

Food2Soil® Pty Ltd

Crowd-sourced Funding Offer Document.

April 3rd, 2024

Offer of fully-paid ordinary shares in Food2Soil® Pty Ltd at \$1.00 per share to raise a maximum of \$1,200,000.

This crowd-sourced funding (CSF) offer document relates to the Offer of fully paid ordinary shares in Food2Soil® Pty Ltd. This Offer is made under the CSF regime in Part 6D.3A of the Corporations Act 2001 (Corporations Act).

Issuer:

Food2Soil® Pty Ltd
ACN 644 514 474

Intermediary:

Swarmer Pty Ltd
AFSL 507 867



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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

About Food2Soil®

Letter from the founders:

The genesis of Food2Soil® stemmed from our concern of three critical environmental challenges: the massive amount of food waste, the greenhouse gases emitted from landfills, and the depletion of our soils. When we discovered we could tackle all these issues with just one solution, we knew we had to jump into action. So, in 2020 Food2Soil® was born, with one primary mission: to turn food waste into a valuable resource for our growing systems.

Our method follows the ancient practice of fermentation. This process breaks down nutrients into forms that are easily utilised. Plus, it's loaded with beneficial microbes that plants need to thrive. Think of it like kombucha, but for plants and soil!

Unlike other businesses, our manufacturing process diverts waste from landfills and can be a revenue source for the business. Plus, the biofertiliser we create feeds plants and soils, naturally, without chemicals which impact our waterways. We like to call it "paddock to paddock"—a perfect example of a circular economy business that Australia needs.

As Food2Soil® founders, we've spent the past four years diving deep into research, testing, and teaming up with scientific experts and customers. And the demand has been overwhelming! In 2024, we've stepped it up—moving to a bigger production site, getting better equipment, and partnered with bulk waste suppliers. Now, we need your help to take our business to the next level.

At Food2Soil®, we live by three values: respect, authenticity, and kindness. These values guide every decision we make. We're extremely grateful for the support we've received from customers and followers and we're excited to keep growing the Food2Soil® movement—expanding our products, factories, and team members along the way.

So, are you ready to join us in making a positive impact on the world, one bottle of Food2Soil® at a time?

Josie Grenfell & Annabel Schweiger



2.1 Company Details

This offer of shares is made by Food2Soil® Pty Ltd ACN 644 514 474.

Company name	Food2Soil® Pty Ltd
ACN	644 514 474
Date of incorporation	21 September 2021
Contact details	Josie Grenfell. josie@Food2Soil.com.au Annabel Schweiger annabel@Food2Soil.com.au
Registered office	5/6 Sleigh Place, Hume, ACT 2602
Principal Place of Business	5/6 Sleigh Place, Hume, ACT 2602
Offer date	3rd April 2024
Offer type	Crowd-sourced funding

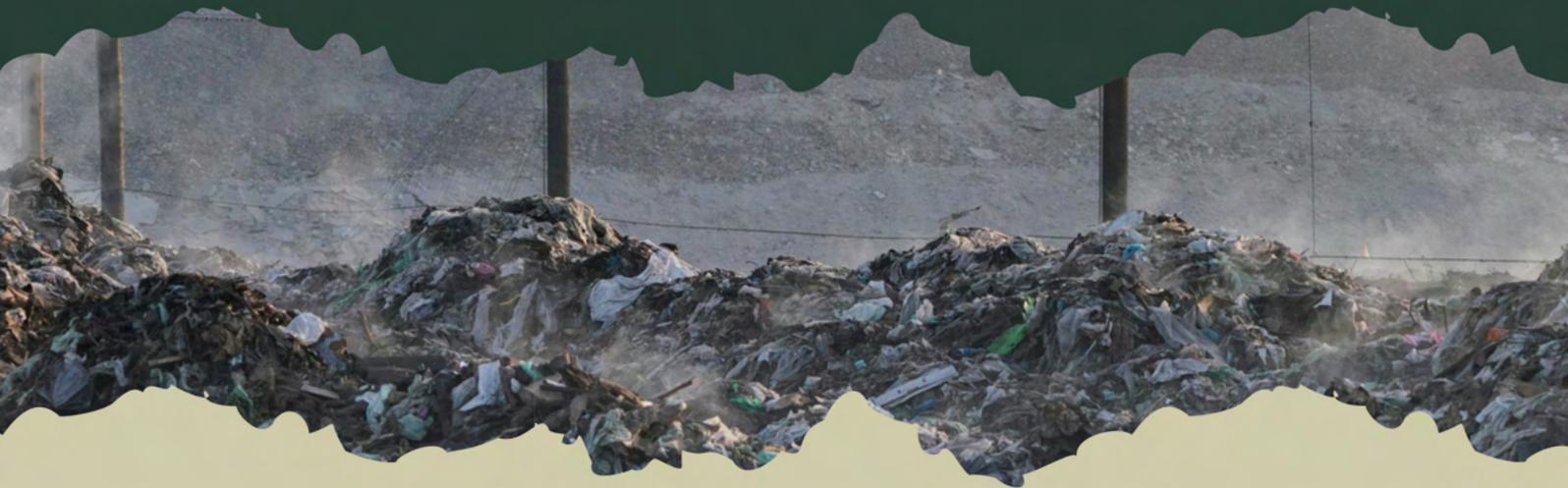


2.2 The Problem & Our Solution

Australia possesses some of the most nutrient-poor and unproductive soils globally.

Existing synthetic fertilisers contain compounds which negatively impact waterways and marine life.

7.6 million tonnes
of food waste are deposited into
Australian landfills annually.



10 % of global greenhouse
gas emissions

Come from wasted food. This represents 17.5 million tonnes of CO₂ in Australia each year.



Source: Food & Agriculture Org United Nations

Our Solution



A **NEW** high quality biofertiliser, 'bio' as it contains natural alive microbes and nutrients- *like kombucha*.



First biofertiliser made from **repurposed** food waste in Australia.



Its a circular '**paddock to paddock**' system, closing the loop between the supplier and customer.



Innovative, **low energy production system**, which can be easily scaled and located anywhere.



Easy to use product, suitable for most plants and soils (natives and exotics.)



Our 'Paddock to Paddock' Process

Food Waste

Partnerships with food waste suppliers and Biofeed (pulsing device) to maximise efficiency of waste collection and processing.



Step 1

Fermenting

Utilise fermentation to extract nutrients from food waste, resulting in a nutrient dense microbe rich biofertiliser



Step 2

Food2Soil

Natural bio-fertiliser is bottled and packaged ready for dispatch



Step 3

D2C & B2B

Product distributed through our online eCommerce platform and commercial partners.



Step 4

Our Environmental Contribution To date



Diverted

5,316kg

of food waste from going to landfill.



Cut

10,100kg

of CO₂ emissions.



Saved

151,886

cups worth of coffee grounds from landfill.

Top Reasons to Invest



Multiple revenue streams and key partnerships:

Potential for revenue from intake of food and coffee waste. Wholesale and retail sales, driven by key partnerships with industry for supply of waste and sales channels.



Scalability and Production Capacity:

We transitioned to a new full-scale commercial facility to meet growing demand. We plan to scale the Food2Soil model by having micro-factories (Brewhaus) spread across Australia and internationally.



Strong Sales Growth During Development Phase:

Opportunity for significant expansion, sales previously limited by site production constraints. This new site has a capacity for more than 60 times the production.



Diverse Sales Channels and Major Retail Presence:

Products available through direct-to-consumer, online, wholesale, and at major retail outlets e.g. IGA, Alpha Fresh, SupaBarn, and Harris Farm Markets from April 2024. With strategic entry into the agriculture market planned.



Commercial Food Waste Legislation:

Businesses with food waste going to landfill will face heavy fines. We help them meet legal and internal ESG requirements. Starting in ACT 2024, and NSW 2025 with other states following.



Sustainability Commitment & Award-Winning:

B-Corp certified and actively reducing Co-emissions with every batch. Winner of the Women in Agriculture (Women Changing the World Awards).



R&D Opportunities, Tax incentives and Product Innovation.

University research shows exciting new discoveries and global market opportunities. Early Stage Investor Incentives & multiple grant opportunities. Continuous product innovation and development.



Competitive Advantage:

Our distinctive circular business model repurposes valuable waste, with added live microbes, supported by strategic partnerships and a smooth supply chain integration.

2.3 Description of the Business

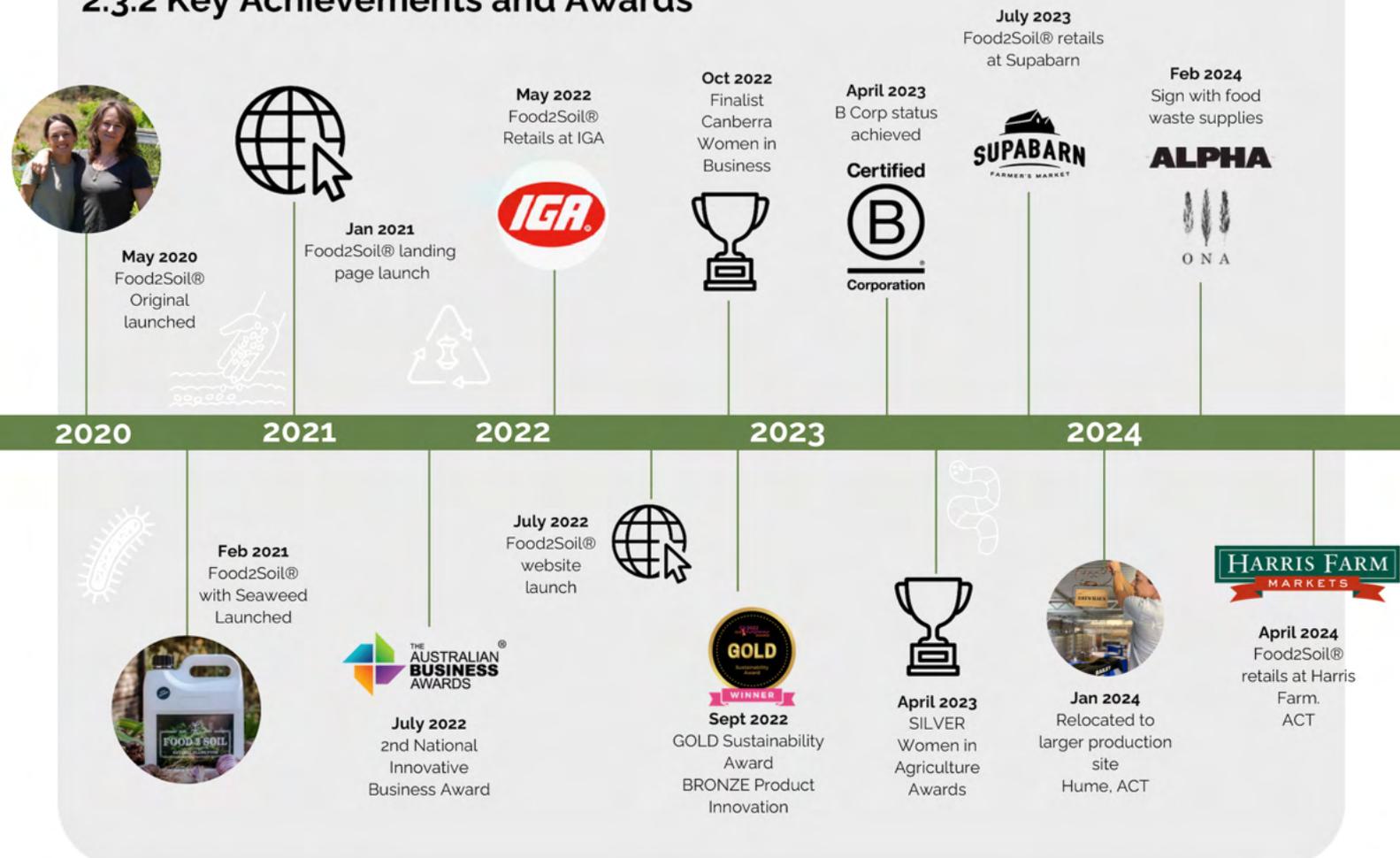
2.3.1 About the Company - Food2Soil®

Food2Soil® is an all-purpose 100% natural plant and soil biofertiliser, made from fermented food and coffee waste for home gardeners, market gardeners, landscapers, nurseries, farmers and beyond! Food2Soil® contains live microbes that transform lifeless dirt into productive soil.

We transform food and coffee waste into a nutritious and microbially-rich, all-purpose plant and soil food. Just like the human gut, the soil needs beneficial microbes to function at its best and microbes play a key role in the uptake of essential nutrients a plant needs to thrive.



2.3.2 Key Achievements and Awards



2.3.3 Products

Whether our customers are novices in gardening or seasoned horticultural enthusiasts, our product range caters to diverse preferences.



Food2Soil® Original

Food2Soil® is your year-round all-purpose soil and plant biofertiliser, the only natural biofertiliser made from commercial food waste.



Food2Soil® with Seaweed

The added organic and sustainably sourced seaweed gives it a little extra boost, useful for vegetables, lawns, fruit trees and fast-growing plants.



Food2Soil® Chocolate

With all the goodness of Food2Soil® Original, Food2Soil® Chocolate is a thicker blend, it contains more organic solid matter, making it more viscous, like melted chocolate!



Food2Soil® CompostBOOST

Compost accelerant and odour eater breaks down organic matter quickly and promotes optimum conditions for turning 'waste' into quality compost faster.



Food2Soil® Gardener's Soap

We partnered with Delizia Naturally to make our very own custom Gardener's soap, made from repurposed and quality natural ingredients.



Food2Soil® Worms

Coming soon! Food2Soil® partnered with worm farmer Brick Colley, by providing access to more food waste, we've helped grow his worm population. These vibrant, locally grown worms will take your garden to new heights



Food2Soil® Di-Char

Coming in 2024! This product is made from the by-product of our liquid fermentation, it is blended with biochar and will be available as a top dressing biofertiliser in convenient to use bags.

Competition

Key Competitors: The main competitors in the biofertiliser market (those with live microbes) are Gogo Juice, Bardee Superfly and Charlie Carp. Our competitive edge is rooted in our production process. Food2Soil® stands out as the only 100% natural bio-fertiliser crafted from commercial food and coffee waste. This distinctive approach positions us as an ethical, sustainable, and high-quality bio-fertiliser supplier, aligning with the growing demand from customers for environmentally conscious products.

Sales Channels

Food2Soil® Website

Food2Soil® launched its first e-commerce website in 2022. This enabled Food2Soil to expand their customer base and offer products nationwide. The website recently migrated to the Shopify platform to enhance the shopping experience. We have an 8.8% subscription rate and an impressive average of 4.2% sales conversion rate in 2023.

Stockists include:

- IGA Ainslie (ACT) & IGA Yarralumla (ACT)
- Supabarn Chapman (ACT)
- Alpha Fresh (ACT)
- Harris Farm (ACT) commencing May 2024
- With nationwide interest in stocking Food2Soil®



2.3.4 Marketing and Distribution

Marketing Strategy

Since its inception, Food2Soil® has been working to revolutionise the fertiliser market. We've developed a unique biofertiliser from recycled commercial food waste, focusing not only on creating an excellent product but also on addressing environmental concerns and maintaining ethical production practices.

Our approach to spreading the word reflects our values. We use social media, blogs, newsletters, and emails to educate people about the importance of microbes for plant growth and the connection between soil health, human health and the well-being of the planet. Additionally, we provide a platform for gardening enthusiasts to share their passion and contribute to discussions on soil health.

Our strategic alliances with waste partners provide a distinct advantage. For instance, Alpha Fresh boasts a thriving online store with a substantial customer base. Harris Farm's extensive network expanded over 30 stores in NSW and QLD, and both Harris Farm and Supabarn have popular magazines for supplementary advertising. These partnerships offer a robust avenue to effectively promote our innovative product.



Press

Over the years, Food2Soil® has had growing press coverage. We have been featured in:



Social Media and Email Marketing



Certifications

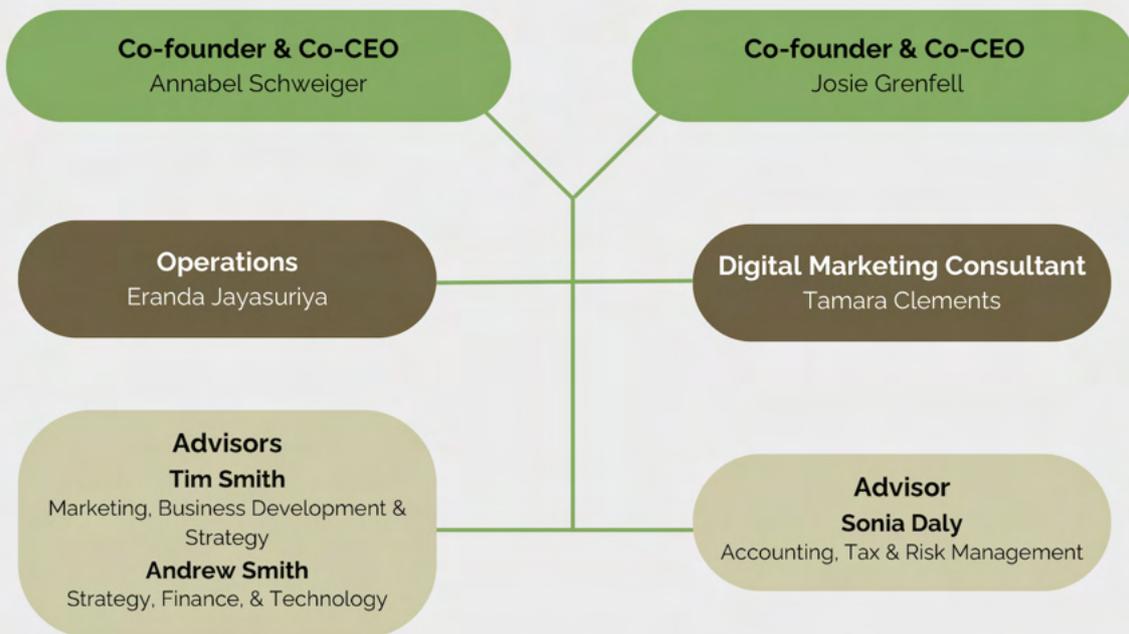
Food2Soil® has partnered with and achieved certification with the following organisations:



Exciting new research results with implications for global market opportunity as a key factor in inoculation of legumes



2.3.5 Organisational Chart



2.3.6 Legal or disciplinary actions against the Company

There are no legal or disciplinary actions against the Company or its subsidiaries at the date of publishing this Crowd Sourced Funding Offer Document. Nor are there any legal or disciplinary actions against the Directors or Senior Management at the date of publishing this Crowd Sourced Funding Offer Document.



2.4 Business and Revenue Model

Food2Soil® Key Customers:



Home Gardeners

Those looking to buy a fertiliser for their home gardens in urban, sub-urban, rural or small orchard settings, looking to easily, effectively and naturally feed their plants and soils on a home scale.



Landscapers

Urban landscapers servicing home gardeners, strata management and commercial complexes wanting an effective product that also has a great story with impact and action on climate change.



Wholesalers and Retailers

Grocery stores, independent stores and landscaping suppliers want to diversify their eco range and appeal to a growing number of customers concerned about climate change.



Regenerative Farmers

Hobby or commercial regenerative farmers are serviced by Food2Soil® as wholesale customers, where bulk biofertiliser products (eg 15, 200 and 1000 Litres) are sold and applied to small and broad-acre holdings.

2023 Revenue By Month



Important note regarding sales to date: During the development phase, production has been highly constrained and thus has been only able to achieve limited sales. Not reflective of opportunity/demand.

2.5 Business Strategy

Industry Overview

The Australian Biofertiliser Market

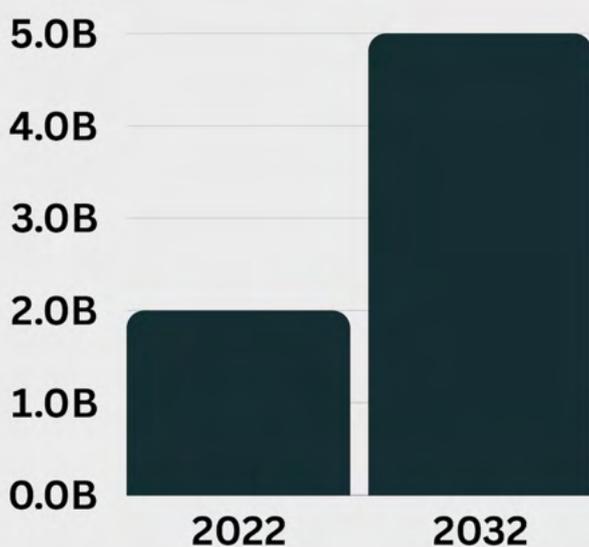
The Australian natural biofertiliser industry has been in steady growth over the past decade, driven by a consumer shift in fertiliser preference from synthetic to chemical-free.

Key points:

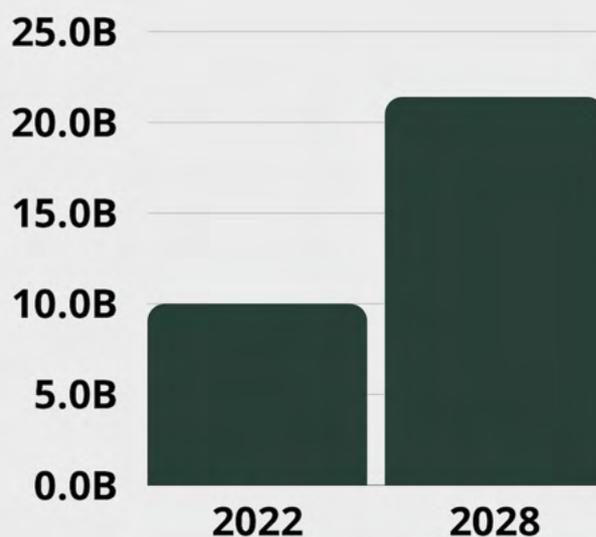
- Biofertiliser use is increasing and is expected to match traditional fertiliser use in 20 years.
- Significant rise in regenerative agriculture and organic farming practices.
- Increasing consumer demand for chemical-free produce.
- Global supply chain disruptions on chemical imports impacting cost and availability have meant customers are looking for alternative options.

(IBISWorld Industry Report C1831)

Industry Revenue Growth Predictions 2022 - 2032 (USD Billions)



Global Bio-fertiliser Market
(12.8% CAGR)
(<https://shorturl.at/nANOR>)



Global Organic Fertiliser Market Growth Prediction
(<https://shorturl.at/dpJY>)

Business Strengths

Multiple Revenue Streams & Key Partnerships

We have the ability for multiple revenue sources; from the intake of food and coffee waste, wholesale and retail sales and potential carbon credits. Notably, the biofertiliser market is following the US trend and growing rapidly, with our unique points of difference we are in a strong position to be market leaders. Plus, the Food2Soil® BrewHaus model has the potential to be licensed and be located anywhere, including internationally (<https://shorturl.at/nANOR>)

We have existing partnerships with key industry players such as Harris Farm, Alpha Fresh, IGA and SupaBarn. These partnerships are instrumental in securing waste supply and expanding our sales channels.

There is a major opportunity for Food2Soil® to support more commercial businesses, as the state government's EPA laws are changing imminently. Currently, all commercial businesses in Australia incur costs to dispose of their food waste in landfills. From 2024 new regulations will be implemented, forcing commercial businesses to divert all of their organic food waste from landfills or face substantial fines. This regulatory shift presents a significant revenue avenue for Food2Soil®, as it can assist in meeting legal obligations and support Environmental, Social, and Governance (ESG) responsibilities.

Track Record

Food2Soil® started as a backyard operation and grew into a small pilot site, named the 'Food2Soil® Brewhaus.' In early 2024, we have evolved into a fully operational commercial facility with the capacity to increase production 60 fold. The founders self-funded the venture until 2023 when angel investors joined to support our relocation to a new site and the acquisition of equipment for achieving economies of scale. Significantly, Food2Soil® carries no debt.

Integrity

At Food2Soil®, our decision-making is guided by core values- respect, authenticity, and kindness. We are unwavering in our commitment to environmental responsibility, ensuring that the best outcomes are prioritised in every choice we make. As a certified B-Corp business, we stand firm in our dedication to evolving into a Better Business for a Better World!

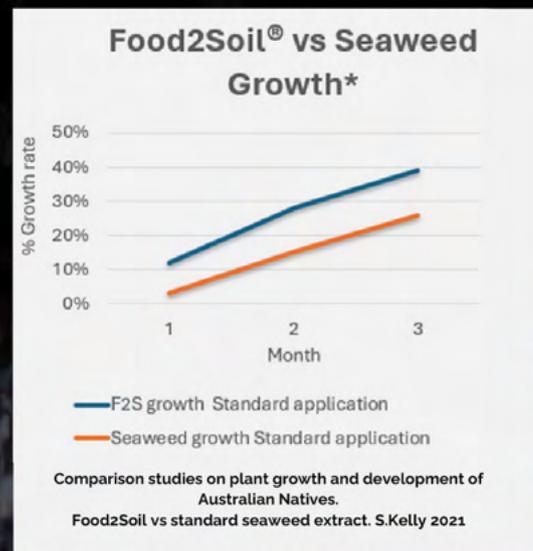
Industry Expertise

Our founders form a highly effective duo, leveraging complementary skills and bringing extensive expertise to Food2Soil®. Additionally, the support of mentors, advisors, and consultants, each possessing vast experience in crucial areas such as financial and asset management, business strategy, marketing, e-commerce, and soil science. These valuable connections collectively contribute to the robust growth and effective management of Food2Soil®.

Innovative Product Range & Exciting New Discoveries

Food2Soil® is the first biofertiliser on the market made from reclaimed commercial food and coffee waste, this gives it an edge in the market, particularly with customers passionate about reducing waste to landfill and climate action. Some exciting new products in the pipeline will further advance our uniqueness in the market such as the production of the solid product Food2Soil® Di-Char as a general-purpose biofertiliser following overwhelmingly positive feedback with initial trials.

We're currently conducting trials at universities to evaluate our product's performance in different applications, ranging from seed inoculation to enhanced plant growth and aquaponics to name a few. Aspects of this research conducted by the university have led to a new discovery, underscoring substantial potential in the global market.



Objectives of the Crowdfunding Raise

Our objectives of the crowdfunding raise are multifaceted and designed to propel Food2Soil® forward and foster sustained growth into the future.

1. Provide working capital to grow the amount of waste transformed and repurposed from 5 tonnes to 900 tonnes over the next 3 years (incl. increase in waste collection, staffing and machinery & equipment).

With the expected rise in production volumes and intensified marketing efforts, we anticipate a surge in orders. To efficiently handle this growth, we are planning to invest in automating various manufacturing processes, addressing bottlenecks, and enhancing overall efficiency. Our goal is to ensure customers receive their purchases as swiftly as possible. This will involve utilising third-party logistics systems and optimising distribution channels.

2. Support further research and product development via more plant trials and collaboration with credible scientific bodies.

Building on our track record of success, we plan to introduce unique and value-added products, such as Food2Soil® Worms and Food2Soil® Di-Char. Ongoing investment in product development aims to craft items that resonate with our target market—whether they're home gardeners, market gardeners, or any grower looking to switch from traditional synthetic fertilisers or standard seaweed solutions. In addition, university research using Food2Soil® shows exciting new discoveries and global market opportunities in agriculture.



3. Provide working capital for online and offline marketing and business development to drive sales. Including driving website conversions and increasing website traffic.

Food2Soil®'s logistics setup has served well for our past demand levels. However, as production volumes surge and we ramp up our marketing efforts, we're gearing up for a substantial uptick in orders. To keep things running smoothly, we're planning on making investments to automate more aspects of our fulfilment process. This entails identifying and addressing bottlenecks and implementing additional systems. Our goal is to ensure that customers receive their purchases as swiftly as possible. This will involve leveraging third-party logistics systems and optimising distribution channels to maximise efficiency in the dispatch process.

To further bolster our marketing efforts, Food2Soil® plans to increase investment in both our internal marketing team and external resources. We will optimise our presence online and have targeted campaigns focusing on our proven buyer demographics and boosting the conversion of new customers. The use of the Klayvio email marketing platform will be continued and maximized to its full potential and plan to investigate SMS opportunities



2.6 Directors and Senior Managers



Josie Grenfell - Co-founder & Co-CEO

Josie was a Dietitian before transitioning to Environmental Sustainability Manager. In her roles, she experienced first-hand the waste in large organisations. She established Little Waste Co, a consultancy for businesses to manage industry waste and improve their planetary impact. From there, she connected with Annabel and Food2Soil® was born. She also has experience working with local government, and food rescue organisations and is dedicated to being a good role model for her children and making positive, meaningful change with impact.



Annabel Schweiger - Co-founder & Co-CEO

Annabel founded Biota Sustainability Consultancy working with small to medium businesses addressing their Sustainability concerns. She has 20 years of experience in permaculture and regenerative landholding, and a comprehensive background in market gardening, commercial cookery and food preparation. Annabel also ran a self-sustainable produce garden for her family for many years and was an award-winning poultry breeder. Food2Soil® is the culmination of all her learnings to date, born out of love for the earth and a desire to make the world a better place.



Eranda Jayasuriya - Operations

Eranda is a certified Chemical & Process Engineer, recognized by Engineers Australia, with nearly 5 years of hands-on experience in developing, managing, and optimizing manufacturing processes. His background includes proficiency in Lean Six Sigma and IWS methodologies, focused on driving operational efficiencies and promoting value-added activities. Passionate about sustainability, Eranda is particularly drawn to the principles of the circular economy and the potential of bio-fertilisers to mitigate environmental impact.



Tamara Clements - Digital Marketing Consultant

Tamara is a qualified Marketing and Advertising freelancer, specialising in digital marketing for ethical and impactful businesses. Tamara has over 7 years of industry experience and has been supporting Food2Soil® across all Digital Marketing since October 2022.



Tim Smith - Marketing, Business Development, and Strategy Advisor

Tim has over 25 years of experience in the agrifood and FMCG sectors, including 12 years as a public Company director. Tim provides Food2Soil® advice and mentorship in areas including business strategy and governance, marketing and product development, business development, and ESG.



Andrew Smith – Strategy, Finance, and Technology Advisor

Andrew is an experienced investor, Company director, and strategy advisor in the agrifood and agtech sectors, and provides advice and mentorship in areas including business strategy, finance, capital raising, and technology.



Sonia Daly - Accounting, Tax & Risk Management Advisor

Sonia is a chartered accountant and experienced tax expert and has held senior operational risk roles during her 30-year career. After training at PWC London and Sydney before transitioning to NAB/MLC, ANZ and more recently CBA. Sonia now combines her accounting, tax, risk and general management skills to support small business start-ups across these disciplines.

2.7 Capital Structure

2.7.1 Issued Capital

As of the date of this Offer Document, the Company has 3,375,002 ordinary shares on issue (Pre Offer).

Shareholder	Share type	Shares
Grenfell Family Trust (Josie Grenfell)	Ordinary	1,500,002 (44.44%)
Schweiger Family Trust (Annabel Schweiger)	Ordinary	1,500,002 (44.44%)
Angel Investors	Ordinary	375,000 (11.11%)
Total		3,375,004 (100%)

Issued capital of the Company following the Offer (*Post offer*)

Shares	Minimum subscription	Maximum subscription
Existing Shares	3,375,004 94.41%	3,375,004 73.77%
Offer Shares	200,000 5.59%	1,200,000 26.23%
Total Shares	3,575,004 100%	4,575,004 100%

2.7.2 Significant Shareholders

Significant shareholders own 40% or more of the business. As at the date of this offer, Food2Soil® Pty Ltd has 2 significant shareholders:

- Grenfell Family Trust holds 44.44% of the business (Josie Grenfell)
- Schweiger Family Trust holds 44.44% of the business (Annabel Schweiger)

2.7.3 Rights and Liabilities Associated with Securites

An investor subscribing for shares is bound by the Constitution of Food2Soil Pty Ltd (available on the Intermediary's platform).

Set out below is a brief summary of the rights and liabilities associated with the Company's securities. For further information, including relating to restrictions on transfer and drag along and tag along rights, please refer to the Constitution, available on the Intermediary's platform.

ORDINARY SHARES

As at the date of this Offer, the only class of shares on issue are Ordinary Shares.

The shares issued pursuant to this Offer Document will be fully paid Ordinary Shares. All Ordinary Shares have the same voting rights and the same rights to receive dividends.

Under the Constitution, the Board may from time to time refuse to register a transfer of shares.

The Constitution (available on the Intermediary's platform) sets out the details of each of the rights and liabilities associated with Ordinary Shares.

OPTIONS

As of the date of this Offer Document, there are no vested, unvested or unexercised options on issue.

The Company intends to implement an Employee Share Options Plan ("ESOP") in the future. The Constitution of the Company (available on the Intermediary's platform) includes provisions that allow the Board to implement the contemplated ESOP in the future.

SHAREHOLDERS AGREEMENT

There is no shareholders agreement between the existing shareholders and as such, the rights and liabilities associated with the shares are as set out in the Company's Constitution.

OTHER RIGHTS

A more detailed description of the rights and liabilities associated with the shares is set out in Section 3.3 below. A copy of the Company's Constitution is available on the Intermediary's platform.

2.7.4 Sources of Financing

To date, Food2Soil® activities have been primarily funded by the founders. The founding shareholders have contributed over \$200,000 to the business since its conception, plus cash generated from sales of products and angel investment of \$200,000 prior to the relocation of the new facility in January 2024. The NSW MVP matched funding grant was awarded in 2021 to assist with early development.

2.7.5 Group Structure

Food2Soil® Pty Ltd consists of itself as the parent Company which trades under the name Food2Soil®.

2.8 Risks Facing the Business

An investment in Food2Soil® Pty Ltd should be seen as high-risk and speculative. A description of the main risks that may impact the Company's 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 quickly or easily sell your shares).

Risk	Description
Funding risk	The Company is in the process of raising funds to achieve its strategic business objectives and to cover its projected operating expenses. The Company may not raise all of the required funding and therefore not achieve all of its business objectives. This means that the current cash reserves (plus any proceeds of the Offer) may not provide the Company with sufficient cash or working capital. Accordingly, the Company may need to obtain additional funding in the future. 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.
Market and competition risk	The Company operates in the home garden retail industry which is a highly competitive space. Some of the Company's competitors are significantly larger than the Company and have greater access to capital, economies of scale, resources and distribution compared to the Company. There is no assurance that the Company will be able to compete effectively with existing and new competitors in the future and this may have an adverse impact on the Company's financial performance and growth prospects.
Cashflow risk	The Company needs working capital to achieve its objectives. 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.
Retention of staff	The business is susceptible to the untimely loss of key personnel who are considered critical to the success of the Company. If key personnel were to leave the organisation, they would need to be replaced in a timely fashion in order for the Company to achieve its business objectives.
Technology / cyber security risk	The Company utilises technology across all aspects of its business. If any technologies were to fail without notice, or a data breach were to occur, it could interrupt the Company's ability to sell or communicate with customers, which could impact revenue, profitability and/or adversely impact its reputation.
Regulatory changes	Changes to legal and/or regulatory instruments may impact upon the Company's operations and management. If such changes are unfavourable, the Company may need to make changes to the way it conducts its business and such changes may impact upon the Company's ability to generate revenue.

Risk	Description
Brand risk	If the Company does not maintain consistent customer service, the Company's brand and reputation could be damaged. Similarly, bad public relations could impact the Company's brand.
Suppliers and Customers	<p>The Company is aware that it is reliant on maintaining existing supplier and customer relationships and that failure to maintain such relationships may reduce revenue.</p> <p>The Company is also aware that it will need to secure new suppliers and customers. If the Company is unable to do so, there is a risk that the Company will not be able to grow and may not maintain its current level of financial performance.</p>
Dilution risk	If, in the future, the Company undertakes further funding activities, a shareholder's interest may be diluted (if they do not participate in future fundraising).



2.9 Financial Information

Directors Statement

The below financial data is extracted from Xero and the company's annual financial statements (year ending 30 June 2022 & 2023), as prepared by an accountant and as approved by the directors. The figures are based on the Food2Soil® founders' pilot site, which was bootstrapped with limited resources (e.g. staff, time and equipment). The founders managed all aspects of collection, processing, manufacturing, selling and shipping. Worth noting January and February 2024 involved the relocation of the production site and the company has zero debt.

2.9.1 Balance Sheet

Account	31st Jan 2024 *	FY 2023	FY 2022
	\$	\$	\$
Current Assets			
Cash & Cash Equiv.	144,319	2,711	1,125
Trade and other receivables	76,810	11,482	4,669
Total Current Assets	221,129	14,193	5,794
Non-Current Assets			
Property, Plant & Equipment	18,184	4,372	5,001
Intangibles	22,206	382	382
Total Non-Current Assets	40,390	4,754	5,383
Total Assets	261,519	18,947	11,177
Current Liabilities			
Trade and other payables	-	1,399	1,399
Borrowings	23,679	98,201	57,114
Current Tax Liabilities	-	-	(9,391)
Total Current Liabilities	23,679	99,600	49,122
Net Assets	237,840	(80,653)	(37,945)
Current Year Earnings	(31,507)	-	-
Retained Earnings	(80,653)	(80,655)	(37,947)
Share Capital - Ordinary Shares	350,000	2	2
Total Equity	237,840	(80,653)	(37,945)

*Data from Jan 31st 2024 precedes a full year financial report

2.9.2 Profit & Loss Statement

Account	1st July 23 - 31st Jan 2024 *	FY 2023	FY 2022
	\$	\$	\$
Sales	33,640	48,101	5,296
Cost of goods	11,296	10,224	2,751
Gross profit from trading	22,344	37,877	2,545
Expenses			
Advertising	10,885	27,087	6,226
Employment Expenses	-	-	-
R&D	-	1,687	25,543
Rent	8,075	-	-
Other Expenses	34,891	51,811	17,475
Total Operating Expenses	53,851	80,585	49,244
Other income			
MVP Grant	-	-	15,949
R&D Tax Offset	-	-	9,391
Total Other Income	-	-	25,340
Net Profit	(31,507)	(42,708)	(21,359)

*Data from July 1st 2023 to Jan 31st 2024 precedes a full year financial report

2.9.3 Statement of Changes in Equity

Account	1 Jul 23-31st Jan 24	FY 2023	FY 2022
Equity	\$	\$	\$
Opening Balance	(80,653)	(37,945)	2
Current Year Earnings	(31,507)	(42,708)	(37,947)
Share Capital - Ordinary Shares	350,000	-	-
Total Equity	237,840	(80,653)	(37,945)

NB In Dec 2023 and Jan 2024, Food2Soil secured angel investors to support site relocation and purchase key machinery. This will significantly increase waste processing and biofertiliser production, ensuring a strong foundation for the crowd raise.

2.9.4 Statement of Cash Flow

Account	1 Jul 23-31st Jan 24	FY 2023
Operating Activities	\$	\$
Receipts from customers	47,002	53,955
Payments to suppliers and employees	(61,360)	(96,631)
Cash receipts from other operating activities	(1,818)	1,773
Net Cash Flows from Operating Activities	(16,176)	(40,903)
Investing Activities		
Payment for property, plant and equipment	(18,181)	-
Other cash items from investing activities	(22,206)	(328)
Net Cash Flows from Investing Activities	(40,387)	(328)
Financing Activities		
Other cash items from financing activities	198,171	43,758
Net Cash Flows from Financing Activities	198,171	43,758
Net Cash Flows	141,608	2,527
Cash and Cash Equivalents		
Cash and cash equivalents at beginning of period	2,711	184
Net change in cash for period	141,608	2,527
Cash and cash equivalents at end of period	144,319	2,711

Section 3

Information About The Offer.

3.1 Terms of Offer

Food2Soil® is offering up to 1,200,000 shares at an issue price of \$1.00 per share to raise up to \$1,200,000. The key terms and conditions of the Offer are set out below.

Term	Details
Shares	Fully paid ordinary shares
Price	\$1.00 per share
Minimum Subscription	\$200,000
Maximum Subscription	\$1,200,000
Minimum parcel size	\$250
Opening date	3rd April 2024
Closing date	17th April 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 www.swarmer.com.au/support/faqs.

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.

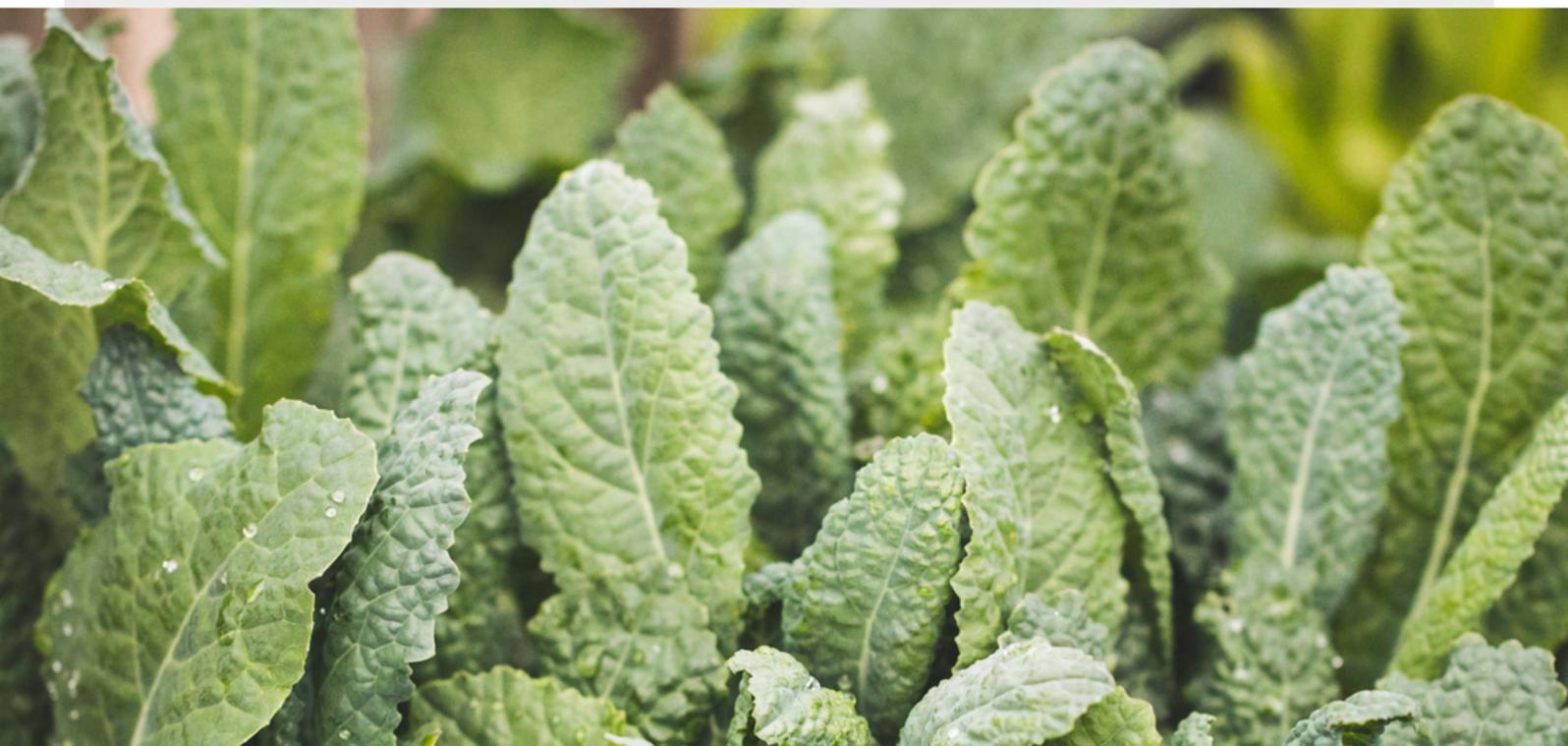
3.2 Use of Funds

A primary focus of this raise is to support the operational growth and customer base of the Food2Soil®. The table below sets out the intended use of funds raised under this Offer based on the minimum and maximum subscription amounts.

Intended use	Min Subscription	Mid Subscription	Max Subscription
Marketing & Sales	\$50,000	\$180,000	\$250,000
Salaries for operations	-	\$160,000	\$300,000
General Admin incl rent, legal, accounting, logistics	\$120,000	\$165,000	\$250,000
Research and Development	-	\$90,000	\$180,000
Product Development	-	\$80,000	\$100,000
Cost of the offer	\$30,000	\$75,000	\$120,000
Total	\$200,000	\$750,000	\$1,200,000

The Offer costs include the Intermediary's fees under the hosting agreement between the Company and the Intermediary. These fees are 6% of all funds raised by the Company through Swarmer Pty Ltd (AFSL #507867), plus \$2,800 plus GST for administration and setup costs.

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



3.3 Rights Associated with the Shares

Our objectives of the crowdfunding raise are multifaceted and designed to propel Food2Soil® forward and foster sustained growth into the future.

3.3.1 Voting rights

Each shareholder has one vote on a show of hands and, on a poll, one vote for each share held.

3.3.2 Dividends

All shareholders have a right to receive any dividends declared and paid by the Company. The directors have a discretion under clause 18 of the Company's Constitution and may resolve to pay dividends, subject to their obligations under the Corporations Act (for example, they cannot pay dividends unless the Company's assets are sufficiently in excess of its liabilities immediately before the dividend is declared and where it may materially prejudice the Company's ability to pay its creditors).

3.3.3 General meetings and notices

Clause 7.1 of the Constitution sets out when and how general meetings may be called.

Directors have the power to call meetings of all shareholders or meetings of only those shareholders who hold a particular class of shares.

Shareholders may requisition the holding of a general meeting in accordance with the Corporations Act 2001 (and the Directors must call that general meeting as soon as practicable after receiving that requisition).

3.3.4 Election and removal of directors

Pursuant to clause 4.2(c) of the Constitution, shareholders may vote to elect and remove directors at a general meeting by way of ordinary resolution (above 50%).

The Constitution also provides certain other special director appointment rights. These are set out in clause 4.2(a) and 4.2(b) of the Constitution and include special appointment rights for Major Members (as defined in the Constitution) and Founder Shareholders (as defined in the Constitution).

3.3.5 Winding up

If the Company is wound up and there are any assets left over after all the Company's debts have been paid, the surplus is distributed to shareholders after secured and unsecured creditors of the Company.

3.3.6 Restrictions of sale and transfer

Shares may only be transferred by a Member in accordance with the Company's Constitution. This means that except in respect of certain Permitted Transfers (as described in the Constitution) and other permissible disposals (such as pursuant to a drag along or tag along event), Members wishing to sell shares must offer those shares to Eligible Members (as defined in the Constitution) before those shares can be sold to third parties.

Permitted Transfers include a transfer of shares:

- to a buyer which is Controlled (as defined in the Constitution) by the same person that controls the Member;
- to a buyer who is an Affiliate (as defined in the Constitution) of the Member;
- to a trust in which the trustee is the same person that Controls the Member or is an entity that is Controlled by that person;
- to a wholly-owned Subsidiary (as defined in the Constitution) of the Member or a wholly-owned Subsidiary (as defined in the Constitution) of the ultimate holding Company of the Member; or
- following an Ordinary Resolution of the Directors approving such a transfer.

3.3.7 Restrictions on sale or transfer under the corporations act and constitution

By entering into the Subscription Agreement you are taken to acknowledge that any CSF Shares acquired under the Offer must not be on-sold within 12 months of their issue without a prospectus or other disclosure document, unless an exemption under section 708 of the Corporations Act 2001 (Cth) applies (e.g. sales to sophisticated or professional investors) or unless ASIC gives relief from the requirement to provide such prospectus or other disclosure document. The Company's Constitution also outlines certain rules and processes pursuant to which you may dispose of your CSF Shares.

3.3.8 Drag along

Where Members holding more than 51% of the Shares in the Company receive an offer from a third party to acquire all of the issued shares in the Company, Those Members may require all other Members of the Company to sell their Shares to that third party.

3.3.9 Tag along

Similarly, where parties holding at least 51% of the issued Share capital in the Company intend to sell all of their Shares to a third party, then any Members (other than those who intend to sell) will have the right to tag along.

3.3.10 Director's discretion to refuse to register a transfer of shares

Under the Constitution, the Board may from time to time refuse to register a transfer of shares. The details of the Board's power to do so are set out in clause 13(e) of the Constitution. Where the Board determines to do so, the Board must notify the person who deposited the instrument of transfer within five Business Days from the date the instrument of transfer was delivered to the Company by the Member.

3.3.11 Pre-emptive rights on issue of shares

Shares may only be issued by the Company in accordance with clause 15 of the Constitution. This means that, except in respect of certain Excluded Issues (as described in the Constitution), where the Company wishes to issue New Securities (as defined in the Constitution), the Company must follow the procedure set out in clause 15 of the Constitution, including by offering each Eligible Member (as defined in the Constitution) the right to acquire the New Securities.

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 purchase 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.

3.5 Investor Rewards

In addition to being a shareholder of Food2Soil® Pty Ltd, a range of rewards are being offered for investors.

Investment	Discount	Free Shipping	Free Food2Soil Gardener's Soap	First notification on new arrivals	Invite to future Food2Soil promotional events
\$250-\$499		✓	✓	✓	✓
\$500-\$999	One off 5% discount code	✓	✓	✓	✓
\$1,000-\$2,499	One off 10% discount code	✓	✓	✓	✓
\$2,500-\$4,900	One off 15% discount code	✓	✓	✓	✓
\$5,000-9,999	One off 20% discount code	✓	✓	✓	✓
\$10,000-\$24,999	Complimentary 3L Food2Soil Original	✓	✓	✓	✓
\$25,000-\$50,000	Complimentary 4L Food2Soil Original	✓	✓	✓	✓
\$50,000+	Complimentary 5L Food2Soil Original	✓	✓	✓	✓

Terms:

- Discount applies online to full price items only. Up to a value of \$250.
- Discounts cannot be used in conjunction with any other offer.
- Discount codes to be provided upon closing of the crowd raise.
- Free shipping valid for all states of Australia, including Tas, WA and NT.



3.6 Early Stage Innovation Company (ESIC)

From 1 July 2016, if you invest in a qualifying early-stage innovation Company ("ESIC"), you may be eligible for tax incentives.

The incentives provide eligible investors, who purchase new shares with:

- a non-refundable carry forward tax offset equal to 20% of the value of their qualifying investments. This is capped at a maximum tax offset amount of \$200,000 for sophisticated investors and their affiliates and \$50,000 for retail investors and their affiliates.
- a modified capital gains tax (CGT) treatment, under which capital gains made or accrued on qualifying shares that are continuously held for at least 12 months and less than ten years are exempt from CGT. Capital losses made or accrued on shares held less than ten years are also disregarded.

More information about the ESIC regime is available from the [Australian Tax Office website](#).

Based on an objective self-assessment with the assistance of advisors, the Company has assessed itself and believes that it meets the criteria as a qualifying ESIC for the purposes of this Offer. Investors who purchase new shares in qualifying ESICs may be eligible for certain early-stage tax incentives.

The Company does not warrant or guarantee that it will qualify under relevant rules as an ESIC and is not able to form a view or give investors tax advice as to whether they are eligible for any tax incentives. Neither the Company nor Swarmer Pty Ltd take any responsibility for investors that invest on the assumption that ESIC will apply to them or the Company. We recommend that investors seek independent tax advice about their investments.



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 (Cooling-off Period).

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

1. Proceed to your profile on the top right-hand side of the screen on Swarmer's website by clicking your profile image.
2. Click on the right-hand side bar and select "My Investments"
3. Scroll until you find your Food2Soil® Investment
4. Click the "Withdraw" button below the Food2Soil® logo
5. Confirm the selection by clicking the "Confirm" button on the pop-up
6. Your Withdraw request will be processed.

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



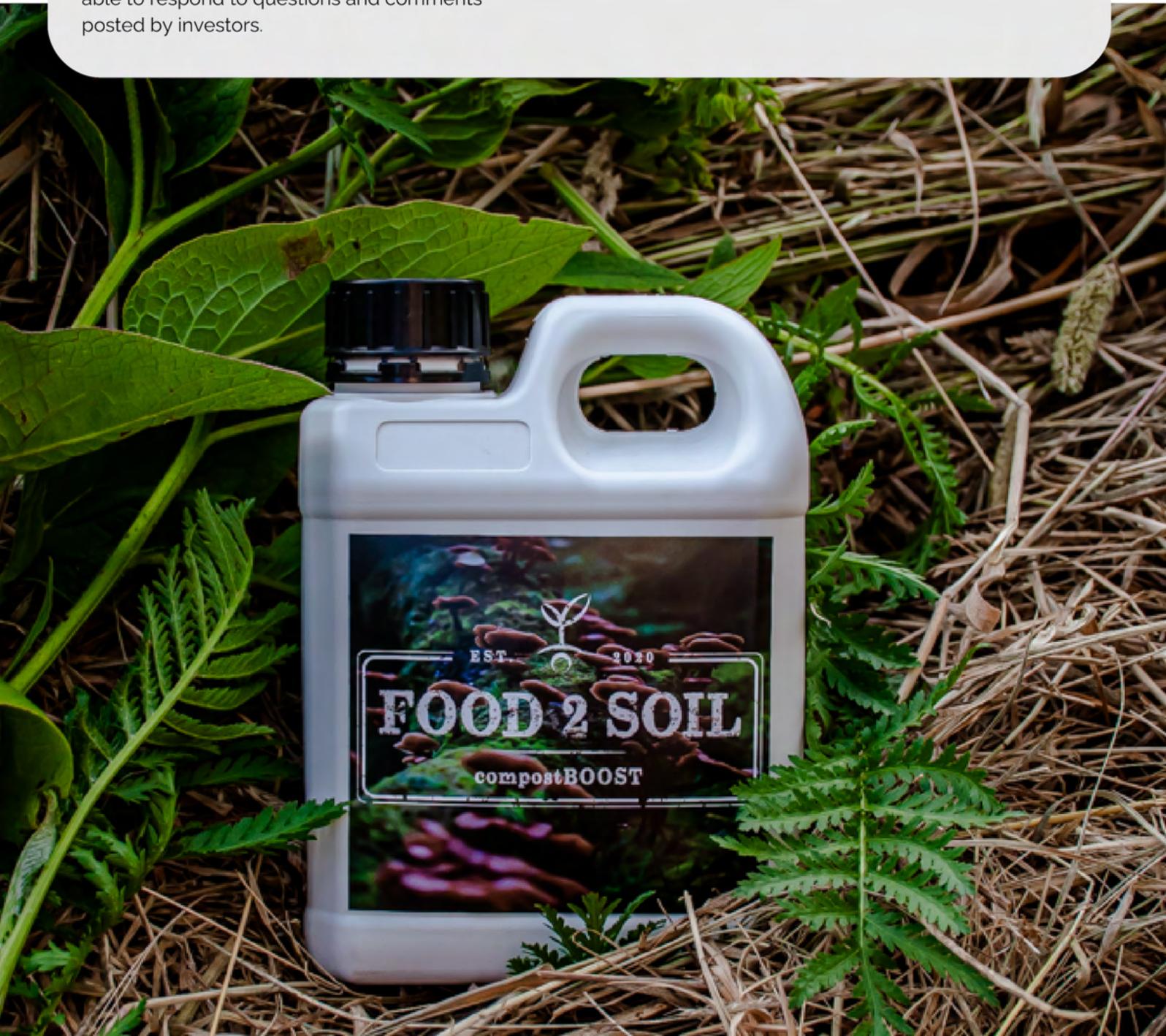
4.2 Communication Facility for the Offer

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

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

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

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



4.3 Proprietary Company Corporate Governance Obligations

4.3.1 Annual report

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

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

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

4.3.2 Distribution of Annual Report

The Company is not required to notify shareholders in writing of the options to receive or access the annual report. Shareholders will not be able to elect to receive a copy of the annual report by way of email or post. However, shareholders can access the annual report on the Company's website at the following address www.Food2Soil.com.au/investors (free of charge) and may be able to access the reports via any electronic share registry established by the Company from time to time. Alternatively, shareholders can purchase the report from ASIC.

4.3.3 Related party transactions

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

4.3.4 Takeovers

If we successfully complete this Offer and have more than 50 shareholders, the takeover rules in the Corporations Act will only apply to the Company in a very limited way.

If someone wants to buy more than 20% of the voting shares in the Company, they will be able to do so without complying with the takeover rules. This means a person may be able to get control of the Company without making a formal takeover bid to all shareholders or without seeking shareholder approval.

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

Glossary.

Company means Food2Soil® Pty Ltd ACN 6 445 144 74

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 AFS License #507867

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

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

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

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

