rights associated with the shares is set out in Section 3.3.

To participate in the Offer, you must submit a completed application form together with the application money via the Intermediary's platform. The Intermediary's website provides instructions on how to apply for shares under the Offer at <https://swarmer.com.au/en/> (the 'Intermediary').

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 and there is no guarantee that these funds will be raised.

3.2 Use of funds

Funds raised through this CSF campaign will be utilised to establish a permanent sales and marketing team, to improve distribution to major retailers and to expand our manufacturing capabilities.

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

Use of Funds

Intended use	MIN Subscription Year 1:	MIN Subscription Year 2:	MAX Subscription Year 1:	MAX Subscription Year 2:
Sales & Marketing	\$22,000	-	\$92,000	\$54,000
Distribution and Retailer partnerships.	\$11,000	-	\$68,000	\$40,000
Manufacturing & Logistics	-	-	\$215,000	\$65,000
Offer costs	\$42,000	-	\$66,000	-
Total funds	\$75,000	\$0	\$441,000	\$159,000



3.2 Use of funds

Sales & Marketing.

Edible Cutlery's sales strategy is grounded in direct sales success from initial trials and a commitment to unlocking new channels, including schools, prisons, cruises, government sectors, and healthcare. Funds will primarily support hiring a dedicated sales professional to expand our reach and enhance customer engagement. Our focus extends to digital marketing and event participation, aiming to increase brand awareness and establish key partnerships. This targeted approach will leverage the funds raised for strategic sales growth and marketing initiatives, positioning Edible Cutlery at the forefront of sustainable dining solutions.

Distribution and Retailer partnerships.

As mentioned under section 2.2.8 *Business strategy* funds raised will be utilised for pilot programs in Japan, Singapore and New Zealand, in addition to fulfilling order requests to the Pacific Islands. Funds will also support Edible Cutlery in further discussions with wholesale and retail partners retailers in Australia.

Manufacturing & Logistics.

Our products are currently manufactured through a hybrid setup, with facilities in India and a smaller manufacturing unit in Perth. Our manufacturing partner holds a pending patent, while we have been granted an identity trademark. With the funds raised, we aim to expand our local facility in Perth to enhance manufacturing capacity and streamline logistics, including storage and warehousing, to meet growing demand.



3.2 Use of funds

Offer Costs.

The Offer costs include the Crowdfunding Intermediary's fees under the hosting agreement between the Company and the Intermediary. These fees are up to 6 % of all funds raised by the Company through Swarmer Pty Ltd (the Intermediary), in addition to the allocated for marketing, administration and setup costs paid to 3rd party consultants, and marketing agencies the Offer Costs equate to \$42,000 to \$66,000 dependent on the minimum and maximum raise targets are met.

Other than as specified above, no other payments from the funds raised will be paid (directly or indirectly) to related parties, or any other persons involved in promoting or marketing the Offer.

We expect that the Maximum Subscription amount will be sufficient to meet the Company's short-term objectives over the next 24 months. If only the Minimum Subscription amount is raised, the Company may require further funding to be able to carry out our intended activities over the next 12 months and also beyond 12 months in the event that we reach our maximum goal. In such circumstances, the Company may consider undertaking a further CSF offer or investment under the CSF regime. Until additional funding is obtained, we will scale back marketing and focus our cash resources on scaling retail partnerships to maximise revenue growth.



3.3 Rights associated with the shares

Immediately after issue, the shares will be fully-paid shares. There will be no liability on the part of shareholders and the shares will rank equally with the shares currently on issue.

The rights associated with the shares are set out in the Company's constitution. A summary of these rights is set out below. A copy of the constitution is attached in the Annexure to this CSF offer document and is available on the Intermediary's platform.

3.3.1 Voting rights

At a general meeting:

- each member has one vote on a show of hands; and
- each member has one vote for each share they hold on a poll (unless the shares are of a particular class whose rights supersede this).

3.3.2 Election and removal of directors

The directors of the company may appoint a person as a director of the company. The company must confirm such an appointment by resolution passed at a general meeting within 2 months after the appointment is made. If the company does not confirm the appointment, the person ceases to be a director of the company upon the expiration of 2 months after the appointment was made.

The company may appoint a person as a director of the company by resolution passed by a general meeting. The appointment could be to fill a casual vacancy or as an addition to the existing directors, but so that the total number of directors does not at any time exceed 10.

Any director appointed by the existing directors must have his or her appointment confirmed by a resolution at a company general meeting within two months of the appointment, failing which the new director shall cease to be a director.

A director of the company may resign by giving written notice to the registered office of the company to that effect, upon which the resignation shall be effective either at the time specified in the notice, or at the time the notice was given, whichever is earlier.

The company may remove a person as director of the company by resolution passed by a general meeting and may by resolution appoint another person to replace that director.

3.3.3 General meetings and notices

At any time a director may call a general meeting of the members of the company. A general meeting shall be convened by the directors on request of the Members in accordance with Section 249D of the law. Members of the company may convene a meeting in accordance with the Corporations Act (Section 249E and 249F). Directors may not compulsory convene an annual general meeting of the company.

Technological media may be used to allow a meeting to take place in multiple locations simultaneously, provided the medium allows all the participating members reasonable opportunity to participate in the meeting, and allows the chair to be fully aware of the proceedings. The technology must permit all participating members to vote by means of a show of hands or poll. Such a meeting is deemed to take place where the largest number of members is located; or, if there is no such place, then the place where the chair is present. Upon any failure of the technology such as to deprive any member of a reasonable participation, then the chair must announce the adjournment of the meeting until the problem is fixed, or, if the problem is not fixed within one hour, then until such a date and time as the chair believes all the members will be able to participate.

Those persons entitled under the Corporations Act to receive a notice of a general meeting must be given at least 21 days' notice, unless consent for shorter notice is given in accordance with the Corporations Act. Shorter notice may be given for an annual general meeting if all members entitled to vote at the meeting agree beforehand.



3.3.4 Dividends

The company may pay dividends according to the resolution of the directors. Payments of dividends are subject to share class rights and restrictions and must always be paid in accordance with the Corporations Act. Where share classes exist, the directors have the discretion to distribute dividends in different proportions according to class, or to exclude one class from distribution. The directors of the company may determine that a dividend is payable and fix the amount, time and method of payment.

No interest will be payable to members, if dividend is paid later than the time stipulated in the directors declaration. The directors are permitted to use any part of a dividend to satisfy the debt of that member to the company on account of the relevant shares.

The company must not pay a dividend unless it is paid under circumstances described in section 254T of the Corporations Act 2001. These circumstances are:

- the company's assets exceed its liabilities (calculated in accordance with the accounting standards in force at the relevant time) immediately before the dividend is declared and the excess is sufficient for the payment of the dividend; and
- the payment of the dividend is fair and reasonable to the company's shareholders as a whole; and
- the payment of the dividend does not materially prejudice the company's ability to pay its creditors, such as, the company becoming insolvent as a result of dividend payment.

A general meeting shall not declare a dividend larger than recommended by the directors. The crediting or payment of partly paid shares with dividends must allow for the amounts unpaid or uncredited, ignoring any amounts paid before a call is made. If, during the relevant period, the amount paid or credited on that share changes, then the dividend is credited or paid to the share allowing for this change. Any share shall rank for dividends on the date, if any, that was relevantly stipulated upon issue. The method of dividend payment may be by cash, issue of further shares or other securities, the grant of options or the transfer of other assets. Shares in a second company must be fully paid to be used as payments in specie. The difficulties that arise in relation to a payment in specie may be dealt with at the discretion of the directors, including:

- fixing the value of a specific asset;
- making cash payments on the basis of their valuation; or
- putting any cash or assets on trust for all relevant members.

3.3.4 Dividends (cont).

Dividends may be distributed by the company paying a cheque to the address of the relevant shareholder as listed in the share register. Where the dividend is paid to joint holders, the address for payment shall be the address listed in the share register for the first named joint holder; unless all the joint holders indicate otherwise in a written request. Joint holders are bound if one of their numbers receives a distribution. Dividends that are not yet claimed may be used by the company for its own benefit as stipulated in the Corporations Act.

3.3.5 Winding-up

When a company is wound up and the assets do not equal the amount needed to repay the whole issued capital of the company, then the assets are distributed so that profit or loss is given to the members in proportion to capital they had paid or ought to have paid as of the moment of winding up, ignoring any amount paid in advance of a call.

Upon winding up, the assets may be divided by the liquidator between members, in the following manner:

- the liquidator has the discretion to set what is a fair value for the assets;
- the liquidator may decide on how to divide the assets between members and classes; and
- the liquidator may place any assets on trust for members, but not if the member would thereby be forced to accept a security or share on which a liability is owing.



3.4 What can I do with my shares?

Shares in the Company are considered illiquid as they cannot easily be transferred or sold. However, there are numerous possible circumstances that may create an opportunity for shareholders to exit their investment in the Company.

These include, but are not limited to:

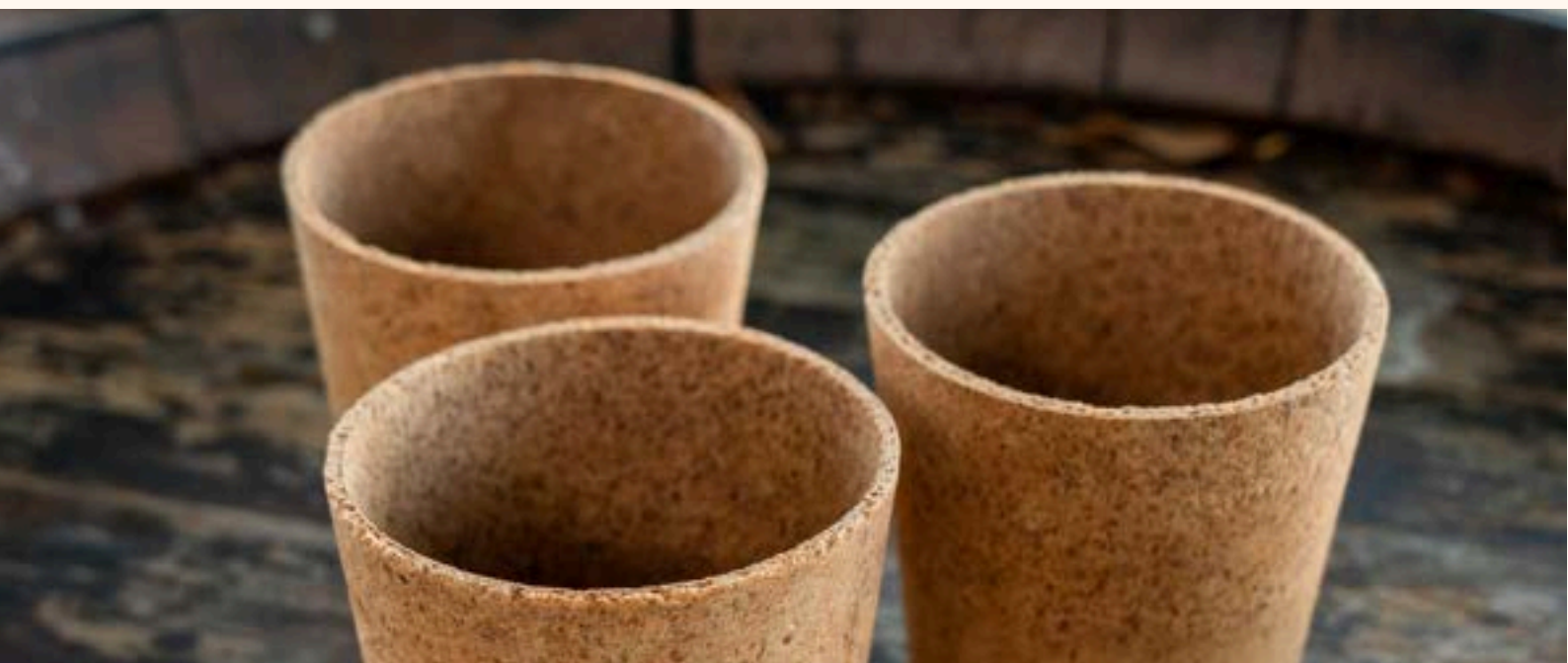
- A trade sale of the Company.
- A listing on a registered stock exchange (e.g. the ASX).
- A private equity acquisition of the Company.
- A share buy-back by the Company.

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



3.5 Investor Rewards

Investment	Rewards
\$250 - \$1,999	Edible Cutlery Voucher worth 10% of their investment
\$2,000 - \$4,999	\$200 Credit Voucher to Edible Cutlery + Quirky Edible Cutlery Merch (1 T-shirt, 1 Cap)
\$5,000 - \$9,999	\$300 Credit Voucher to Edible Cutlery + Quirky Edible Cutlery Merch (1 T-shirt, 1 Cap) + First Access to Upcoming Products (Edible Bowls, Edible Coffee Cups) + Featured on Company Website's Wall of Investors
\$10,000 - \$24,999	\$500 Credit Voucher to Edible Cutlery + Quirky Edible Cutlery Merch (2 T-shirts, 2 Caps, 1 surprise gift) + First Access to Upcoming Products (Edible Bowls, Edible Coffee Cups) + Featured on Company Website's Wall of Investors
\$25,000 - \$49,999	Previous Tier Rewards + A spot in the bi-annual advisory committee + Private dinner with founders + Lifetime 10% Discount to all Edible Cutlery products
\$50,000+	Previous Tier Rewards + Exclusive mentorship meetings + Opportunity to name a product line + 50 Custom made Edible Cups with a flavour and branding of your choice!



Section 4:

Information About the 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 (Cooling-off Period).

You must withdraw your application via the Intermediary's platform as follows:

- Proceed to your profile on the top right-hand side of the screen on Swarmer's website by clicking on your profile image.
- Click on the right-hand side bar and select "My Investments".
- Scroll until you find your Edible Cutlery Investment.
- Click the "Withdraw" button below the Edible Cutlery logo.
- Confirm the selection by clicking the "Confirm" button on the pop-up.
- Your Withdrawal 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 Communication facility for the Offer

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

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

Officers, employees or agents of the Company, and related parties or associates of the Company or the Intermediary, may participate in the facility and must clearly disclose their relationship to the Company and/or Intermediary when making posts on the facility.

Any comments made in good faith on the communication facility are not subject to the advertising restrictions in the Corporations Act.

4.3 Proprietary company corporate governance obligations

4.3.1 Annual report

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

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

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



4.3.2 Distribution of 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 post. However, shareholders will be issued a copy of the annual report by email, alternatively the report can be purchased from ASIC.

4.3.4 Related party transactions

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

4.3.5 Takeovers

If we successfully complete this Offer and have more than 50 shareholders, the takeover rules in the Corporations Act will only apply to the Company in a very limited way. If someone wants to buy more than 20% of the voting shares in the Company, they will be able to do so without complying with the takeover rules. This means a person may be able to get control of the Company without making a formal takeover bid to all shareholders or without seeking shareholder approval.

Shareholders will not have the benefit of the full protections under the takeover rules, which means you may not have the right to vote on or participate in a change of control of the company. However, the general principles of ensuring shareholders have sufficient information and time to consider a change of control, and all have a reasonable and equal opportunity to participate in any benefits, will apply to the Company. In addition, the Takeovers Panel has jurisdiction to hear disputes relating to control of the Company.

4.4 Company Updates.

The Company will provide regular updates to investors on the Company's website, social media platforms and via email.

Glossary

B2B means Business to Business.

Company means Edible Cutlery Pty Ltd ACN: 61 664 528 554.

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.

D2C means Direct to Consumer.

Intermediary means Swarmer Pty Ltd AFSL: 507 867

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

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

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



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