



Venus Shell Systems Pty Ltd

Trading as PhycoLife.

Issuer:

Venus Shell Systems Pty Ltd
ABN 14 605 271 529

Intermediary:

Swarmer Pty Ltd
AFSL 507867

Date:

7 May 2024.

Crowd-sourced Funding Offer Document.

Offer of fully-paid ordinary shares in Venus Shell Systems Pty Ltd at \$6.00 per share to raise a maximum of \$3,000,000.

This crowd-sourced funding (CSF) offer document relates to the Offer of fully-paid ordinary shares in Venus Shell Systems 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 Disclosure.

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 Founder.

We are delighted to offer you another opportunity to join Venus Shell Systems Pty Ltd, the parent company of PhycoHealth & PhycoLife, as a shareholder. With the help of the crowd last year, we have started a movement that accelerates the development of our company with profit for purpose at our core.

We have already commercialised a cycle of food, nutrition and wellbeing, by capturing lost energy and nutrients from existing industrial food production systems - all through the power of our seaweed.

Since 2015, Venus Shell Systems (trading as PhycoHealth and in the development of PhycoLife) has been cultivating a unique Australian species of seaweed on nitrogen and CO2 by-products of modern food production. We capture otherwise lost food waste at scale, from any food sources, in our land based cultivation technology. From this system we harvest a fully traceable, versatile and unique green marine crop with a wide portfolio of ingredients to take to market from plant protein to biologically functional molecules for human health.

In 2023 we completed our first fully subscribed Equity Crowdfunding Raise under the PhycoHealth brand which upscaled our cultivation technology, and scaled the sales of our food and health range of products online, and through retailers like Harris Farm Markets in Australia and Holland & Barrett in the UK. Since completing the raise, Venus Shell System's revenue has grown by more than 70%, and whilst scaling our cultivation capacity we have made ground-breaking discoveries through our R&D projects.

Our research into seaweed molecular structures has uncovered unique extracts which perform and function the same way as hyaluronic acid, a key ingredient in the global skincare, nutraceutical and medical markets. Our unique proposition is that we have the only plant-based and non-GMO replacement for this molecule today. With this Crowd Sourced Funding raise we have the opportunity to bring a revolutionary new marine grade ingredient into production under our PhycoLife brand.

An ingredient we foresee will challenge hyaluronic acid with a sustainable, animal and GMO free alternative.

Your investment will help us continue creating healthy and sustainable products worldwide and we are very excited to again offer the crowd an opportunity to be part of this journey.

Thank you,
Dr Pia Winberg and the PhycoLife team.



2.1 Company Details.

2.1.1 Company Key Information.

This offer of shares is made by Venus Shell Systems Pty Ltd (the Company)

Company name:	Venus Shell Systems Pty Ltd (VSS).
ABN / ACN:	ABN: 14 605 271 529 / ACN: 605 271 529
Date of incorporation:	14 April 2015.
Registered office:	Level 1/24 Berry St, Nowra NSW 2541.
Principal place of business:	1 Scallop St, Huskisson NSW 2540.
Offer Type:	Crowd-sourced funding.
Offer Details:	Offer of fully-paid ordinary shares in Venus Shell Systems Pty Ltd at \$6.00 per share to raise a maximum of \$3,000,000.

Further information on the Company can be found under section 2.5.3 Company Structure.

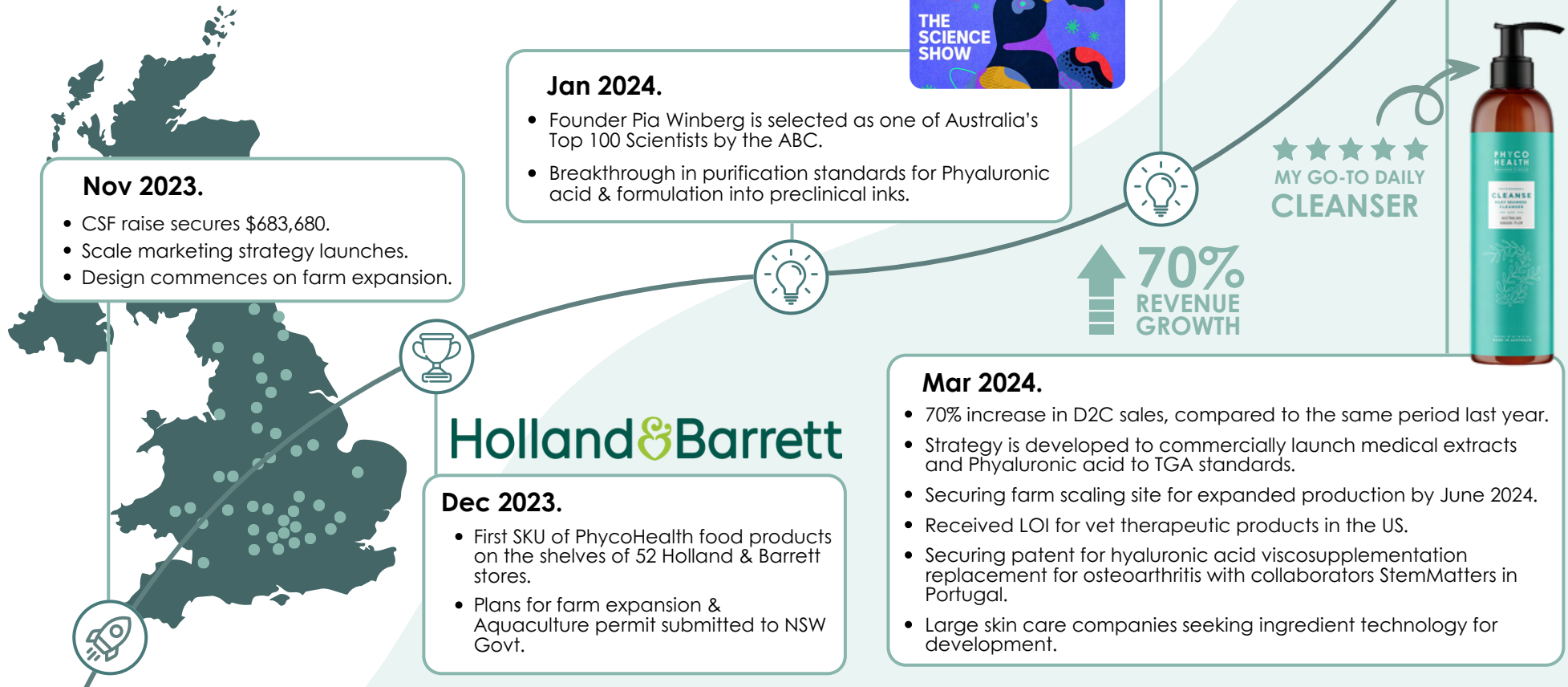
This CSF Offer is made under Venus Shell Systems Pty Ltd. trading as PhycoLife, the 'sister' brand of PhycoHealth.



2.1.2 Achievements since our last raise

In 2023, Venus Shell Systems raised over \$680,000 through an ECF campaign on Swarmer Pty Ltd to increase capacity for our seaweed cultivation farm and deliver a global go-to-market strategy launching with success in Holland and Barrett in the UK.

This second CSF raise will help us kickstart the next chapter for Venus Shell Systems, under the 'PhycoLife' brand. Funding will be used to scale our processing & refinery plant, elevate the quality of our ingredients to meet the requirements of nutraceutical and medical grade customers, finance medical regulatory approvals and secure IP protection for medical applications.

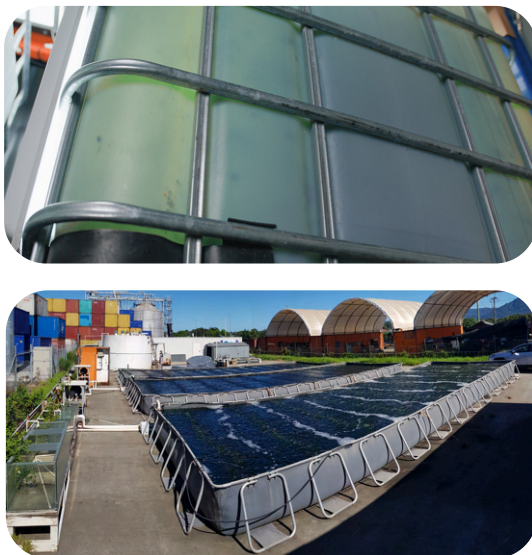


2.1.3 What does our Crowdfunding campaign mean for New & Existing Shareholders?

Both our brands 'PhycoHealth' and 'PhycoLife' sit under our parent company 'Venus Shell Systems Pty Ltd'. This means that when you invest in the technology focus of PhycoLife, you'll become a shareholder of the whole portfolio of Venus Shell Systems Pty Ltd including PhycoHealth and our technology that cultivates ALL of our incredible ingredients across these two skincare & nutrition-based brands!



Our proprietary technology & land-based seaweed facility at Bomaderry, NSW.



Our award-winning food, drink, & supplements sold online & in retailers across AU & the UK.



Our high grade marine molecule for medical, skincare & veterinary treatments.



2.2 Description of the Business.

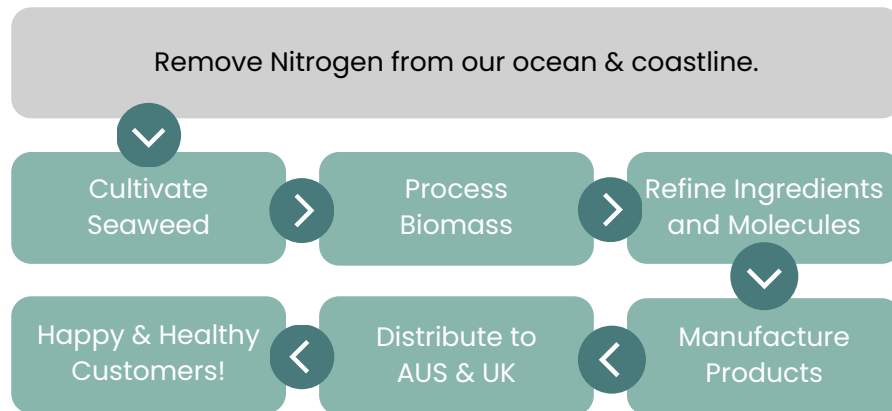
2.2.1 About VSS (PhycoLife).

Venus Shell Systems (VSS) was incorporated in 2015 with a goal to cultivate highly nutritious ingredients sustainably from the ocean.

Founded by renowned scientist Pia Winberg, in just 8 years VSS has grown from a test tube to a 40-ton wet seaweed farming system. Our aquaculture production system grows a unique, endemic green species of seaweed which is used as an ingredient in a diverse range of food, medical, supplement, and skin care products, and sold to customers worldwide, serving both wholesale and retail markets.

On the back of several scientific breakthroughs in 2022, Venus Shell Systems registered the PhycoLife brand as a sister brand to PhycoHealth. PhycoLife was launched to expand on the utilisation of the high-grade ingredients that we can extract and purify, and to start servicing the growing interest in our ingredients from health and medical brands.

This ECF raise is for Venus Shell Systems Pty Ltd to expand their focus on the 'PhycoLife' brand which specialises in skin care, and medical ingredients in which lies a much larger opportunity to disrupt the incumbent Skincare and Nutraceutical markets.



2.2 Description of the Business.

2.2.2 The Breakthrough.

Phyaluronic Acid™ The Hyaluronic acid replacement.

The golden goose of the Nutraceutical and Skin care industries, Hyaluronic acid is a naturally occurring molecule in human tissue that helps the body retain moisture in the skin, It's also crucial to the body's healing process, controlling inflammation and redirecting blood flow to damaged tissue. It is commonly used in the medical and skincare sectors but also has a range of applications:

The 'golden goose' of the **\$425B Nutraceutical Market** [1] and **\$114B Skincare Market.** [2]

[1] - <https://www.arizton.com/market-reports/nutraceuticals-market>

[2] - <https://www.fortunebusinessinsights.com/skin-care-market-102544>

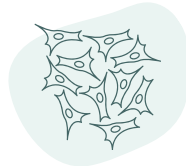
Moisture retention



Orthopaedic Injections



Tissue repair



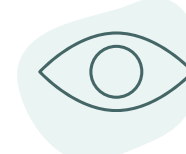
Cosmetic injectables



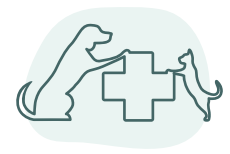
Oral supplements



Eye lubrication



Veterinary medicine



Our 'Phyaluronic acid'™ is the **world's first plant-based Hyaluronic acid replacement.**

We have discovered a breakthrough molecule in seaweed molecular structure, which is grown from our green seaweed.

Historically hyaluronic acid has been extracted from animal tissue. We are presenting the first plant based source of the equivalent molecule, which is not found in any other plant or category of seaweeds.



2.2.2 The Breakthrough. (cont)

Ethical & cruelty-free



Halal pharmaceutical ingredients



Sustainably sourced



Plant-based ingredients



Transparency & traceability



TRADITIONAL HYALURONIC ACID

- ✗ Holds 1000x its weight in water.
- ✗ High energy & water consumption to produce.
- ✗ Contain animal matter & GMO.
- ✗ Non Halal.



PHYALURONIC ACID MOLECULES

- ✓ Holds 2000x its weight in water.
- ✓ World first plant-based alternative.
- ✓ Waste free and 50x more efficient.
- ✓ Animal & GMO Free!

Our Phyaluronic acid communicates with cells and stimulates cell behaviour (including the production of collagen and elastin), just like Hyaluronic acid.



2.2 Description of the Business.

2.2.3 The Opportunity.

*Revolutionise the medical and skin care industries with a **sustainable & scalable solution.***

Currently valued at USD 114B Globally, the Skincare market is forecast to grow to USD 194B by 2032. [4]

Of this \$114B Total Available Market, PhycoLife estimates a Serviceable Addressable Market of 10% at \$11.4B capturing a range of customers who are 'pro-plant-based' or sustainably conscious consumers.

Our ambitious target is to capture 15% of this market within the next 5 years positioning our Serviceable Obtainable Market at approximately \$1.71 Billion USD in Skincare alone.

Whilst a key revenue stream, the successful commercialisation of Phyaluronic acid opens a wide range of opportunities much larger than the cosmetic skincare sector. PhycoLife is already in progress with some developments for oral healthcare, microbiome support and vet health care applications.

Additionally, medical applications and companies that manufacture medical devices from hyaluronic acid will appreciate the non-communicable disease or halal opportunity from a non-animal source.

[3] - <https://www.arizton.com/market-reports/nutraceuticals-market>

[4] - <https://www.fortunebusinessinsights.com/skin-care-market-102544>

[5] - <https://www.grandviewresearch.com/industry-analysis/hyaluronic-acid-market#:~:text=Hyaluronic%20Acid%20Market%20Size%20%26%20Trends,contributing%20to%20the%20market%20growth.>

Global Nutraceutical Market [3]

\$425
BILLION
2022. (USD)

Global Skincare Market [4]

\$114
BILLION
2024. (USD)

\$10
BILLION [5]
2023. (USD)

Global Hyaluronic Acid Market

2.2 Description of the Business.

2.2.4 The science and future applications.

The science behind our discovery.

Hyaluronic Acid was first commercially made available in 1934, produced from rooster combs and human umbilical cords. It was used to support wound healing and since has become popular in skincare and cosmetic applications.

At PhycoLife, we have proven that human skin cells recognise and thrive on our Phyaluronic acid produced from our unique seaweed species.

We are incredibly excited by the opportunity Phyaluronic acid presents, with a long list of potential applications and commercial opportunities:

- Cartilage repair & protection (PhycoLife in partnership with StemMatters already has patent access in this space).
- Controlled drug release delivery.
- Infection prevention.
- Antivirals.
- Radio & Chemotherapy treatment of burns (mouth & gut).
- Microbiome modulation.

PHYALURONIC

Future Products

Therapeutic range.

Infection prevention.

Antivirals.

Radio & chemotherapy treatment.

Microbiome modulation.

Pet-care and veterinary uses.

2.2 Description of the Business.

2.2.5 Our Success to date.

2015.

With over 2 decades of research in aquaculture and seaweed cultivation, VSS is incorporated partnering with an Australian wheat refinery to create a regenerative circular economy of food and nutrient production.

2018.

Designed and built a comprehensive integrated system from 'sea to spoon'. Reached commercial production capacity at our Bomaderry facility.

2021.

Royal Society of Chemistry published Dr Pia Winberg's research on 3D printing skin tissue. Launched further products in the FMCG space, totalling 20 SKUs in 3 categories.



2016.

First products launched in the FMCG space. Today VSS boasts over 20 products including a range of award winning foods and supplements - Winning Gold, Silver and Bronze Awards at the Australian Food Awards.

2019.

Secured partnership with Harris Farm Markets and achieved a 60% returning customer rate.



2023. **Holland & Barrett**
Completed Crowd sourced funding raise, and launched globally in Holland and Barret in the UK. Deployed Go To Market plan which has returned significant growth as revenue increases by 70% compared to the same period last year*.

70%
Revenue Growth*



2.2 Description of the Business.

2.2.6 Key Products and Services.



[prefix]

from Greek 'phukos', meaning seaweed or algae.

'Phyco' comes from the Greek word phŷkos, for seaweed and algae, and is essential to the ecosystems on the planet to which our CEO Dr Pia Winberg has dedicated her career-long research. PhycoLife's success hinges on this knowledge, leveraging decades of scientific insights into how specific seaweed strains can be sustainably grown to produce nutritionally dense ingredients for a versatile range of applications for human and animal well-being.

We have translated this knowledge into real products in the market today. Our commitment to quality is underscored by gold-standard clinical studies on health outcomes and accolades such as Gold, Silver, and Bronze medals from the Australian Food Awards for our sister brand PhycoHealth. We offer a wide range of products across the skincare market with further research being undertaken to launch medical solutions with our Phyaluronic Acid.

PhycoLife's sister company PhycoHealth provides a range of products across the food and nutrition markets, as well as groundbreaking ingredient extracts, demonstrating our success in bringing science to the commercial and retail markets.



Verified Buyer

Rich & Creamy! Love this moisturizer. Absorbed quickly and a little goes a long way.

Dee M.

I recommend this product



Verified Buyer

I have been using this product for approximately four years. It suits my aging skin and I have no intention of looking elsewhere.

Elaine L.

I recommend this product



Verified Buyer

I have used this moisturiser throughout chemotherapy and it has been so gentle on my sensitive skin. I use in conjunction with the face cleanser and I find both to be just as good(if not better) than the high end brand I used for years.

Boronia W.

I recommend this product



Verified Buyer

I eagerly apply this luscious, gorgeous and nourishing cream daily to my face and honestly I can really see and feel the difference on my skin - soft, beautiful, smooth and nourished skin every day

Catherine M.

I recommend this product



2.2 Description of the Business.

2.2.6 Key Products and Services.

Existing Products:

Featuring our exclusive, seaweed equivalent to hyaluronic acid that is traditionally sourced from animals, PhycoLife's personal care products provide a range of skincare essentials and a unique affinity with human skin. Our customers particularly love the suitability for sensitive skin with natural, plant based formulas without any animal testing. Our range includes:



Purify
★★★★★
(9)



Shield
★★★★★
(21)



Seascrub
★★★★★
(11)



Soothe
★★★★★
(45)



Cleanse
★★★★★
(24)



Nourish
★★★★★
(92)

2.2 Description of the Business.

2.2.6 Key Products and Services.

Existing Products:

In addition to breakthroughs in the skin care and medical sector, Venus Shell Systems has introduced new and exciting ingredients extracted from our seaweed. The unique and varied applications for these ingredients demonstrate our ability to research, develop and implement new and emerging scientific discoveries into our product range.

The 3 key ingredients we are currently cultivating under our PhycoHealth brand are PhycoTein, SeaFibre and PhycoGreen. We are very pleased to announce PhycoTein won most innovative Protein based ingredient whilst SeaFibre and PhycoGreen both were shortlisted as finalists at the International Food Expo in London UK in three separate ingredient categories.



PhycoTein.

The world's first green seaweed protein. High in iron, amino acids & B12.



SeaFibre.

A Clinically tested green seaweed fibre extract with proven dietary fibre benefits, surpassing established fibres like beta-glucan in oats.



PhycoGreen

High in dietary fibre, complete amino acids, trace elements, Omega-balance (Omega 3 & 6) and essential vitamins such as B12 and Vitamin C.

PhycoTein winning the IFE 2024 'Innovative Protein Ingredient'.

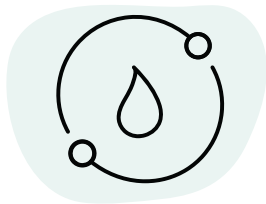


2.2 Description of the Business.

2.2.6 Key Products and Services.

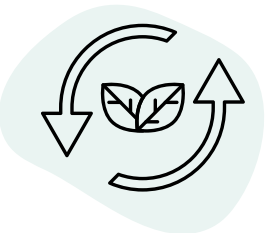
New Products & Ingredients:

Our Phyaluronic Therapeutic Range:



Super Plumping

Holding over 2000x its weight in water, Phyaluronic acid is up there with the best molecular competitors for hydration. This is a key function in skincare ingredients for reducing tiredness and fine wrinkles in skin.



Antioxidant

Our Phyaluronic acid is especially good at being protected from oxidative and enzyme damage compared to traditional hyaluronic acid, as it has a high negative charge and molecular shield.



Anti-Aging

Skin cell hydration, protection from oxidative damage, and protection of collagen and elastin from external stressors are just some of the ways in which Phyaluronic Acid is anti-aging.



2.2 Description of the Business.

2.2.6 Key Products and Services.

New Technology:

3D Printable Bioinks.

In 2021 founder Pia Winberg published findings on the use of Hyaluronic acid (known as SXR84 in our research papers) to create 3D printable bioinks in the prestigious Biomaterials Science Journal. It was found that these bioinks could support the regeneration of human skin tissue, and can be spun and woven into uniquely soluble or insoluble gauzes, and also delivered in gel formulations with human skin cells to regenerate full thickness skin. The applications for such a product is desperately sought after for treatment of burns or other open wounds. [6]


*Professor Fiona Wood.

One of Australia's most innovative and respected surgeons and researchers. A highly skilled plastic and reconstructive surgeon and world leading burns specialist, she has pioneered research and technology development in burns medicine and the creator of ReCell.

Achievements.

- Member of the Order of Australia (AM), 2003.
- Western Australia Citizen of the Year, 2004.
- Australian of the Year, 2005.
- Officer of the Order of Australia (AO), 2024.

[6] - <https://pubs.rsc.org/en/content/articlelanding/2021/bm/d0bm01784a/unauth>



We are undertaking clinical skin repair technology with ***Prof. Fiona Wood** hoping to **improve further on her famous burns healing technology.**

2.2 Description of the Business.

2.2.6 Key Products and Services.

New Technology:

Osteoarthritis Patent.

Outside of the skincare markets we are exploring medical applications of our Hyaluronic acid working with Stemmmatters, a Portugal based medical ingredient and cell culture company.

With Stemmmatters, we have access to a patent for the application of Hyaluronic Acid into knee injections to help prevent the progression of osteoarthritis. We intend to progress this development in partnership with Stemmmatters to be ready for clinical trials by 2025. [7]

Funding for this CSF raise will be utilised to secure TGA (Australia) and FDA (USA) regulatory approvals allowing further development and implementation of our unique ingredients and molecules.

With Stemmmatters, we have access to a patent for the application of Hyaluronic Acid into knee injections to help prevent the progression of osteoarthritis.



[7] - <https://eureka.patsnap.com/patent-US20170216343A1>

2.2 Description of the Business.

2.2.7 Overview of Industry & Competitive Advantage.

Most cultivated seaweed in the world is brown kelp or red seaweed like nori and Sea Moss. Green seaweed cultivation has not been scaled to the same extent, and VSS is one of only a handful of companies globally that know how to control a green seaweed in precision cultivated, land-based systems. This is building on decades of research by our founder including the lifecycle control of seaweeds and how they reproduce, the nutritional and molecular qualities of each different seaweed species, and the translation to human health. Our green seaweed is especially competitive for nutrition and protein as it does not contain excessive iodine and has unique bio-actives such as B12 and also the Phyaluronic Acid molecule.

We are not like any other seaweed.

[8]

Common types		iodine levels	Protein	B12	iron	Omega-3 balance	Dietary fibre	Phyaluronic Acid	Lutein
Our Green Species 84.	PhycoGreen	Safe	30+%	High	High	Good	Excellent	Excellent	High
Red Seaweeds	Nori, SeaMoss	Med-High	20%	None	Some	Low	High	None	None
Brown Kelps	Kombu, Wakame	Risky	10%	None	Some	Low	High	None	None
Green Seaweeds	Sea Kaviar, Sea Lettuce	Safe	15%	Some	Some	Variable	High	None	Some

At PhycoLife, our science-backed research led us to a unique species and strain of green seaweed, which greatly differs from any other seaweed cultivated for consumption, with safer levels of iodine, and much higher in proteins, Iron, B12, Omega-3, clinically tested dietary fibre and other trace nutrients which are essential and often deficient in modern diets.

[8] - <https://phyconomy.net/wp-content/uploads/2020/10/Australian-seaweed-sector-1.pdf>

2.2 Description of the Business.

2.2.7 Overview of Industry & Competitive Advantage.

We're not like any other medical grade ingredient.

Traditionally, the highest yields of Hyaluronic acid come from cattle, pig, and sheep synovial fluid (up to 40 g/L), rooster comb (39.8 g/kg), and wattle tissue (17.9 g/kg) with other sources including cow and tuna eyes, swordfish, shark and stingray. [9]

Other commercial production of hyaluronic acid involves fermentation using bacteria like *Streptococcus zooepidemicus* or genetically modified *Escherichia coli*. These bacteria are grown in controlled bioreactors, where they synthesise hyaluronic acid. [10]

In comparison to Phyaluronic acid, half a kg of Rooster comb yields 0.5g, while half a kg of our Seaweed (species 84) yields 5g.

That's 10x more per kg of our seaweed, in a production system that yields 50x more crop than the rooster needs to eat to make the traditional Hyaluronic Acid!

Ingredient	Hyaluronic Acid	Phyaluronic Acid
Source	<ul style="list-style-type: none">• GMO fermentation.• Animal sources.	Cultivated from Green Seaweed.
Ethical Issues (Allergen, Halal, Safety)	Yes	No
Country of Origin	China, USA, Europe.	Australia

[11]

[9] - <https://www.ncbi.nlm.nih.gov/pmc/articles/PMC10459667/>

[10] - <https://www.ncbi.nlm.nih.gov/pmc/articles/PMC4754297/#:~:text=Currently%2C%20large%20scale%20production%20of%20HA%20involves%20extraction,endotoxin-free%20microorganisms%20such%20as%20Bacilli%20and%20Escherichia%20coli.>

[11] - <https://www.firmknow.com/the-worlds-major-manufacturers-of-hyaluronic-acid-products/>



ANIMAL AND GMO-FREE (NO MORE USING ROOSTER COMBS)

...0.5kg of Rooster Comb yields 0.5g of Hyaluronic acid, whilst 0.5kg of our Seaweed (species 84) yields 5g. That's a 10x difference!

2.2 Description of the Business.

2.2.8 Legal or disciplinary actions against the Company.

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 Business and Revenue Model.

2.3.1 Overview of the Business Model.

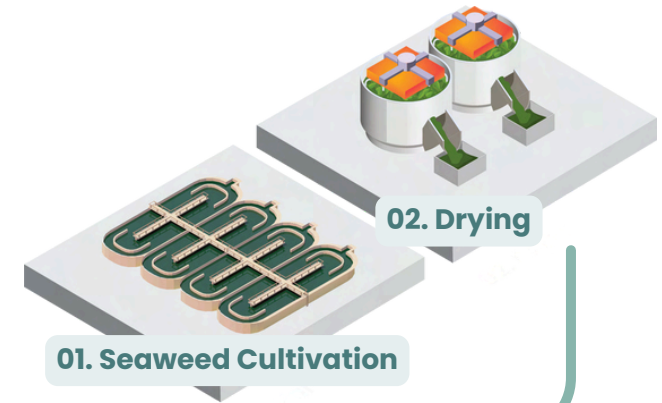
Our business model has developed across 20 years of research and scientific discoveries to regenerate waste and create products that are good for people and the planet. Including our latest breakthrough which could replace animal-sourced molecules at the frontier of medical research!

At our facility in Bomaderry NSW, we have demonstrated how we can grow our unique green seaweed (species 84), to reuse Carbon Dioxide and Nitrogen waste from large-scale food industries. Cleaning seawater of pollutants and generating a nutrient-dense seaweed biomass with zero waste.

This biomass is refined in our processing plant in Huskisson NSW and integrated into a range of products across the FMCG (fast-moving consumer goods) sector. These include food products, clinically tested supplements, and skincare products with functional, plant-based ingredients used in our wound healing and Phyaluronic acid research. Goods are currently distributed under the PhycoHealth brand through Direct to Consumer (DTC) e-commerce and our retail partners.

Since our last raise, we have redesigned our cultivation process and created what we call 'the green lung' a vertical farming system that grows more marine-based molecules in a smaller area. This breakthrough opens a huge range of opportunities to explore with our Phyaluronic acid, including a range of new medical applications.

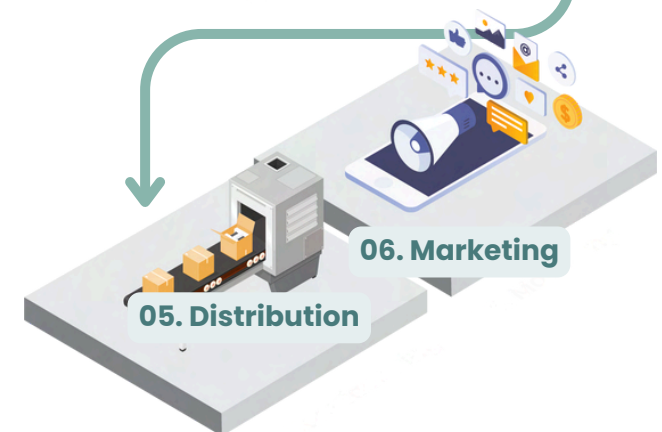
STEP 1



STEP 2



STEP 3



2.3 Business and Revenue Model.

2.3.2 Revenue Model.

Venus Shell Systems currently operates in both B2C and B2B under the PhycoHealth and PhycoLife brands. The Revenue and Business Model referred to below is the collective of Venus Shell Systems and includes operations of both brands:

B2C Revenue Model:

PhycoHealth's FMCG products are sold directly to consumers through e-commerce, yielding a blended margin of 50%. 80% of our revenue comes from Direct-to-Consumer (DTC) sales and we have achieved \$642,000 of D2C sales in the last 12 months, and are tracking for a new record in total sales this financial year of well over \$700,000 (\$670,00 and counting in April).

10% of our sales come from a repeating subscription service, and we have a 60% returning customer rate beyond the subscription service alone.

B2B Revenue Model.

Under the PhycoHealth brand our products are stocked in multiple national retailers and wholesalers in Harris Farm Markets in Australia and Holland & Barrett in the UK. We also are in discussions with several other retailers in the UK, and plan to establish a global reach with e-commerce directly from our warehouse service inside the UK.

Future Revenue Model:

This crowdfunding campaign intends to fund expansion into the Medical grade ingredients and skincare sectors which will open an incredible range of opportunities for revenue growth.

With funding, VSS is poised to process 50 tonnes of seaweed in the next financial year, enabling continued expansion of the PhycoHealth range of FMCG goods, while we also develop products, ingredient specifications and address regulatory requirements to enter the medical grade B2B sector through the brand PhycoLife.

This scale of production could see us doubling our current FMCG range to well over \$1M in revenue, plus an added therapeutic range of Hyaluronic Acid skin care products that would take sales into a new dimension of higher value per volume, as well as deliver the first ingredients to the B2B channels that we are establishing.



2.3 Business and Revenue Model.

2.3.3 Marketing & Distribution.

The Venus Shell System brands are promoted through various channels, both traditional and digital, and we have conducted extensive research to pinpoint our target audiences.

Our accomplishments in the sustainability sector have been well publicised in a range of media outlets, as well as gained attention from University and research institutes, organisations we have now partnered with:

Forbes

ABC

BBC

The Sydney Morning Herald

MAAS
Museum of Applied Arts & Sciences

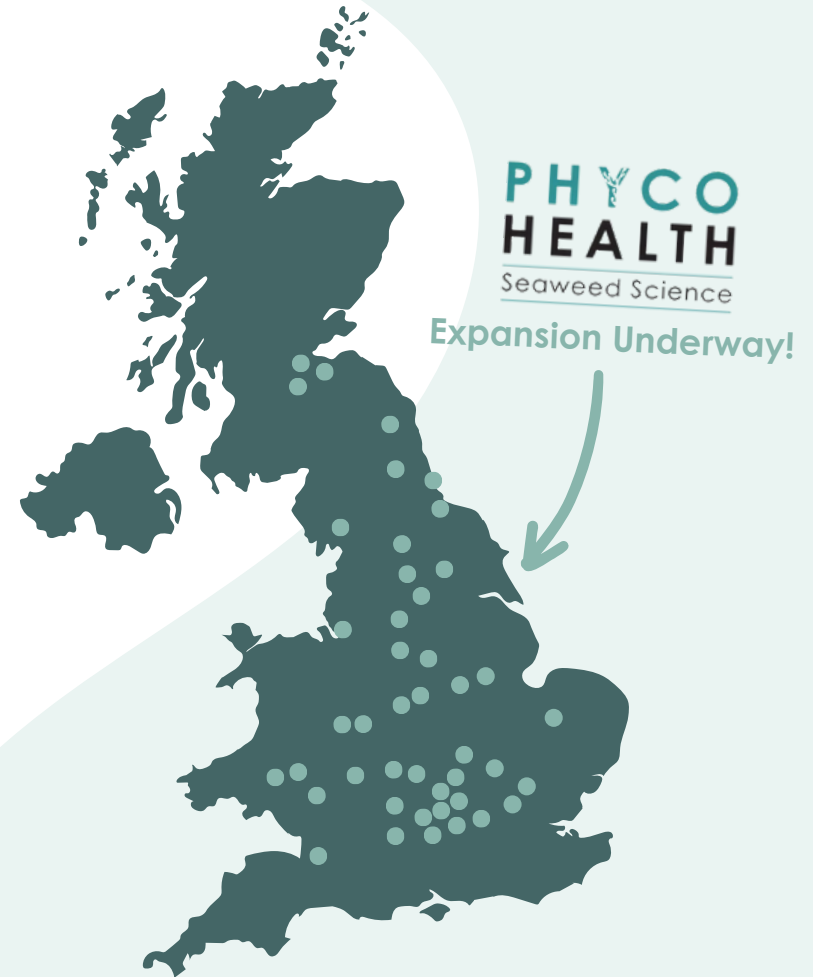
IFE International Food & Drink Event
17-19 March 2025 | ExCeL London

MACQUARIE
University
SYDNEY · AUSTRALIA

THE UNIVERSITY OF SYDNEY

THE UNIVERSITY OF QUEENSLAND
AUSTRALIA

UNIVERSITY OF WOLLONGONG
AUSTRALIA



Currently Venus Shell System has distribution partnerships in place with retailers in both the UK and Australia. The operational team overseeing our PhycoLife range intend to utilise these existing partnerships and expand our offering to a therapeutic range of skin care and established R&D partnerships with ingredients as the new PhycoLife intel inside brands that have the same core values as us:

- Scientifically verified
- Sustainably sourced
- Regenerating systems for socio-economic progress

2.4 Business Strategy.

2.4.1 Strategy & Priorities.

VSS will be raising funds to invest in scaling our production capacity of medical grade ingredients as well as the regulatory and strategic planning to bring Phyaluronic Acid to market, alongside our existing range of FMCG and other ingredients.

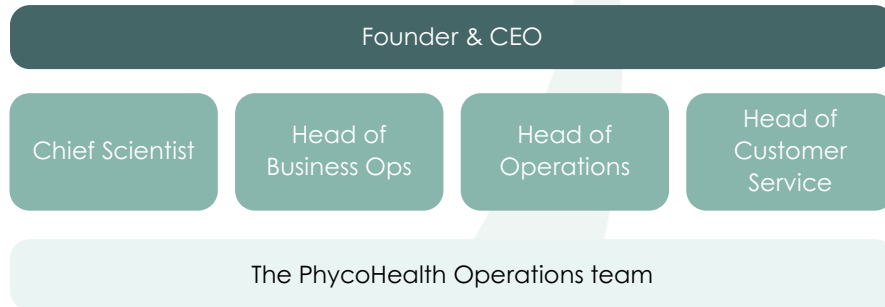
With the funds raised, we will:

- Scale our high grade, traceable, vertical wall production of seaweed specifically for the high value markets. We will double our current production in addition to the food and health grade seaweed.
- Scale our extraction and purification processes by increasing our Phyaluronic Acid manufacturing 2 fold.
- Establish the specifications and product development partnership required by 4 third party brands that are seeking to include our ingredients into their own range of products. This will include analytical work as well as potential clinical or in vitro studies to tailor the ingredient evidence for their unique specific uses - for example:
 - Biofilm (infection) inhibition for implants,
 - Wound healing,
 - Cancer treatment recovery (mucositis),
 - Viscosupplementation in the knee,
 - Oral health,
 - Intimate health,
 - Gut health,
 - Eye health,
 - Seek regulatory approvals,
 - Expand on patent portfolio,
 - Formulate our own therapeutic range,
 - Bring Phyaluronic acid to market with select partners in biotechnology markets.



2.5 Directors and Senior Managers.

2.5.1 Organisational Structure.



The Phyco-Crew

Each day we have a crew that passes the baton from the farming to the processing and getting finished products to customers. It is a happy team of 10 that keeps the system rolling today.



2.5 Directors and Senior Managers.

2.5.2 Founder and CEO

The PhycoHealth team has a wealth of experience across a range of phycology, marine, bioscience and aquaculture industries.

Dr Pia Winberg.

Founder & CEO.

Marine-systems, molecular ecologist turned entrepreneur, a non-conventional scientist who has pursued a career spanning science, sustainability and health. An expert at joining the dots from the natural systems to the market across multiple technologies and is a driver of change through action. Highly cited peer reviewed science publications. A technology leader in the space of seaweed and marine food production regularly featured across the BBC, Al Jazeera and other media platforms.



Founder & CEO

Venus Shell Systems | PhycoHealth | PhycoLife.



Honorary Fellow (in renewal)

University of Wollongong.



Committee Member

Aquatic Plant Names FRDC.



Committee Member

NSW Aquaculture Research
Advisory Committee, NSW DPI.



Voted in Australia's Top 100 Scientist of 2024.
by ABC's the Science Show.



Scan adjacent QR
for ORCID archive
of research
publications.

2.5 Directors and Senior Managers.

2.5.3 Board Members



Dr Pia Winberg.

Founder & CEO, Executive Director.

Marine-systems, molecular ecologist turned entrepreneur, a non-conventional scientist who has pursued a career spanning science, sustainability and health. An expert at joining the dots from the natural systems to the market across multiple technologies and is a driver of change through action.

Highly cited peer reviewed science publications. A technology leader in the space of seaweed and marine food production regularly featured across the BBC, Al Jazeera and other media platforms.



Anthony Owen

Non-Executive Director.

A recent addition to the VSS Board of Directors, Anthony is a champion of female-led companies, with experience as a Director and CEO, capital raising, global expansion, sales management across global and multinational channel distribution, media agency environments and direct-to-market.



Vafa Shams

Non-Executive Director.

With an education in electrical and computer systems and a background in Business development of global communication systems and IoT, Vafa brings a strategic perspective on deriving value from innovations with disruptive technology that challenge the status quo. In addition, the smart systems technology that is developing from the VSS will be a part of visualization of a more sustainable future.



Rika Nakazawa.

Non-Executive Director

Rika Nakazawa is a business leader and operator, entrepreneur, investor, board director, and internationally-recognized speaker on innovation-led industry transformation and diversity in leadership. Focused on facilitating global expansion, and the implementation of smart systems and digital technologies.

2.5 Directors and Senior Managers.

2.5.4 Key Team Members

Dr Helen Fitton.

Chief Scientist.

A globally recognised marine biochemist with a proven track record in the commercialization of seaweed products (as CSO of the world's leading Fucoidan company). She sits on the Scientific Advisory Committee of the Blue Economy CRC (AU), the Advisory Board, Seaweed First (FR) and is a Fellow of the Royal Society of Chemistry. She applies her extensive research, publications and patents background to lead the R&D commercialisation of VSS ingredients and PhycoHealth products.



Chief Scientist.

Venus Shell Systems | PhycoHealth | PhycoLife.



Fellow of the Royal Society of Chemistry; MAICD.



Scan adjacent QR for ORCID archive of research publications.

2.5 Directors and Senior Managers.

2.5.4 Key Team Members



Val Gomez.

Head of Operations.

Having worked across multiple sectors in aeronautical maintenance engineering, Val joined PhycoHealth in 2020 and runs a tight ship of operations day to day. Across multiple types of equipment and management, Val also oversees the staff that make the PhycoProducts roll onto the shelves.



Tim Bailie.

Product Development.

As a former Navy helicopter pilot for 17 years, Tim has the experience of someone who needs to keep himself in top shape as well as to be creative and strategic in any situation - all traits that are needed to bring a new frontier of human health through food and nutrition. Tim is also an artisan fermenter since many years of living in the fermentation town of San Diego.



Laura Jackson

Sales & Production.

With jet engine precision as her background training, Laura can navigate each month, week and day into action. The Venus Shell Systems coordination of sourcing partner ingredients, product development, production through to delivery of the finished goods with traceability the whole way is under Laura's sharp eye.



Felicia Auer.

Customer Experience Ambassador.

With a lifetime of involvement in VSS, Felicia can communicate on the foundations of VSS to the finished products and she makes sure that no customer is left hanging for information or product delivery. Based in the UK, Felicia supports our global footprint and keeps systems going 24/7.

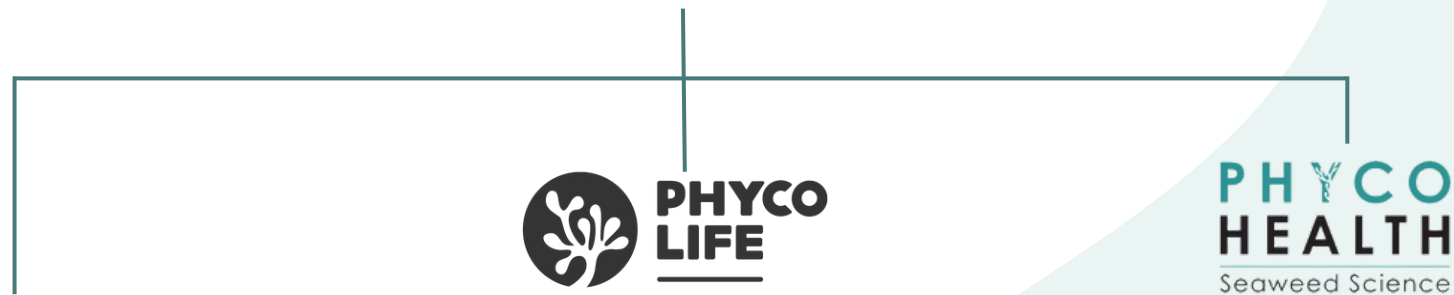
2.5 Organisational Structure.

2.5.5 Company Structure.



Venus Shell Systems Pty Ltd (VSS)
ABN: 14 605 271 529

VSS is the parent company in the group which individual shareholders have invested and the company in which this current investment offer is being made.



Venus Shell Operation Pty Ltd.
ABN: 25 605 589 179

Wholly owned subsidiary of VSS. This entity is to oversee the farm and refinery operations of the Bomaderry facility.



Phyco Food Co Pty Ltd
ABN: 51 169 428 148
t/a PhycoLife (VSS registered business name)

PhycoLife is a wholly owned and registered business name of VSS. This entity is a sister brand to PhycoHealth and we will expand this to become a sister company to PhycoFood Co. with a focus on high grade ingredients.



Phyco Food Co Pty Ltd
ABN: 51 169 428 148
t/a PhycoHealth (VSS registered business name)

Phyco Food Co Pty Ltd (trading as 'PhycoHealth') is a wholly owned subsidiary of VSS. This entity is to oversee the Product Development, Sales and Marketing activities of the PhycoHealth FMCG range.

2.6 Capital Structure.

2.6.1 Issued Capital.

As at the date of this Offer Document, the Company has 3,986,305 ordinary shares and 887,400 convertible notes on issue. The key terms of the convertible notes can be seen below in section 2.6.2. The majority of shares are held by the Company's founding Director in VSS Holdings Pty Ltd.

Issued capital of the Company before the Offer.

Member	Share class	Equity	Shares
VSS Holdings Pty Ltd	Ordinary	26.34%	1,050,000
Miramoor Pty Ltd	Ordinary	13.55%	540,000
Julie Mills	Ordinary	12.08%	481,655
Matthew Reader	Ordinary	9.28%	369,832
Triskelion Pty Ltd	Ordinary	7.99%	318,519
Jasupiju Pty Ltd	Ordinary	5.61%	223,422
David Josephs	Ordinary	3.76%	150,000
Soleox Holdings Pty Ltd	Ordinary	3.76%	150,000
Jacqueline Courtney	Ordinary	3.01%	120,000
JE & C Clark Pty Ltd	Ordinary	2.51%	100,000
Roger Walton Salkeld	Ordinary	2.51%	100,000
Roger Walton Salkeld	Ordinary	2.51%	100,000
Bernadette Clare Pullen	Ordinary	1.92%	76,455
Sonya Winner	Ordinary	0.50%	20,000
Jane! Fitton	Ordinary & CSF	0.40%	16,000
Ronald Joseph Hockey	Ordinary	0.38%	15,000
Valentin Gomez	Ordinary & CSF	0.22%	8,670
Rimered Pty Ltd	Ordinary - CSF	0.15%	6,000
Vafa Shams	Ordinary & CSF	0.13%	5,200
Adam Slade	Ordinary & CSF	0.11%	4,333
B&D Triple Eight Super Pty Ltd	Ordinary - CSF	0.10%	4,000
Travis Foust	Ordinary & CSF	0.08%	3,000
Eric Pearson	Ordinary - CSF	0.06%	2,214
Remaining CSF shareholders	Ordinary - CSF	3.04%	122,455
TOTAL SHARES	ORDINARY	100%	3,986,305

The company plans to establish a Staff Option Plan (ESOP) and Founder Option plan in the near future. This plan will see up to a 20% in Option issued to select staff, Directors and the Founder.

Issued capital of the Company following the Offer.

Member	Minimum Subscription	Maximum Subscription
Existing Shares	3,986,305 (99.25%)	3,986,305 (88.85%)
Offer Shares	30,000 (0.75%)	500,000 (11.15%)
Total Shares	4,019,638	4,486,305

If the convertible note was to convert into equity, the total shares on issue (fully diluted basis) would increase to 4,729,558 for the minimum subscription and 4,708,155 for the maximum subscription.

2.6 Capital Structure.

2.6.2 Rights and Liabilities associated with securities.

As at the date of this Offer, the class of shares on issue are ordinary shares. The Company has also issued convertible notes. The Company is also in the process of adopting an Employee Share Option Plan. Set out below is a summary of the rights and liabilities associated with the securities in the Company. A copy of the Company's Constitution and Shareholder Agreement is available on the Intermediary's platform.

Ordinary Shares

The rights and liabilities associated with the ordinary shares are set out in the Company's constitution and shareholders agreement, including:

- All ordinary shares have the same voting rights and the same rights to receive dividends.
- Restrictions on the sale or transfer of shares, including drag and tag rights and exit provisions.
- The Company has the discretion to approve and the power to refuse a transfer of shares to a third party with a majority vote of 75%.
- The Shareholders Agreement includes a definition of a "Majority Transferor" which means a shareholder or shareholders with an equity proportion of 65% or more will affect drag along provisions.
- The Shareholders Agreement includes a definition of a Special Resolution where less than 75% of the board agree to a resolution and it becomes a Shareholder reserved matter i.e. provisions requiring a Shareholder Majority which is a resolution approved by 75% or more of the votes cast on a resolution by the Shareholders.

The shares offered under this Offer are ordinary shares. A more detailed description of the rights and liabilities associated with the ordinary shares is set out in Section 3.3.



2.6 Capital Structure.

2.6.2 Rights and Liabilities associated with securities (cont).

Employee Share Option Plan (ESOP)

The Company is in the process of implementing an employee share option plan (ESOP) to attract, retain and incentivise key employees. The Company plans to establish an Employee Option Plan (ESOP) and issue Options to founders in the near future. The Employee Option Plan will see up to 20% in options issued to select staff, Directors as well as the Founder.

Shareholders Agreement

There is a shareholder agreement that was established primarily to provide for drag along and tag along provisions (see below on shareholder rights), and it is this document that takes precedence in the event of any conflict with the company constitution. It is the shareholders agreement that is entered into on the uptake of shares in this offer, through a Deed of Accession attached to the Shareholders agreement. You will be asked to sign the Deed of accession in addition to ASIC shareholder forms upon taking up shares in this offer (for access to the agreement and voting rights).

2.6 Capital Structure.

2.6.3 Debt Funding & Other Sources of Funding.

To date, VSS (PhycoHealth and PhycoLife) has been funded through a combination of operating income, equity, founder loans, grants and debt funding.

Equity:

To date, the Company has raised approximately \$5.2M from investors, \$2.7M in grants, and leveraged close to \$3.5M in research funding across the chain of technology, and reinvested revenue from over \$3M in sales. See section 2.6.1 for more information.

Founder & Shareholder Loans:

To date, the founders and shareholders have loaned funds of \$306,000 in total to the Company. The key terms of these loans are set out below. The founder and shareholder loans will not be repaid with the funds raised under the Offer, and intend to be repaid through refunds facilitated by current and future R&D Tax rebates and revenue until eliminated within the next 12 months.

- **Amount outstanding:** \$306,000 (interest to date included).
- **Interest:** 8% fixed.
- **Repayment date:** On receipt of R&D tax rebates for FY 2024 and R&D expenditure towards FY 2024.
- **Security:** R&D tax rebates and assets.

Debt funding:

VSS have had minor debt financing, that being for solar panel installation with Brighte and e-commerce marketing pre-purchase of sales with WayFlyer.

The remaining debt in VSS and all subsidiaries totals \$56,725, of which only \$11,000 remains for the solar power financing.

Convertible notes:

The Company has issued convertible notes to pre-seed investors. The convertible notes may convert to ordinary shares on a Qualified Financing, which is when the Company raises over \$2,500,000. Key terms of the convertible notes as follows:

Face value at start (2019): \$800,000

Maturity date: October 31, 2024 (500,000 notes) and January 16, 2025 (300,000 notes)

Qualified financing: Capital raise over \$2.5M

Valuation cap: \$4.98M without Qualified Financing up to \$15.95M with qualified financing

Discount: 75% up to \$4 with Qualified Financing or \$1.25 per share on Maturity without Qualified Financing

Interest rate: 8% since October 31, 2022

Use of funds: Planning of farm relocation and scaling of market into retail and export, and operational staff and systems.

Grant funding:

The Company has received \$600,000 in Government grants towards the building of our state of the art seaweed processing plant (refinery), as well as \$2.1M in research and development tax rebates over 8 years.

Further, we have leveraged matching research funding and effort to a value of about \$3.5M over 8 years, and currently participate in 3 leveraged research projects with contracts in place for the next 8 years.

2.7 Key Business Risks.

2.7.1 Risk Register.

An investment in Venus Shell Systems (PhycoHealth and PhycoLife) 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).

An investment in the Company is subject to risk factors specific to the business, its activities and those of a more general nature including general risks associated with investing. Any, or a combination of these risk factors may have a material adverse effect on Venus Shell Systems (PhycoHealth and PhycoLife) business, financial condition, operating and financial performance, growth, and/or the value of its shares. This section does not purport to list every risk that may be associated with an investment in VSS shares now or in the future.

Additional risks that Venus Shell Systems is unaware of, or that the company considers being immaterial, also have the potential to have an adverse effect on the business, financial condition, operating and financial performance, expectations, targets, growth, and/or the value of the shares. The selection of risks in this section has been based on an assessment of a combination of the probability of the risk occurring and the impact of the risk if it did occur. There is no guarantee that the importance of risks will not change or that other risks will not emerge.

Before deciding whether to invest in Venus Shell Systems, you should read the entire Offer Document and satisfy yourself by inquiry that you have a strong understanding of these matters and should consider whether this is a suitable investment for you having regard to your own investment objectives, financial circumstances and particular needs (including financial and taxation issues). Before deciding whether to invest in Venus Shell Systems, you should seek professional advice from your accountant, lawyer, financial adviser or other independent professional advisers.

Returns are not Guaranteed.

There is no guarantee of any income distribution or capital return on the shares in the Company nor is there a guarantee of repayment of capital amounts. Shareholders will not be entitled to any guaranteed distributions of profits or capital. There is no guarantee that distributions will be at a certain level or that there will be distributions at all.

Dividends.

Any future determination as to the payment of dividends by the Company will be at the discretion of the Directors and will depend on the financial condition of the Company, future capital requirements and general business and other factors considered relevant by the Directors. No assurance in relation to the payment of dividends or franking credits attaching to dividends can be given by the Company.

Funding.

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

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 fundraisings.

2.7 Key Business Risks.

2.7.1 Risk Register.

Insolvency Risk.

The Company is not yet profitable or cash flow positive and the Company is seeking to obtain further funding to achieve its objectives. There is no guarantee that funding will be available on favourable terms or that the Company will receive any level of funding at all.

Competition Risk.

The Company operates in a competitive market, with several known competitors despite the market being in its early years. There are however moderate barriers to entry that could give rise to new and unknown competitors. If the Company is unable to successfully compete with existing and/or new competitors, this would have a negative impact on the revenue, profitability and future prospects of the business.

Reliance on Key Personnel.

The Company is reliant on a number of key personnel and consultants, including members of the Board, who will be engaged to conduct the different aspects of the Company's business activities. The loss of one or more key contributors or the failure of any equipment used by these persons could have an adverse impact on the Company's business, activities and operating results.

Research and Development.

Venus Shell Systems acknowledges the importance of research and development to remain competitive. However, it cannot guarantee the success of its research or the development of its delivery systems technologies into commercially exploitable products. The early stages of product development come with inherent risks, including project delays, failure to demonstrate benefits, and the possibility of research becoming unviable for scientific or commercial reasons. Additionally, there may be insufficient resources to sustain research and development activities and sales efforts. Venus Shell Systems (PhycoLife) cannot assure the creation of new intellectual property or know-how that can be utilised in its business activities through its research and development endeavours.

Economic Risk & Market Conditions.

Factors, such as, but not limited to, world economic conditions, political instability, stock market trends, interest rates, exchange rates, inflation levels, commodity prices, industrial disruption, environmental impacts, international competition, taxation changes and legislative or regulatory changes may all have an adverse impact on the Company's revenues, operating costs and profit margins. These factors are beyond the control of the Company and the Company cannot predict how they will impact its business. General economic conditions, movements in interest and inflation rates, commodity prices and currency exchange rates may have an adverse effect on the Company's operations and activities, as well as on its ability to fund those activities. Neither the Company nor the Directors warrant the future performance of the Company or any return on an investment in the Company.

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.

Operational & Industrial Risks

Industrial disruptions, work stoppages, safety issues and accidents in the course of the Company's operations could result in losses and delays, which may adversely affect profitability.

Litigation Risk.

The Company is exposed to possible litigation risks including intellectual property claims, contractual disputes, occupational health and safety claims and employee claims. Further, the Company may be involved in disputes with other parties in the future which may result in litigation. Any such claim or dispute, if proven, may impact adversely on the Company's operations, financial performance and financial position. The Company is not currently engaged in any litigated disputes.

2.7 Key Business Risks.

2.7.1 Risk Register.

Product liability.

The Company provides pre-packaged health food and skin care products, which are used and/or consumed by humans. If the Company's product(s) causes damage or loss of life, claims may be made against the Company that it has supplied defective products. Such claims could be costly to defend and could result in the Company being liable for substantial damages. The Company has maintained zero recalls on sales over the last 5 years and is fully insured against public and product liability.

Supply & Demand.

The price of raw materials used by the Company may fluctuate, as may demand for its products. The Company's ability to make a profit on sales will depend on it being able to maintain a margin between its cost of raw materials, production and distribution and the price at which it is able to sell its products.



2.8 Financial Information.

2.8.1 Balance Sheet.

Below are the financial statements of Venus Shell Systems Pty Ltd for the period ended 31 March 2024, prepared in accordance with the Accounting Standards.

Balance Sheet	FY2022	FY2023	31 MAR 2024
Current Assets	\$459,508	\$890,995	\$527,024
Cash	\$36,951	\$276,656	\$149,395
GST Payable	\$9,429	\$1,178	\$59,230
Stock on hand	\$158,944	\$273,337	\$273,339
Trade debtors	\$254,184	\$339,824	\$45,060
Current Liabilities	\$622,518	\$710,580	\$543,886
Shareholder Loan	\$403,728	\$521,184	\$306,207
Staff liabilities	\$72,642	\$89,918	\$116,072
Tax liabilities	\$43,774	\$14,563	\$5,097
Trade creditors	\$102,374	\$84,915	\$57,674
Debt facilities	\$18,353	\$14,275	\$58,836
Non-Current Liabilities	\$18,353	\$851,941	\$887,400
Convertible Notes	\$0	\$837,666	\$887,400
Other Assets	\$21,925	\$60,570	\$80,174
Future income tax benefit	\$21,925	\$60,570	\$80,174
Fixed Assets	\$922,524	\$874,111	\$873,911
Plant and Equipment	\$922,524	\$874,111	\$873,911
Intangible Assets*	\$1,066,516	\$1,063,220	\$1,066,192
Branding and Development	\$66,516	\$63,220	\$66,192
Initial IP	\$1,000,000	\$1,000,000	\$1,000,000*
Total Liabilities	\$640,871	\$1,562,521	\$1,431,286
Total Assets	\$2,470,473	\$2,888,896	\$2,547,301
Net Assets	\$1,829,603	\$1,326,375	\$1,116,015
Equity	\$1,829,603	\$1,326,375	\$1,116,015
Issued Capital	3,949,645	3,949,645	4,630,808
Accumulated Losses	-2,120,043	-2,623,271	-2,619,859

*Pending IP review

2.8 Financial Information.

2.8.2 Profit & Loss Statement.

*Revenue underestimated for 2023 with lag on reconciliation and the current growth rate since Oct 2023 is not visible.

**Large expenses related to supporting the export market establishment.

***Large increases in marketing expenses to the top of funnel to recruit new customers and to establish UK sales momentum, as well as a number of consultants as requested by shareholders for a business audit.

Profit & Loss Statement	FY2022	FY2023	31 MAR 2024
Net operating profit (loss) before income tax	-\$165,056	-\$541,872	-\$711,660
Net operating profit (loss) after income tax	-\$205,214	-\$503,227	*tbd
Retained profits (accumulated losses) at the end of Financial Year	-\$2,120,044	-\$2,623,271	-\$2,619,859

**** End of Financial Year income tax adjustments are being calculated for June 30 based on extensive Research and Development R&D reporting, which historically over the past 7 years has ranged from \$150,000 to \$300,000 in tax rebates.

Therefore the final End Of Financial Year tax related figures have not being included.



Profit & Loss Statement	FY2022	FY2023	31 MAR 2024
Revenue*	\$538,878	\$600,743	\$609,954
Revenue e-commerce	\$375,757	\$406,886	\$429,350
Revenue Sales	\$42,998	\$52,190	\$41,453
Revenue Wholesale	\$120,123	\$141,668	\$139,151
Cost of Sales	\$261,260	\$193,105	\$420,690
Opening Stock	\$142,971	\$158,944	\$273,337
Closing stock	-\$158,944	-\$273,337	-\$289,400
Cost of Goods	\$290,712	\$224,559	\$320,780
Freight	\$71,220	\$82,939	\$115,973
GROSS PROFIT**	\$345,959	\$407,638	\$189,264
Expenses***	\$952,592	\$1,331,827	\$1,150,924
Accounting	\$18,143	\$17,776	\$26,727
Consulting fees	\$0	\$0	\$48,425
Bank charges	\$2,318	\$2,527	\$2,000
Corporate costs	\$2,411	\$3,179	\$5,000
Debts forgiven	\$15,473	\$1,992	\$0
Depreciation	\$109,145	\$118,836	\$0
Donations	\$264	\$685	\$200
Electricity & Gas	\$22,903	\$22,740	\$21,738
Fuel	\$0	\$50	\$0
Insurance	\$22,748	\$20,575	\$17,091
Interest	\$22,907	\$78,130	\$72,927
IT	\$480	\$2,000	\$2,000
Lease costs	\$56,352	\$50,987	\$34,316
Legal costs	\$2,110	\$3,636	\$2,107
Logistics	\$6,621	\$82,939	\$10,000
Marketing	\$82,836	\$170,740	\$291,325
Operational	\$184,347	\$136,166	\$91,850
Salaries and wages	\$362,156	\$557,477	\$473,868
Superannuation	\$41,376	\$61,392	\$51,350
Income	\$787,536	\$789,956	\$439,264
Other income (grants, subsidies, consultancy)	\$441,577	\$382,318	\$250,000
Gross Profit (from above)	\$345,959	\$407,638	\$189,264

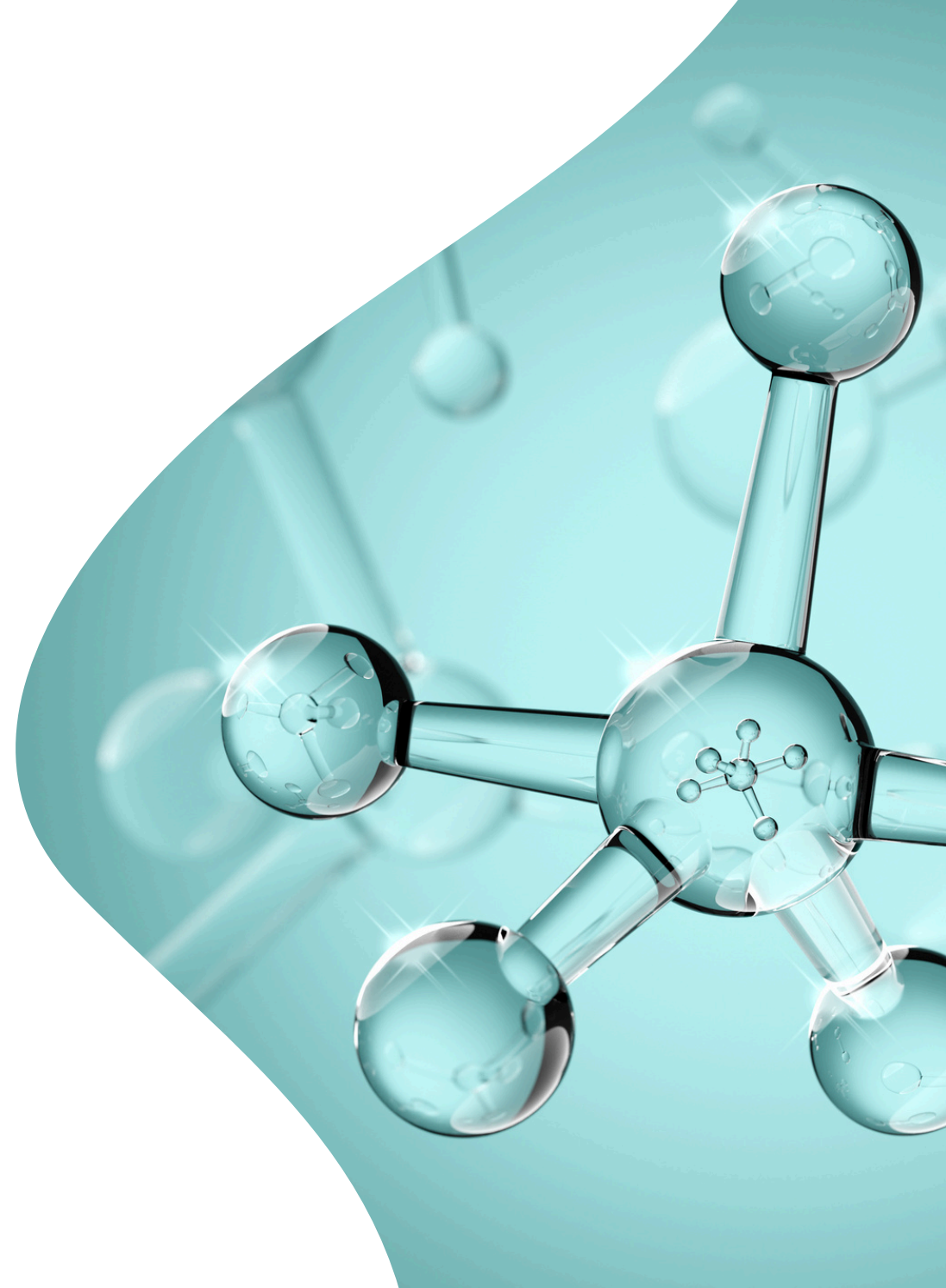
2.8 Financial Information.

2.8.3 Cashflow Statement.

Cashflow Statement	FY2022	FY2023	31 MAR 2024
Operating Activities	-\$154,691	-\$541,872	-\$441,186
Finance costs	\$231	\$0	\$0
GST	\$23,040	-\$19,411	TBD*
Net Income Formula	-\$200,950	-\$657,836	-\$181,430
Payments to Suppliers and employees	\$293,518	\$18,636	\$12,305
Stock on Hand	-\$17,313	-\$114,393	-\$286,780
Tax	-\$253,216	\$233,724	\$14,719
VAT	\$0	-\$2,592	TBD*
Investing Activities	-\$133,828	\$52,561	\$581,672
Intangible Assets	\$3,296	\$3,296	\$580,000
Plant and Equipment	-\$137,124	\$49,265	\$1,672
Financing Activities	\$181,777	\$932,448	\$536,333
Convertible Notes	\$0	\$837,667	\$5,760
Debt financing	\$18,353	-\$4,078	\$87,120
Equity payments	\$0	\$0	\$681,060
Finance costs	\$10,304	-\$10,783	-\$44,541
Shareholder Loans	\$153,120	\$109,642	-\$193,066
Cash and Cash Equivalents	\$124,155	\$374,177	\$434,991
Cash at End of Period	\$8,707	\$276,656	\$184,244
Cash at start	\$75,290	\$36,951	\$250,747
Future Tax Benefits	\$40,158	\$60,570	TBD*

*End of Financial Year income tax adjustments are being calculated for June 30 based on extensive Research and Development R&D reporting, which historically over the past 7 years has ranged from \$150,000 to \$300,000 in tax rebates.

Therefore the final End Of Financial Year tax related figures have not being included.



2.8 Financial Information.

2.8.4 Statement of Changes in Equity.

Statement of Changes in Equity.	FY2022	FY2023	31 MAR 2024
Issued Capital	3,949,645	3,949,645	4,630,808
Retained earnings	-2,120,044	-2,623,271	-2,619,859
Profit for the year	-205,214	-503,227	*tbd
Total Equity	\$1,829,603	\$1,326,375	\$1,116,015

*End of Financial Year income tax adjustments are being calculated for June 30 based on extensive Research and Development R&D reporting, which historically over the past 7 years has ranged from \$150,000 to \$300,000 in tax rebates

2.8.5 Management Comments on Historical Performance and Outlook.

Our business is growing. In comparison to the same period last year, revenue has grown by 70% (April 2020). In the FMCG space, Shareholder value is unlocked once economies of scale are reached and VSS is achieving this as per our stage 1 strategy, with a branded FMCG entry to market through PhycoHealth. PhycoHealth is essentially the mouthpiece, educational leader and innovation trigger that is needed to jolt the food and health industry to attention about how and why seaweeds have a role in sustainable health solutions for a better planet.

Now we are rolling into our second stage strategy, to establish the expansion to scale ingredients and medical grade molecules. PhycoLife has an incredible opportunity to provide a range of products in the Skin care, Medical and Nutraceutical supply chains. This will be achieved once we receive Medical regulatory approvals – the predominant use of funds under this offer.

Beyond this, we continue to seek to bring in larger investments, and as a leader in the space are incredibly excited for the market to realise the momentum and market opportunity of VSS. We will continue to drive the agenda with the reinvested resources and crowd backing until we reach profitability and then beyond, into scaled revenue models that even include SDG (Sustainable Development Goals) reporting. Many of the companies that are now reaching out with interest in our ingredients and products, are equally enthusiastic about how we can articulate and quantify improved supply chain sustainability for them. Either by adopting our ingredients or products or remediation services somewhere along their supply chain. VSS and the Phyco family are in a unique position to quantify SDG reporting to help larger companies clean up their supply chains, and we will use smart data and real time dashboards to achieve this area of our operations in the future.

Section 3 Information about the Offer.

3.1 Terms of the Offer.

Venus Shell Systems Pty Ltd is offering up to 500,000 shares at an issue price of \$6.00 per share to raise up to \$3,000,000. The key terms and conditions of the Offer are set out in the table adjacent. This includes that existing shareholders have a pre-emptive first right of participation.

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.

Term	Details
Shares	Fully-paid ordinary shares
Price	\$6.00
Minimum Subscription	\$180,000
Maximum Subscription	\$3,000,000
Opening Date	07 May 2024.
Closing Date	20 May 2024.

3.2 Use of Funds.

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	Minimum Subscription (Year 1):	Maximum Subscription (Year 1):
Expansion of Huskisson Processing plant.	\$80,000	\$1,500,000
Research & Development.	\$50,000	\$400,000
International Regulatory Approvals & IP Protection.	\$20,000	\$100,000
Expansion for Ingredient Customers.	\$30,000	\$1,000,000
Total funds	\$180,000	\$3,000,000

Expansion of Huskisson Processing plant.

Expansion of Huskisson processing plant to 2 x the footprint and indoor vertical cultivation to processing capacity toward GMP standards for medical grade ingredients.

Research & Development.

Continuing to take our scientific research to medical grade specifications with partners such as Stematters in Portugal, for delivery of prototypes, formulas or finished products to market. This work will include processing scaling pilot runs, analytical work, regulatory approvals and potentially clinical studies.

International Regulatory Approvals & IP Protection.

Tackle international regulatory frameworks and approvals, IP protection.

Expansion for Ingredient Customers.

Further farm expansion for larger scale ingredient customers.



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 and Shareholders Agreement. A summary of these rights are set out below. A copy of the constitution and Shareholders Agreement and associated Deed of Accession (access to and participation in the shareholders agreement) is available on the Intermediary's platform.

Voting rights

Each shareholder has one vote on a show of hands and, on a poll, one vote for each share held. Voting generally occurs as an online poll and pending resolutions that do not have a 75% majority vote at board level.

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 holders of ordinary shares after secured and unsecured creditors of the Company.

General meetings and notices

Directors have the power to call meetings of all shareholders in circumstances where a board resolution does not achieve a simple majority, or in the instance of releasing new equity, or in the instance of a request from a simple majority (75%) of shareholders for a Special Resolution. In lieu of in-person meetings, it is approved for the shareholders information to be distributed electronically and for online voting to occur electronically. 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).

Dividends

All shareholders have a right to receive any dividends declared and paid by the Company. The directors have a discretion and may resolve to pay dividends, subject to their obligations under the Corporations Act (e.g. 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). In this early growth stage of VSS it will take some time before dividends can become payable.

Election and removal of directors

Shareholders may vote to elect and remove directors at a general meeting by way of a simple majority (75%) in a Special Resolution (section 9 Corporations Act) or in accordance with the Shareholders Agreement, where the founder has the right to appoint one director at anytime ownership is above 5%.

3.3 Rights associated with the Shares (continued).

Restrictions on share sale or transfer.

Shares may only be transferred by a Member in accordance with the Company's Constitution and Shareholder's Agreement. This means that, except in respect of certain Permitted Disposals (as described in the Constitution) and other permissible disposals (such as pursuant to a drag along or tag along event), Member's 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:

1. to a buyer which is Controlled by the same person that controls the Member;
2. to a buyer who is an Affiliate of the Member.
3. to a trust of which the trustee is the same person that Controls the Member or is an entity which is Controlled by that person;
4. to a wholly-owned Subsidiary of the Member or a wholly-owned Subsidiary of the ultimate holding company of the Member; or
5. following an Ordinary Resolution of the Directors approving such a transfer.

Restrictions on sale or transfer under the corporations act & constitution.

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.



3.3 Rights associated with the Shares (continued).

Restrictions on sale of shares

Sale Shares must first be offered to existing Shareholders in proportion to their Share Ratio as determined by the Company and in accordance with clause 11.2 of the Shareholders Agreement. The Remaining Shareholders have 10 Business Days in which they must give written notice to the Company of their intention.

The Company will advise the Seller when there are no Sale Shares to be Transferred or no Remaining Shareholder wishes to buy the Sale Shares, then the Seller may offer those Sale Shares to a Third Party Buyer under the procedure in clause 11.4. of the Shareholder Agreement. If the proposed Third Party Buyer is not the same person as stated in the Transfer Notice the Seller must supply to the Remaining Shareholders sufficiently detailed information setting out a short profile on the new proposed Third Party Buyer.

Unless all the Remaining Shareholders give written consent, the Seller must ensure any Transfer of the Sale Shares to a Third Party Buyer:

1. is not for a Transfer price less than the price specified in the Transfer Notice;
2. is not on terms more beneficial to the Third Party Buyer than those set out in the Transfer Notice;
3. Unless all the Remaining Shareholders give written consent, the Third Party Buyer must:
 - a. not be a competitor of the Business;
 - b. be a person for whom the Remaining Shareholders give written notice that they have no objection as regards the Third Party Buyer's reputation and financial soundness; and
 - c. must agree to be bound by this Agreement and the Constitution.

Majority transferor Drag Along Rights

Pursuant to clause 12 of the Shareholders Agreement, where Members holding more than 65% of the Shares (Majority Transferor) 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.

Minority Shareholder Tag Along Rights

Similarly, where the Majority transferor of the issued Share capital in the Company intends to sell their Shares to a third party, then any Members (other than those who intend to sell) will have the right to tag along pursuant to clause 11.5 of the Constitution.

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
\$1,000 - \$1,999	Pack of three PhycoHealth skin care products (value \$120).
\$2,000 - \$4,999	Skin care range (value \$240)
\$5,000 - \$9,999	2 x Skincare range Plus a recycled cotton Phyaluronic PhycoLife Hand towel (value \$480).
\$10,000 - \$19,999	3 x Skincare range plus a Phyaluronic PhycoLife Beach Towel (value \$720).
\$20,000+	Skincare range plus a Phyaluronic PhycoLife hand towel, beach towel AND the first Skincare range plus a Phyaluronic PhycoLife hand towel, beach towel, and the first run of Phyaluronic therapeutic skin care range by Christmas! (value \$1,500).

3.6 Details of Previous CSF Offers

In October 2023, Venus Shell Systems Pty Ltd carried out a successful crowdfunding capital raise through Swarmer Pty Ltd AFSL 507867. This was an offer of fully paid ordinary shares in Venus Shell Systems Pty Ltd at \$5.00 per share to raise a maximum of \$2,000,000.

The company surpassed its minimum subscription of \$300,000, with the company raising approximately \$683,680 when the Offer closed.



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 on your profile image.
2. Click on the right-hand side bar and select "My Investments".
3. Scroll until you find your PhycoLife Investment.
4. Click the "Withdraw" button below the PhycoLife logo.
5. Confirm the selection by clicking the "Confirm" button on the pop-up.
6. 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 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.

4.3.3 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.

4.4 Company Updates.

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



Glossary.

Company means Venus Shell Systems Pty Ltd ABN 14 605 271 529

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.

Corporations Act means the Corporations Act 2001 (Cth).

CSF means crowd-sourced funding under Part 6D.3A of the Corporations Act.

DTC means Direct to Consumer.

Intermediary means Swarmer Pty Ltd ABN 18 609 908 009 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.

Offer Document means this CSF Offer Document.

VSS means Venus Shell Systems Pty Ltd ABN 14 605 271 529

