

CREATING A HEALTHY, HAPPY WORLD FOR KIDS



Always consider the offer document and the general CSF risk warning before investing.



CROWD-SOURCED FUNDING **OFFER DOCUMENT**

ACN 101 453 847

Dated: 7 October 2020

Offer of fully-paid ordinary shares in Nourish Foods Pty Ltd at \$1.00 per share to raise a maximum of \$2,000,000.

Important Notice

This Crowd-Sourced Funding (CSF) Offer Document Relates To The Offer Of Fully-Paid Ordinary Shares In Nourish Foods Pty Ltd. This Offer Is Made Under The CSF Regime In Part 6D.3A Of The Corporations Act 2001 (Corporations Act).

Issuer

Nourish Foods Pty Ltd ACN 101 453 847

Intermediary

Birchal Financial Services Pty Ltd AFSL 502618



Honest food Real ingredients

We're busy happy parents dreaming of a brighter future for our kids. We make the best planet loving snacks the whole family are obsessed with.

We're also helping build a future that's clean and green with equality for all. You might say we're optimistic realists fuelled by love, integrity and superfoods.

And that's just the beginning...

Monica Meldrum
FOUNDER



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SECTION 1

RISK WARNING

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

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

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

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

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

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

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



SECTION 2
INFORMATION ABOUT THE COMPANY

A LETTER FROM THE FOUNDERS

Thank you so much for your interest in our equity crowdfunding campaign! We have been incredibly humbled by the response we have received from our community and we are excited to present you with this Offer Document.

Fifteen years ago, when we launched our brand Whole Kids, we had a big dream for our little business. We wanted parents to feel confident when buying our products that they were making the best possible choice for their children, as well as for the environment and their community, and that they were supporting a different kind of company that honestly and truly cares about what it does.

At the heart of our business and all our triumphs, there has always been one constant – our community. The feedback, support and involvement of our community has lifted us up and inspired us to achieve more than we ever imagined.

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The feedback, support and involvement of our community has lifted us up and inspired us to achieve more than we ever imagined.

They say it takes a village to raise a child. We also believe it takes a village to raise a responsible business that deeply cares about its impact and the difference it makes in the world. Our business has grown into something special that we have nurtured along the way, but like any growing child, our business is now ready to take its next step: to go out in to the world and position itself as a market leader and major player in family health and wellness.

We are ready. Our team is ready. Our suppliers are ready. We are more passionate than ever before about the journey that lies ahead, the opportunities to grow our business and the impact that we know we can make in the world.

We hope you find everything you need in this document to give you the confidence to join us on the journey, so that together we are creating a healthier, happier world for children everywhere.

Thank you,

MONICA & JAMES MELDRUM
Founders



COMPANY DETAILS

This offer of shares is made by Nourish Foods Pty Ltd ACN 101 453 847 (the Company).

The Company was incorporated on **29/07/2002**.

Company Name	Nourish Foods Pty Ltd
ACN	101 453 847
Offer Type	Crowd-sourced funding
Offer Date	7 October 2020
Offer Details	Offer of fully-paid ordinary shares in Nourish Foods Pty Ltd at share price AUD\$1.00 per share to raise a maximum of AUD\$2,000,000.
Registered Office & Contact Details	Level 4, 80 Market Street, South Melbourne, Victoria 3205
Principal Place of Business	Level 4, 80 Market Street, South Melbourne, Victoria 3205
Related Companies	Nourish Foods (NZ) Pty Limited

DESCRIPTION OF THE BUSINESS

WHO ARE WE?

In 2005, Monica and James Meldrum packed up their bags and headed to exhibit their first products in the Whole Kids range at the Inaugural Organic Expo in Sydney. They were confident the samples they had made were high quality, tasty and healthy, and that kids would love them, but they weren't completely sure the market was ready for a range of organic kids' snacks.

The response they received from mums, dads, kids and potential stockists was so positive that they decided there and then to leave their jobs at the time, and used all the savings they had put away for a home deposit to fund their first full production run of Whole Kids products.

We've come a long way since then. We've expanded the Whole Kids range, secured national distribution in key retailers, and won many awards for product innovation and business leadership.



OUR PURPOSE

Our purpose is simple: we want to make it easy for mums and dads to create a healthier, happier world for their children. We are committed to living and breathing our core purpose through three fundamental principles:

Healthy Products

We will make the most natural, wholesome and environmentally sustainable food for children and families.



Healthy People

We will nourish and nurture the relationships we have with our employees, customers, suppliers and communities in ways that are respectful and responsible.

Healthy Planet

We will work to provide a sustainable environment for current and future generations, and to restore our planet's health.

When a brand has a strong purpose, consumers are*:

4x

more likely to purchase from the brand

4.1x

more likely to trust the brand

6x

more likely to protect that brand in a challenging moment or from public criticism

4.5x

more likely to recommend (champion) the brand to friends and family



* (The Zeno Group 'Strength of Purpose' research report 2020)

OUR IMPACT

We believe that a business should exist for a deeper purpose beyond profit – that it must contribute positively to more sustainable, more equitable and more respectful relationships with its employees, local communities, stakeholders, the environment and our wider society.

As a purpose-led brand, we are proud of what we have achieved so far, but we believe there is more work to do. With our passionate and engaged community, we're looking forward to creating more social and environmental impact through Whole Kids.



Cambodia School Feeding Program

Whole Kids provided over 500,000 healthy breakfasts to children in Cambodia through our community partnership with Plan International. The wider program through Plan International is supported across the world and, with our contribution on top of this, the Cambodia School Feeding program has benefited 142,000 students in 587 schools.



Certified B Corporation

We are the first food company in Australia to become a certified B Corporation, which is a globally-recognised and independently verified certification that assesses a company's social and environmental performance, ethical behaviour, accountability and transparency.



Community Partnerships

Whole Kids regularly supports local community and non-profit organisations. We have an ongoing relationship with Foodbank Victoria in which we provide food donations for families in need. We have previously partnered with Foodbank to host the "Big Breakfast" and we supplied 391kgs of organic juice which provided 781 meals to kids in need.



Advocacy & Community Campaigns

We support ongoing community advocacy and awareness campaigns focused on specific social and environmental issues. Our #unjunkit campaign aimed to increase the awareness of childhood obesity, and support families to make healthier choices while highlighting the need for government action to improve policy outcomes.



Parents2020

With our commitment to helping families, we launched a new stand-alone platform this year called Parents2020 to support families in Australia tackle climate change. The practical, everyday guide provides easy tips and resources to help families to take simple steps to help Australia reach climate change targets by 2030

AWARDS AND RECOGNITION

We have been acknowledged as a business that is a leader in innovation, product quality and business impact, with some of our key awards including:

- Australian Certified Organic Annual Awards Business of the Year 2018
- Top 20 Westpac's Businesses of Tomorrow 2018
- APAC Insider, Australian Enterprise Awards, Best Organic Food Company 2018
- Mother & Baby Awards, Best Baby Food 2018 (Finalist)
- Australian Certified Organic Most Innovative Organic Business 2015

We have also been acknowledged or nominated for the following awards which were recently announced or are currently being held:

- Real Leaders Impact Awards 2021 (nominee) – awarded to the world's top impact companies
- Australian Organic Consumer Choice Awards 2020 – Favourite Organic Brand (nominee)
- Australian Organic Consumer Choice Awards 2020 – Organic Product of the Year (nominee)
- My Child Favourite Baby Food Product Awards 2020 – Silver Award for Whole Kids Soft Cereal Biscuits
- My Child Favourite Toddler Food Product Awards 2020 – Silver Award for Whole Kids Probiotic Bites



Westpac
Businesses
of Tomorrow
program.



AUSTRALIAN
SMALL BUSINESS
CHAMPION
AWARDS 2018
WINNER

ONE OF AUSTRALIA'S LEADING FEMALE ENTREPRENEURS

Our CEO and Founder Monica Meldrum is widely recognised as one of Australia's leading female entrepreneurs and has received many awards for her achievements and leadership, including:

- Conscious Company's World-Changing Women 2020
- Remodista Women2Watch in Business Disruption 2020
- Top 20 Westpac's Businesses of Tomorrow 2018
- Australian Small Business Champion Awards - Small Business Champion Entrepreneur 2018
- Australian Financial Review / Westpac Top 100 Women of Influence Awards 2016
- Fairfax Media Top 9 Most Influential Female Entrepreneurs in Australia 2016
- St George AusMumpreneur of the Year Award 2015
- NAB Women's Agenda Emerging Entrepreneur of the Year Award 2013

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“What really drives me is knowing that at the end of the day, when my kids grow up and hold me to account, that I can honestly say I've done everything in my power to make the world a better place.”

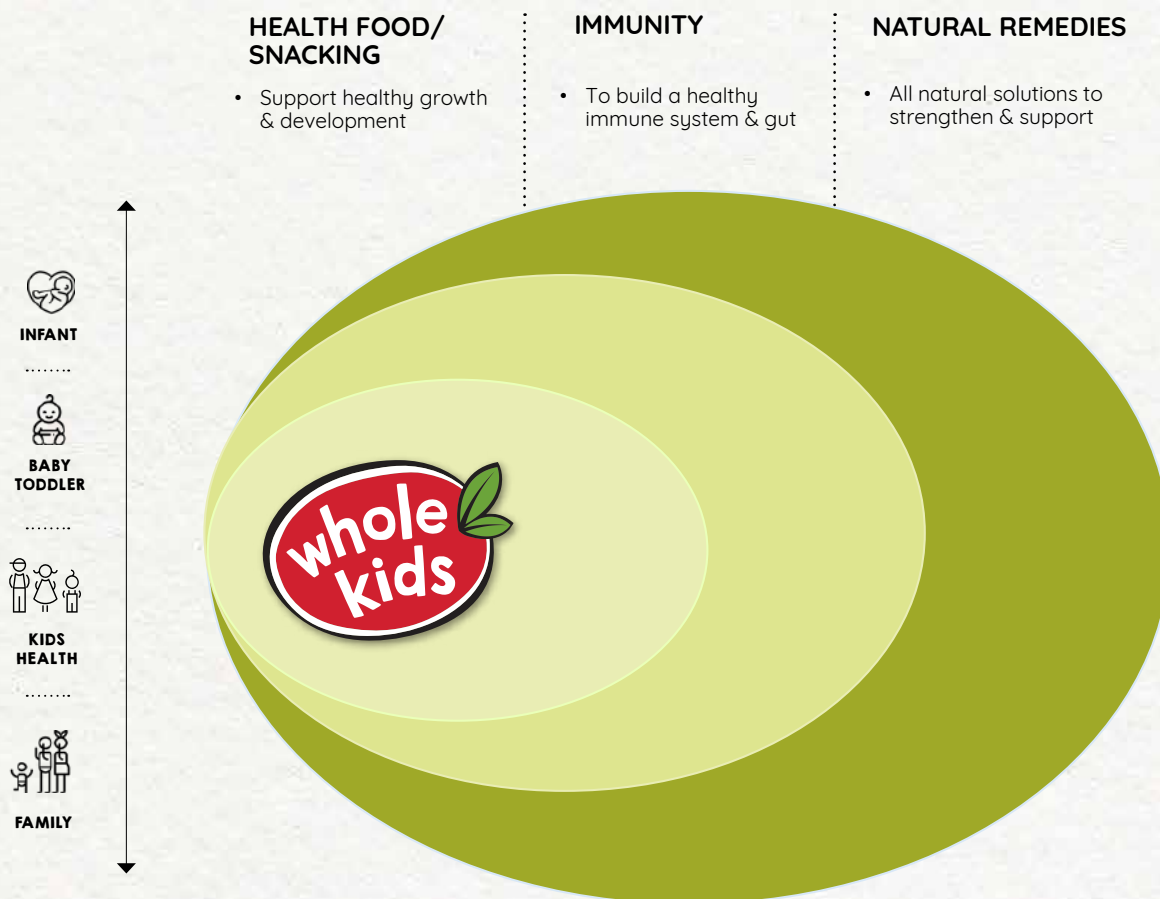
MONICA



OUR VISION FOR THE FUTURE

We have big plans for Whole Kids and the business over the coming years. We envisage many opportunities for us to fulfil our purpose to help parents create healthier, happier lives for their children, and we see strong potential beyond the current Whole Kids product offering.

With substantial growth forecast in Australia and globally for organic food and other market segments (including high demand sectors such as plant-based foods, “clean” wholefoods, and healthy snacks), we believe there is a significant opportunity to evolve the business into a strong multi-brand health and wellness business operating across multiple categories and customer segments.



WHY NOW?

We believe the time is right. We have built a platform for growth through strategic investments in key hires, systems and product innovation with strong growth forecast in market segments and consumer demand. Whole Kids is ready to take the business to the next level.



We've laid the foundations for growth

Production innovation ready to launch

Extension of Whole Kids range and introduction of Nourish brand products into new categories: Baby, Infant/Toddler & Family.

Expansion of executive team experienced in scaling businesses

Recent recruitment of key executives in Operations & Supply Chain, Finance and Product Development.

Investment in systems & processes

Implementation of ERP platform to drive operational efficiencies, improve cost management and production planning.

Funding inflection point - ready for growth equity

Previously any returns from the business were reinvested in growing distribution, product development & operations.



Now we're ready for the sprint

Significant opportunities for global export opportunities

Organic & health markets forecast to grow strongly over the next 5-10 years, esp South East Asia.

Favourable consumer & demographic trends

Emergence of health conscious Millennial parents seeking ethical brands & sustainable products.

Bridging multiple high-growth market segments

Multi-brand product offering to take advantage of high growth segments (organic, healthy snacks, plant-based).

Post-COVID acceleration of online shopping behaviour

Online grocery shopping has boomed and Whole Kids well-placed to leverage this shift to increase e-commerce BC2 sales.

OUR VISION FOR THE FUTURE

Health & Wellness for the Whole Family

~\$100M opportunity

KEY DIFFERENTIATORS



NEW SEGMENT GROWTH

Whole Kids is strategically placed to take advantage of these growth trends and others (Organic Food, Healthy Snacks and Baby Foods), and to leverage our strong brand and diverse distribution network.



GLOBAL OPPORTUNITIES

We compete in market segments that have significant global market sizes and are forecast to grow strongly over the next 5-10 years. Demand for organic products, for example, is expected to grow significantly in China, USA, Europe and South East Asia.



MARKET POSITIONING

Our product range appeals to health-conscious consumers who are increasingly demanding high quality, premium products for their children and family.



CERTIFIED ORGANIC

All products in our Whole Kids range are certified organic by Australian Certified Organic (ACO), and we are externally audited annually to ensure compliance with organic standards, quality and traceability.



ETHICAL BRAND

As a purpose-led brand and a certified B Corporation, we are at the forefront of the growing consumer trend toward socially conscious and ethical brands. Consumers, are becoming increasingly conscious of the products they purchase – how a product is made, where it is sourced, the materials and ingredients used, and the brand's social and environmental impact.



NEW INNOVATION

Whole Kids is recognised as a leader in product innovation and we continually identify and assess key trends in food, health and sustainability.



BROAD CUSTOMER BASE

We supply our products, directly and through distributors, to a wide range of major retailers and supermarkets, independent retailers, food service and quick service retail (QSR) outlets, pharmacies, venues, and direct-to-consumer (B2C) customers.



ESTABLISHED SUPPLY CHAIN

Our business model is an asset-light, flexible production model that uses outsourced, trusted manufacturers that provide us with scalability and cost efficiencies. Our global supply chain allows us to have greater control over production and quality control so that we can actively respond to growth opportunities and changes in consumer demand and product preferences.



MANAGEMENT EXPERTISE

The founders are highly experienced and knowledgeable about the market and industry, and we have recently expanded the team with key senior executives in the areas of Operations, Finance and Product Development. We believe the strength of the management team provides the business with the expertise, skills and networks to execute on our strategic growth plan

WHOLE KIDS CUSTOMER

Millennials now make up over 55% of all parents and this is growing. Millennial parents are seeking healthier options for themselves and for their kids.¹ This is driving an industry shift towards healthy snacking as millennials also seek more convenient 'on the go' options.

The broader trend towards healthy eating and ethical shopping is being continued by the next wave of Mums - Gen Z who are looking beyond tangible products to understand what it is that makes the company tick. What's its mission? What's its purpose? And what is it actually trying to build for us as a society?

Millennials are making ethical shopping choices

- 4x more likely than baby boomers to avoid products from "the big food companies".²
- 93% of the millennial generation want to buy from companies that have a purpose beyond product.³
- 56% will exclude companies that are not operating sustainably from their shopping lists.⁴

The Rise of the True Gen

- Behaviours are all anchored in one element: the search for truth
- Values individual expression
- Will mobilize for a variety of causes
- Believes profoundly in the efficacy of dialogue to solve conflicts and improve the world⁵



1. Management view of industry trend; millennials are born between 1981 - 1996 (currently aged ~24-39)
 2. McKinsey - The Millennial Effect (2019)
 3. FleishmanHillard Fisburn report (2019)
 4. Deloitte - The 2016 Deloitte Millennial Survey (2016)
 5. McKinsey - True Gen: Generation Z and its implications for companies - Nov 2018

OUR PRODUCTS

Honest food Real Ingredients

Additionally, with the rise of allergies, health trends and focus on providing good nutrition, parents are no longer looking to packaged snacks to provide a sweet treat. They are looking for innovative ways to incorporate vegetables, multi-grains & healthy fats into their children's diets whilst keeping the overall intake of sugar low.

Snacks MUST appeal to 2 consumer groups – parents and kids. They must also go beyond traditional product attributes to address the deeper concerns around children's health, their environment and their future.



Honest food + real ingredients:

Nutritionally superior offering, made using the best quality and ethically sourced produce.



Certified organic + wholesome:

Strict nutritional framework, offering (organic, high quality, additive free allergy-friendly) sweet and savoury foods



Convenient + transparent:

Engaging and, tactile packaging in appropriate portions – clear labelling of ingredients for total transparency



Trusted brand + proven quality:

Clear brand positioning supplemented by socially responsible and ethical approach to business (certified B Corporation).



OUR RANGE OF NUTRITIONAL SNACKS

We have developed a strong product range with a reputation for high quality nutritious snacks. Our products have been designed specifically to address the various stages of development from baby, through early childhood, to school age, all providing high quality nutrition in conveniently available formats, and in flavours and varieties that meet the taste preferences of children who are consuming them.

With a range of over 30 products across 5 key growth product segments, Whole Kids has grown to become one of the largest suppliers of childrens snack foods across multiple channels, categories and age groups providing a breadth of range, variety and health credentials.

Bars & Bites

- Using 100% real fruit without concentrates, puree or preservatives
- Bites with 50% wholegrain oats
- 3 ingredient barefoot bars



- (A category first, with a completely plant based strain of omega and probiotic)

Beverage & Pouch

- Pre-diluted juice – lowest sugar content on the market



- 100% pressed fruit

OUR RANGE OF NUTRITIONAL SNACKS

Puffed Snacks

- New single ingredient product – meltaway sticks
- Lentils and other legume based product



Biscuits, Wafers & Cookies

- Latest innovation: Soft cereal biscuits



Crackers, Popcorn & Corn Chips

- Brown rice, chia & quinoa
- Rice Crackers free from all 8 allergens



DEVELOPMENT FOCUS

Working with the philosophy of ‘honest food, real ingredients’, our product range is made using the best quality and ethically sourced ingredients. All products are certified organic by Australian Certified Organic.

Our child nutrition advisor ensures all products meet our strict nutritional framework and offers a variety of allergy-friendly sweet and savoury foods catering to more than “occasion” foods, packaged in a fun, tactile and convenient format.

Whole Kids focus on innovation across 6 key areas creates a health halo that goes beyond current offerings to deliver superior nutrition & health benefits for kids using very simple ingredients and a clean food promise.



VEGAN + PLANT BASED	GUT HEALTH + DIGESTION	ALLERGEN FRIENDLY	SUPERFOOD INGREDIENTS	REMOVE ADDITIVES	SUSTAINABLE PACKAGING



Just **three ingredients**

No nasty additives

perfect for little hands

No oil, gluten, eggs

100% Organic

5 PACKS

Ingredients

Organic Apple	70%
Organic Dates	14%
Organic Coconut	6%
Other stuff	10%
Total	100%

Nutrition Information

Servings Per Pack	3
Serving Size	25g (1 oz)
% Daily Values*	
Total Fat	100%
Other	100%



“It is Whole Kids unique approach to innovation through both the use of data to identify key growth opportunities, and a deep understanding and connection with our customers, including an ability to walk in their shoes and to innovate quickly that sets us apart.”



Focusing on unmet customer needs

We are addressing unmet customer needs that the market is not responding to with broad reach by focusing on usage and occasion within a segment.



Developing around tipping point trends

We are using research and data to address tipping point trends quickly to identify where the most promising trends are and where we have the expertise and capabilities to play.



Using Design Thinking

We use empathy to uncover unspoken and unmet needs, designing new solutions together with our customers (both big and little) and channel partners, and rapidly prototyping and testing these.



Launching Speedboats

We test and refine our products in market in multiple non-traditional settings including playgroups, kids venues and schools.

Insights gained from these live settings allow us to iterate the product design quickly and then scale through traditional retail and other channels.



DELIVERING GENUINE INNOVATION TO DRIVE CATEGORY GROWTH

These market opportunities were defined through rapid testing and iteration with buyers, customers and the families we serve. Our product development delivers true innovation in mainstream flavours to ensure wide appeal that drives active category growth for retailers and delivers a destination for baby and kids snacking.

DEVELOPMENTS FOR BABY

Soft Cereal Biscuits

Large bags of stage 1 baby cereal are not conducive to 'on the go'. With much of parents' time spent out and about with baby at playgroup, this was a particular pain point for parents as baby moved on to solids.

Our solution? To create a cereal biscuit that could be placed in parent's bags without taking up room and when added to water, formula or milk, created a quick and easily prepared baby porridge.

Unlike traditional highly processed rice based cereals, these cereal biscuits contain oats and spelt and double as a biscuit to facilitate baby-led weaning. They extend the age range from 6m+ to lunchbox and create a larger sales opportunity.

Meltaway Sticks

The current growing segment of puffed products consist of heavily coated and flavoured puffs, many of which are very high in sugar and fat.

Food Standards regulations require first foods contain Iron and Vitamin B to support baby's development.

Customers experienced frustrations around finding truly natural alternatives for Baby that weren't overprocessed and supported baby's development.

Our melty sticks are a first for our category. They contain 1 ingredient with Vitamin B and Iron and are 'as close to the real thing' in a format that dissolves easily in baby's mouth.

Chia Quinoa Teething Wafer

Traditional teething wafers containing processed white rice, starch, sugar, flavours and colours are also difficult for babies to hold and grip.

In addition to creating a nutritionally superior wafer containing brown rice, chia and quinoa, our development of a smaller, bow shaped wafer for baby to hold, without the addition of any flavours, colours, sugar or oils is another first for our market.

The combination of chia and quinoa provides a natural sweetness in a purely plant based product that dissolves easily in baby's mouths and is easy to hold.



DEVELOPMENTS FOR KIDS

Fruity Water

Our Organic Fruity Water is the only pre-diluted 100% juice on the market and has the lowest sugar content of any children's juice product. The product was developed following Nutrition Australia's advice to parents that children's juice be pre-diluted with water. Our ready to drink fruity water in diluted format containing 100% pressed organic fruit with 30% spring water provides a convenient and readily available solution eliminating the inconvenience of having to open, drink and pre-dilute a product prior to giving it to a child.



Mini Bites

Our mini bites have taken one of the most popular children's snacks – dried fruit, which contains 74g sugar per 100g and created a small sultana bite sized snack that has been formulated using 50% wholegrain oats to support digestion and contains only 23g sugar per 100g – a 50% reduction in overall natural sugars. This product is also sulphite free, an additive which is used in most conventional dried fruits and has been linked to asthmatic reactions in children.



Cocoa Barefoot Bar

The only 'raw' children's product available on the market. Developed as an alternative to a chocolate bar and without the use of nuts. Our barefoot bars contains 3 ingredients – dates, coconut and cocoa. This product is also the cleanest kids bar on the market.



Probiotic Bites

This product is the only kids plant based, vegan strain of probiotic with non fish-based Omega 3 & 6, that provides a complete kids immunity product in a tasty snack that helps parents eliminate the challenges associated with trying to feed children supplements to support their immunity.



FUTURE GROWTH AND DEVELOPMENT

In December 2019, Whole Kids commissioned independent research on the snacking needs of 2,306 parents.

Further one-on-one interviews and shopping journeys were also conducted to enable us to take a truly customer centric approach and unearth opportunities for further business growth and development.

Some of the key findings included:

- Families are shopping elsewhere for health and not in major supermarkets
- Healthy snacks are not considered healthy. There is confusion around product labelling with parents citing nutritionally poor and misleading products.
- Packaging is a major concern
- Families continue to seek convenience/ on the go products
- Products kids & family can enjoy are MIA (in both taste, format & availability)
- One of the biggest unmet opportunities in health is the development of snacks around family & occasion, an area well served by conventional FMCG brands that has not yet translated to the health aisle.
- Product quality and taste is also an important factor in unlocking the category
- The market for convenient & healthy snack foods for families is not well served & is ripe for disruption.

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We believe that the market for convenient & healthy snack foods for families is not well served & is ripe for disruption.

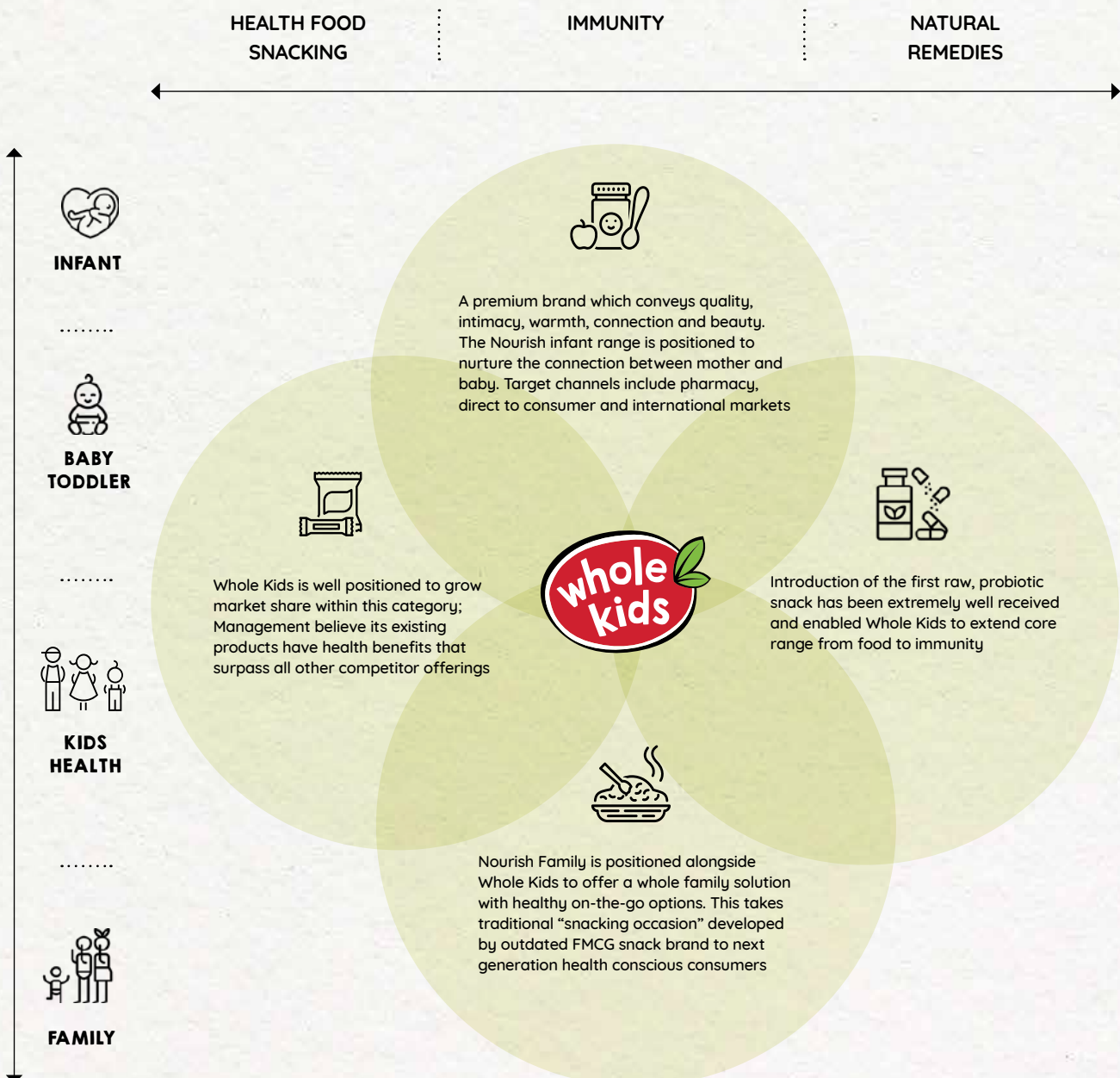


WELCOME TO THE WHOLE FAMILY!

Building a holistic health offering that leverages our current capabilities to create a natural health and wellness powerhouse for the entire family, across key growth segments.

We have identified key growth opportunities that enable Whole Kids to enter into new product categories and sales channels to strengthen our market position, while positioning our Nourish brand alongside whole kids to create an entire offering for family, with key areas of expansion including Health Food, Immunity and Natural Remedies.

- Support healthy growth & development
- To build a healthy immune system & gut
- All natural solutions to strengthen & support immunity

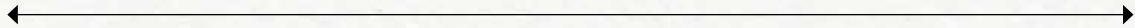


A family of Wellness

HEALTH FOOD
SNACKING

IMMUNITY

NATURAL
REMEDIES



INFANT



BABY
TODDLER



KIDS
HEALTH



nourish
FOODS



FAMILY



MARKETING & DISTRIBUTION

A PURPOSE-LED BRAND

Whole Kids is a purpose-led brand. In essence, purpose is the reason why something exists and it what makes a brand relevant and necessary to customers and stakeholders.

Price, product quality, functionality and convenience are important and expected by customers when making purchase decisions, however the new generation of consumers (Millennials and Gen Z) are making more ethical shopping decisions based on a brand's authenticity and transparency, how it treats its employees, how it supports communities, its social and environmental impacts, and whether it has a purpose beyond profit.

How we activate our core purpose through our brand

As a purpose-led brand, we see branding and marketing through a different lens to many of our competitors and traditional food brands.

For us, our brand is owned less by the business and more by our customers, employees, suppliers, partners, and communities. In effect, this creates a brand ecosystem which continually evolves and improves the Whole Kids brand experience and creates new solutions and innovations which boost our competitive differentiation.

There are four guiding principles which we believe set Whole Kids apart from our competitors: Be Human, Be Authentic, Be Ideas-Driven and Be Vocal.



Be Human

We put human values at the heart of our decisions. Our marketing is primarily values-led which means we promote our products by integrating social benefits and our purpose. We focus on things that actually provide value and service to our customer, stakeholders and communities.



Be Authentic

As a responsible business and a B Corp, we are transparent about our products, our social and environmental impacts and our business practices. We build this into our brand and marketing activities through content, storytelling and our community partnerships.



Be Ideas-Driven

Guided by our core purpose, we seek out opportunities where we can make a difference through insights, creativity and innovation. With traditional marketing activities, we look for ways to achieve our business strategies while fulfilling our core purpose and values.



Be Vocal

We've always believed we stand for something bigger than what we sell, and we use our business to create meaningful change in the world. Our aim is to evolve our brand into a 'movement' and engage our customers to take action beyond purchase so more change can happen.





We will make the most natural, wholesome and environmentally sustainable food for children and families.

We will nourish and nurture the health and wellbeing of our customers and our people in a way that is respectful and responsible.

We will work to provide a sustainable environment for current and future generations, and to restore our planet's health.

PURPOSE-LED MARKETING

Our marketing activities are primarily purpose-led which means, wherever possible, we integrate social and environmental benefits to create value for our audiences (customers, employees, suppliers and communities), and focus our communications on our purpose, values and brand story.

We understand that traditional marketing activities like promotions, advertising, point-of-sale merchandise, trade shows and sampling are still important and required in our market to encourage trial and purchase, communicate product benefits, and generate sales revenue. We also approach traditional marketing a little differently in that we think about ways to also integrate our brand story and purpose in the activities we do, whether it is a print advertisement, social media post, or retail promotion.



VALUES-LED MARKETING ACTIVITIES

Leading with our purpose and values means we look for different opportunities to fulfil our brand purpose by finding ways to help parents creating healthier, happier lives for their children, and these may include:

- Creating useful and informative content for families.
- Campaigning and advocating on important social issues and causes, and inviting our customers and stakeholders to participate.
- Partnering with community groups and NGOs to deliver positive social and environmental impacts.
- Improving our own businesses practices to reduce our environmental footprint and create a more sustainable brand.
- Challenging industry conventions through innovative and disruptive marketing activities.



TRADITIONAL MARKETING ACTIVITIES

The most important form of traditional marketing for Whole Kids is the product itself. Inside the pack, our goal is to make the best products we can make – the healthiest, tastiest and most convenient snacks that kids and parents will love.

Outside the pack, we have continually refined and evolved our unique packaging design over the years, so our purpose and brand story are clearly communicated and differentiated from competitors.

We are very active on social media and we see it as a key channel for brand storytelling with our existing customers and community, as well as reaching a broader audience of potential customers.

**Whole Kids
Social Media Followers**

	30,277
	8,852
	1,545
	288

whole kids fan
Keeya the super sipper



Just three ingredients
No nasty additives
perfect for little hands
100% organic
No oil, gluten, eggs



ACO Certified Organic



We produce a variety of in-store and point-of-sale (POS) marketing materials to support our retailers and distributors to assist brand and product awareness, drive sales revenue, and promote new product launches and special discounts.



We regularly exhibit at trade shows, events and expos around Australia, and we've previously attended Fine Food Australia, One Fine Baby, Pregnancy Babies & Children's Expo and Gluten Free Expo.

Trade shows and events are an ideal way for us to directly interact with customers (both existing and potential) and provide a forum for us to test new products through sampling, create awareness of our full range to customers, and to listen to feedback (both positive and negative).



Whole Kids has generated a significant amount of media coverage and attention over the years, both as a business and from the profiling of the founders. As one of Australia's leading female entrepreneurs, Monica has been the focus of substantial press coverage in print, online and TV, and continues to be in demand for topical media interviews and commentary.



DISTRIBUTION

Gross sales revenue in FY2019-20 was \$4.4 million. Most of our revenue is generated via sales in Australia to major supermarkets, independent retailers, distributors, health food stores, pharmacies, and food service (including airlines and quick service retail QSR).

In September 2019 we launched into Woolworths baby category nationally. This was followed by Countdown NZ in March 2020 and Big W in September 2020. This month we are launching our range in Singapore into major retailer NTUC Fair Price.

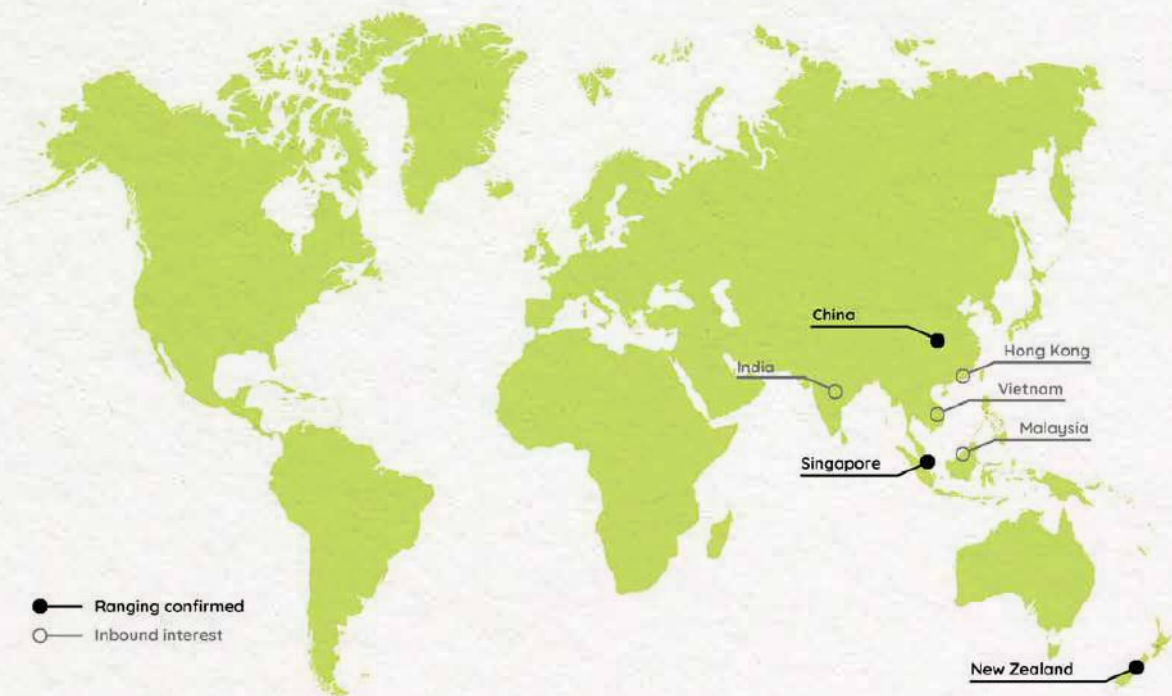
Diversified customer base: Building omni-channel presence by making products available wherever parents take their kids



EXPORT MARKETS

We currently export our products to customers in New Zealand, Singapore and China, and we have distribution agreements in place for Malaysia and Vietnam.

Export market development has been identified as a key growth strategy for the business with particular focus on South East Asia.



POST-COVID ACCELERATION OF ONLINE SALES

IBISWorld has analysed the impact on online shopping as a result of the global COVID-19 pandemic, and expects revenue in the Online Grocery Sales industry to increase by 56% in the current year. IBISWorld anticipates that the usage of online grocery shopping platforms will be permanently affected by COVID-19.

Online sales through our Whole Kids website have traditionally been a very small proportion of our total sales, however we experienced significant relative growth during COVID-19 as families increased shopping online from their homes.

With higher margins from direct-to-home ecommerce sales compared to other distribution channels, we see substantial upside in further investment in our online capabilities and marketing activities to drive online revenue growth, particularly as we expand our brand and product range into new categories.

Online retail sales as % of total retail spend – including grocery and liquor*
Australia vs United Kingdom CY 2019



Online retail sales as % of total retail spend – excluding grocery and liquor
Australia vs United Kingdom CY 2019



	Australia	UK	Pre COVID-19 growth potential	Post COVID-19 acceleration potential
Grocery & liquor	0-5%	5-10%	●	↑↑↑↑
Health & beauty	5-10%	10-15%	●	↑↑↑
Recreational & other goods	20-25%+	40%+	●	↑↑
Homewares & appliances	10-15%	40%+	●	↑↑
Apparel	10-15%	30-35%	●	↑
Automotive	5-10%	5-10%	●	→

Lower growth potential Higher growth potential

* SOURCE: KPMG 2020 - <https://home.kpmg/au/en/home/insights/2020/04/coronavirus-covid-19-retail-survival-and-revival.html>

MARKET & INDUSTRY

INDUSTRY OVERVIEW

We operate in the Food and Beverage (F&B) Industry which covers a broad range of activities. The market segments that we currently operate in are: Organic Foods, Healthy Snacks, Baby Foods and Food Service.

The growing consumer trend toward healthier lifestyles, coupled with increasing concerns over food safety and environmental sustainability, has created greater awareness (particularly from a rising proportion of parents with young children) for foods that are organic, clean, natural and healthy.

KEY INDUSTRY AND CONSUMER GROWTH TRENDS

Organic Foods

Demand for organic products in Australia and overseas has grown significantly and is forecast to be one of the fastest growing food segments in Australia. Consumers are becoming more aware of how their food is grown, sourced and manufactured, with a particular focus on the environmental and sustainability impacts of food production.

Plant-Based Foods

Shifting consumer values and preferences have fueled a highly favourable market for plant-based foods, and the segment is now one of the fastest growing areas of the food industry. With sales in Australia expected to hit \$215M this year, plant-based foods will continue to expand rapidly. Our product innovation pipeline is clearly "on trend" with this growth opportunity.



"Clean" Foods

Consumers are showing increasing interest in "clean foods" that are free from artificial additives, flavours, preservatives and colours, and made with more wholefood ingredients. Foods that are gluten-free, GMO-free and allergen-friendly are also showing demand growth.

Healthy Snacks

Increasing demand for healthier snacks has been driven by rising health consciousness, consumer concerns over nutritional quality (such as high levels of sugar and sodium), and a growing need for more convenient, healthier snack food options.

Millennial & Gen Z Parents

Millennial parents (currently aged 24-39 years old) have an increased awareness and need for healthier food options for their families. Millennials are also making more ethical shopping choices:

- 4 x more likely than Baby Boomers to avoid products from "the big food companies"
- 93% of the millennial generation want to buy from companies that have a purpose beyond profit
- 56% of millennials will exclude from their shopping list those companies that are not operating sustainably

ORGANIC MARKET

The organic industry has grown from a niche market to now servicing the mainstream food and beverage market, with organic products more widely available in major supermarkets, independent retailers, food service venues and convenience stores. In the US market, organic food is sold in approximately three-quarters of grocery retailers.

The Australian organic industry is worth AUD\$2.6 billion and has grown 88% since 2012, according to the Australian Organic Market Report 2019. There has been a 42% compound annual growth rate (CAGR) growth in exports of organic products since 2012 to AUD\$717 million.¹

IBISWorld forecasts organic food to be one of the fastest growing food segments in Australia with around 15 per cent per annum growth for the next five years.²

PLANT-BASED FOODS

Plant-based foods are one of the fastest growing segments of the food industry. According to Euromonitor, between 2015 and 2020 Australia is projected to continue as the third-fastest-growing vegan market in the world at 9.6% growth. As demand increases rapidly, Australia's packaged vegan food market is expected to reach \$215 million by 2020.³

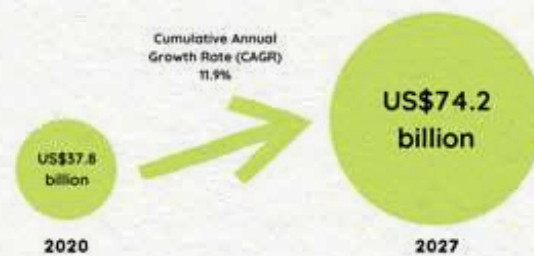
In the US, plant-based foods sales reached US\$5 billion in 2019 with year-on-year sales growth of 11.4%, which is five times faster than overall retail food sales growth of 2.2% (according to Plant Based Foods Association and The Good Food Institute)

Global Organic Food & Beverage Market



Source: Zion Market Research

Global Plant-Based Food Market



Source: Meticulous Research

Other Market Segments



1. "Australian Organic Market Report 2019", Australian Organic Ltd / Mobium

2. IBISWorld

3. Euromonitor

INDUSTRY COMPARABLES

RECENT CROWDFUNDING EQUITY RAISES ON BIRCHAL PLATFORM – FOOD & BEVERAGES

Year	Company	Revenue (\$M)	Pre-Offer Valuation (\$M)	Revenue Multiple	Amount Raised (\$M)
2019	First Press Coffee ¹	0.53	4.27	8.06	0.16
2019	Charley's Chocolates ²	0.27	3.72	13.78	0.32
2020	Bunsters ³	1.05	6.79	6.47	2.0
2020	Nourish Foods ⁴	4.42	11.69	2.65	0.50 - 2.0 *

*Pending success of this CSF raise

(1) First Press Coffee CSF Offer Document dated 6th Dec 2019. Revenue is Total Income FY2018/19.

(2) Charley's Chocolates CSF Offer Document dated 7th Nov 2019. Revenue is Total Sales FY2018/19.

(3) Bunster's CSF Offer Document dated 23rd June 2020. Revenue is Total Sales FY2018/19. Full year FY2019/20 not available.

(4) Nourish Foods - Revenue is Total Gross Sales FY2019/20.

ASX LISTED COMPANIES – FOOD & BEVERAGES

Company	Market Segment	Revenue (\$M)	Market Capitalisation (\$M)	Revenue Multiple	ASX Code
Bellamys ¹	Organic food and baby formula	266.24	1389.77	5.22	BAL
Bubs Australia ²	Organic food and baby formula	54.60	501.07	9.18	BUB
Forbidden Foods ³	Organic foods and raw ingredients	3.43	27.75	8.09	FFF
Nourish Foods ⁴	Organic food and beverages	4.42	11.69	2.65	Privately held

(1) Bellamys FY2018/19 figures as FY2019/20 not publicly available

(2) Bubs Aust revenue FY2019/20. Market cap based on share price as at 3/9/20

(3) Forbidden Foods revenue FY2018/19. Full year FY2019/20 not available. Recently listed on ASX (Aug 2020). Market cap based on share price as at 3/9/20.

(4) Nourish Foods - Revenue is Total Gross Sales FY2019/20.

BUSINESS MODEL & STRATEGY

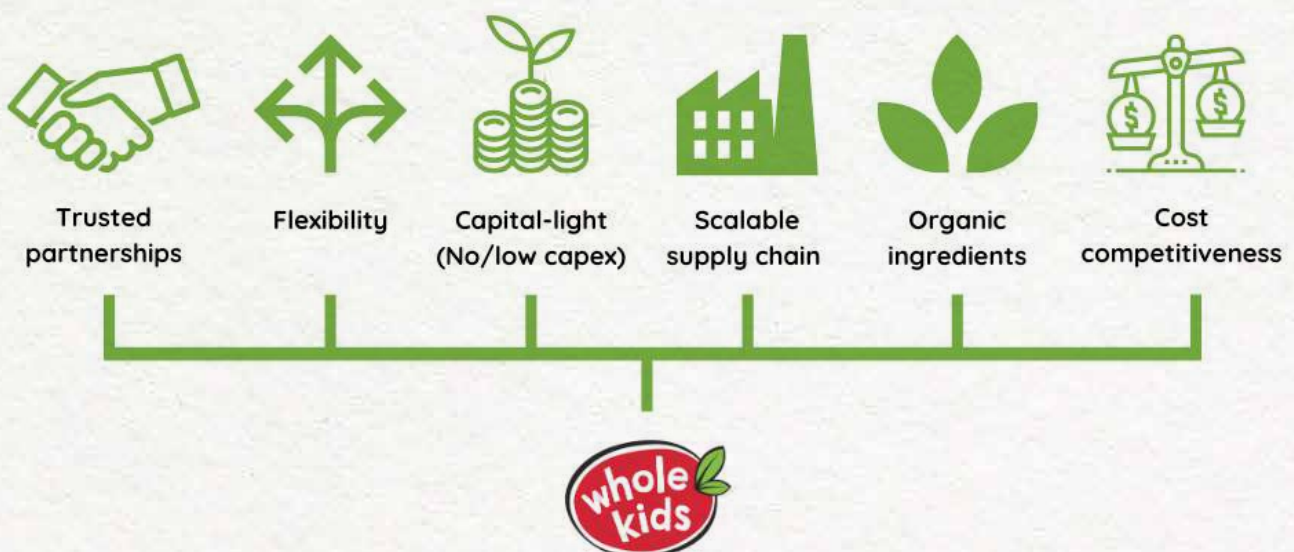
BUSINESS MODEL

Our “asset-light” business model is based on building strong brands across multiple food segments using outsourced, flexible and trusted manufacturers who provide scalability and cost efficiency to support our domestic and global growth plans. We partner with leading manufacturers with the necessary certifications and compliance standards to ensure high quality products.

To ensure sourcing of key organic ingredients, we also have strong relationships with a network of organic certified farmers, growers, and suppliers.

We generate revenue from the sale and supply of our products in Australia and internationally through our various distribution channels, including supplying to retailers, food service companies, distributors, quick service retail (QSR), pharmacy, direct-to-consumer (B2C ecommerce) and export partners.

Advantages of our Business Model



BUSINESS STRATEGY

Our business priorities focus on increasing revenue and brand loyalty through market penetration, market development and product development strategies in both domestic and international markets, with a particular focus on opportunities in China and South East Asia.



1. Increasing market penetration

Whole Kids products are available throughout Australia in key major supermarkets, and select international markets. Further distribution opportunities to grow our range, shelf presence and product accessibility at key retail touch points, in supermarkets, pharmacy and food service as well as B2C e-commerce channels, are high priorities.



2. Brand awareness

We recently undertook a brand and packaging refresh to continue our position as a market leading innovator. We expect this, along with our new product innovation, to contribute to increased demand both locally and internationally for Whole Kids products, and greater ranging across key retail channels. We will continue to invest in marketing activities and community engagement to enhance brand awareness, encourage trial and purchase, and build brand loyalty.



3. Innovation and product development

We will look to expand our share of the infant category through innovation and product development. We also aim to drive growth by looking to participate in higher value product segments and seeking to disrupt the existing categories. We have over a decade of organic supply chain experience and relationships, and we will seek to leverage the trust and experience we have built to increase relevance in both domestic and international markets.



4. Export market development

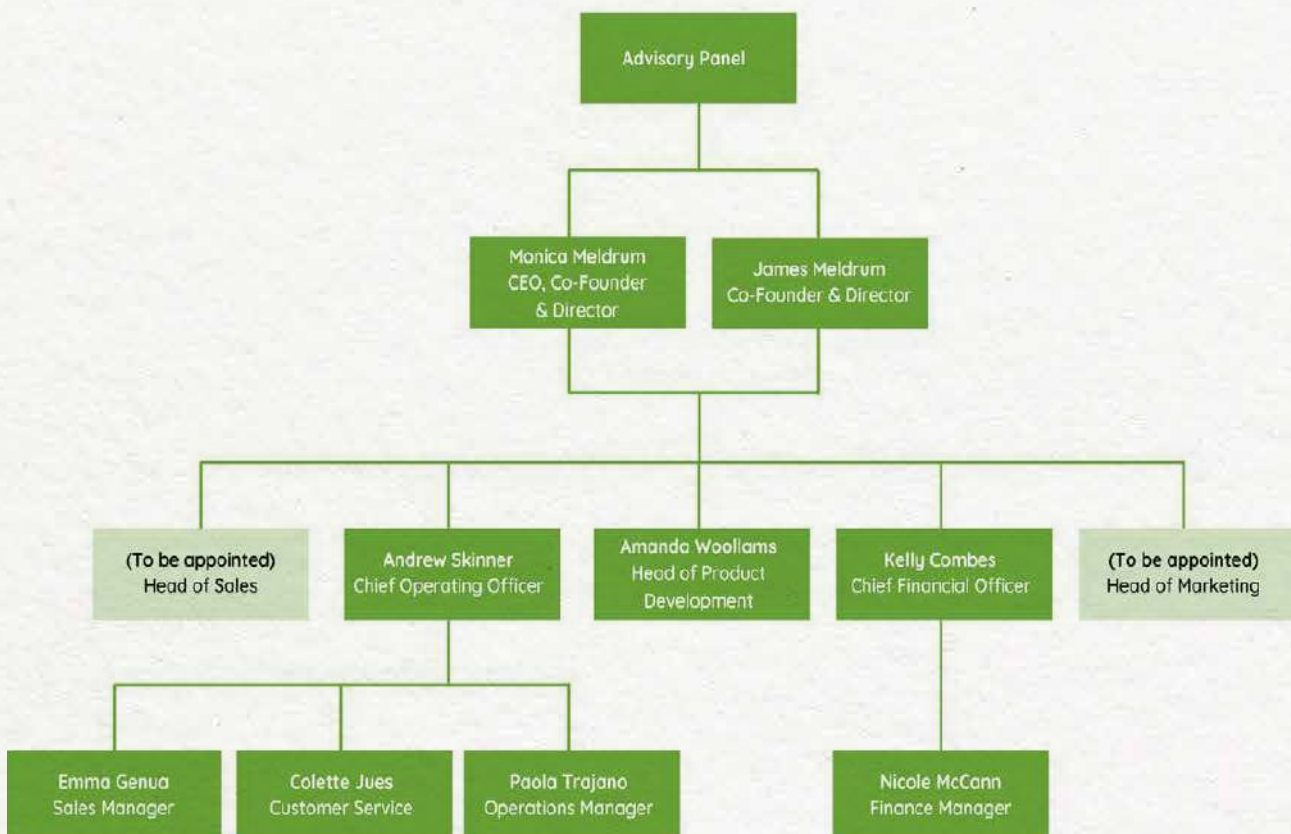
There is a recognised demand internationally for organic and Australian children's food. Current sales platforms in South East Asia and the United Arab Emirates emerged due to Whole Kids' Australian provenance and may be enhanced with resources dedicated towards growth. Expanding the international business strategy capabilities will be a focus for the business. By scaling up operations, these channels provide significant growth opportunities and ready access to new markets.



5. Social impact leadership

We see Whole Kids firmly positioned as a thought leader in kids' health, nutrition and education, both in Australia and overseas. We continue to see ourselves as agents for change within our industry and will continue to lobby for greater regulation around issues that we (and our customers) care about such as the use of food additives in children's food and unhealthy food marketing to children.

ORGANISATIONAL STRUCTURE



CAPITAL STRUCTURE

ISSUED CAPITAL

Nourish Foods Pty Ltd has 11,686,230 ordinary shares and 100 preference shares on issue. Table 1 below sets out the issued capital of Nourish Foods Pty Ltd.

TABLE 1 : ISSUED CAPITAL OF THE COMPANY BEFORE THE OFFER

Shareholder	Share Type	Shares
Enki Pty Ltd	Ordinary	9,963,360
Alice Investments Pty Ltd	Ordinary	1,722,870
Enki Pty Ltd	Preference	85
Alice Investments Pty Ltd	Preference	15
Total		11,686,330

*Enki Pty Ltd is the Family Trust for James and Monica Meldrum.

*Alice Investments is a family trust entity.

EQUITY (PRE & POST OFFER)

Table 2 sets out the issued capital of the Company following the Offer.

TABLE 2 : ISSUED CAPITAL OF THE COMPANY FOLLOWING THE OFFER

Shares	Minimum Subscription	Maximum Subscription
Existing Shareholders	11,686,330 95.90%	11,686,330 85.39%
Crowd Sourced Funding New Shareholders	500,00 4.10%	2,000,000 14.61%
Total shares on issue	12,186,330 100%	13,686,330 100%

RIGHTS AND LIABILITIES ASSOCIATED WITH SECURITIES

An investor subscribing for shares is bound by the Constitution (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

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.

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

PREFERENCE SHARES

There are currently 100 of Preference Shares on issue.

In conjunction with the rights and liabilities which apply to Ordinary Shares, Preference Shares come with certain additional rights and liabilities. These additional rights and liabilities are set out in Schedule 4 of the Constitution (available on the Intermediary's platform). These additional rights and liabilities include:

1. special rights on winding up;
2. pre-emptive rights with respect to the sale of shares;
3. pre-emptive rights with respect to new issues of shares; and
4. special director appointment rights (provided the shareholder holds greater than 10% of the total issued share capital of the Company).

OPTIONS

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

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

SHAREHOLDERS AGREEMENT

As at the date of this Offer Document, there is no shareholders agreement between the existing shareholders and the Company

REGISTRATION OF TRANSFERS

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.

The Board is not under any obligation to provide reasoning in respect of any refusal. Nevertheless, the Board may provide such reasoning at their discretion.

PRE-EMPTIVE RIGHTS ON THE SALE OF EXISTING SHARES

Shares may only be transferred by a Member in accordance with clause 11 of the Constitution. This means that, except in respect of certain Permitted Disposals (as described in the Constitution), Member's wishing to sell shares must offer those shares to the holders of Preference Shares before those shares can be sold to third parties.

PRE-EMPTIVE RIGHTS ON NEW ISSUES

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, the Company must offer the right to subscribe for those new shares to the holders of Preference Shares before those new shares can be issued to third parties.

DRAG ALONG

Pursuant to clause 11.6 of the Constitution, where Members holding more than 60% of the Shares in the Company receive an offer from a third party to acquire all of the issued shares in the Company, those the Members may require all other Members of the Company to sell their Shares to that third party.

TAG ALONG

Similarly, where parties holding at least 60% of the issued Share capital in the Company intend to sell their Shares to a third party, then any one or more of the Members who did not receive an offer will have the right to tag along (pursuant to clause 11.5 of the Constitution).

DEBT FUNDING & OTHER SOURCES OF FUNDING

The company relies on debt financing to fund its operations. The company's current debt financing arrangements as at 29th September 2020 are summarised in the table below:

Finance / Debt Provider	Facility	Amount Outstanding (at 29/09/2020)	Term
NAB	Debtor finance	\$297,134	Ongoing debt facility
NAB	Trade finance	\$450,000	Ongoing debt facility
Bank of Melbourne	Bank overdraft	\$117,630	Ongoing debt facility
NAB	Government-guaranteed SME loan (COVID-19 support)	\$251,512	3 years

Government Grants

The company is expecting an Export Market Development Grant (EMDG) of approximately \$17,828 and an R&D Tax Incentive of approximately \$105,000 from FY2019/20.

The company received a grant of \$7,100.50 from the City of Melbourne in FY2019/20. A grant of \$10,000 in FY2020/21 was also received from the Victoria Government under the Business Support Fund.

Director Loans

The company has a loan from the director. The balance of this loan was \$10,247 as at 30 June 2020. The loan is for business expenses incurred by the directors that have yet to be reimbursed.

The loan will not be repaid with offer proceeds.

DIRECTORS & MANAGERS



Monica Meldrum

CEO, Co-Founder & Director

Monica is a successful entrepreneur with a track record of leadership and innovation, and a strong commitment to creating change for the future. With over 15 years' experience in the health and food industry, Monica has won numerous awards for entrepreneurship and business leadership.

Prior to establishing Whole Kids, Monica founded a marketing communications company, MEC Admark, based in Jakarta, Indonesia. She also established an independent business consultancy advising companies including Goldman Sachs, Telecom NZ, Interaust and Globecast Australia. Previous corporate experience includes senior marketing and communications roles with Boral and Optus Cable & Wireless.

Monica's qualifications include an MBA from RMIT and a Master of Commercial Law from Monash University.



James Meldrum

Co-Founder & Director

Over 20 years' experience as an entrepreneur and leader in strategic marketing, business strategy, brand management and social impact. Previous senior roles in marketing and strategy at ANZ, CBA, ACNielsen and eVentures (a VC investment fund incubator for start-ups).

Under James's leadership, Whole Kids became the first food company in Australia to become a BCorporation and the business is considered one of the leaders in the field of socially responsible, ethical and purpose-led businesses. He recently created Parents2020, a new website to help families make practical changes to tackle climate over the next decade.

James's qualifications include an MBA from the University of Melbourne and he completed the Williamson Community Leadership Program through Leadership Victoria in 2012.



Andrew Skinner

Chief Operating Officer

Experienced executive and GM leader with specialist skills in distribution, logistics, operations, global supply chain and insights.

Previously as Head of Operation at Swisse Wellness, Andrew led the completion of a new APAC distribution hub in Sydney before progressing to lead an international supply chain including regional hubs and 3PLs. Leading a team of 70+ staff, he developed a scalable global supply chain and operating model to facilitate continued international growth and operational review with key partner P&G to facilitate the launch of Swisse into a number of new markets.

Previous roles include CEO of the Vue Group, the Australian hospitality group; and General Manager at Palace Cinemas & Village Cinemas.



Kelly Combes

Chief Financial Officer

Experienced and highly skilled financial executive with over 13 years' experience across the retail and FMCG sectors.

Holding a diverse financial skillset across both commercial and financial governance, leading companies financially through growth both locally and internationally.

Previous roles include Head of International Finance; Group Financial Controller and Head of Commercial Finance at Swisse Wellness. Also held senior financial positions at Target, Spotlight, Lonely Planet and Rusty.



Amanda Woollams

Head of Product Development

Over 20 years' experience in food manufacturing, regulatory affairs and certification programs.

Previously held the position of Quality and Compliance Specialist at Bellamy's Organic for almost 8 years where she was responsible for the management and development of products including Bellamy's organic infant formula and snack ranges.

Experience in export markets including China, Singapore, Indonesia and the USA. Experience in these markets extends from product creation, initial recipes to final labelling, through to development of international supply chains, logistics management and export market access.

ADVISORS



Martin Smith
(Retail and Strategy)

Martin Smith has had an extensive career in Retail spanning over 48 years. He recently commenced as an Executive Mentor following his retirement from the Woolworths Group as Managing Director of Liquor. Previous roles include General Manager of Dan Murphy's.

Martin was also a Non-Executive Director of Australian Leisure & Hospitality (ALH). He is a Member of the Australian Institute of Company Directors. Martin is an ongoing business mentor for Monica.



Federica Nicolao
(Operations and Supply Chain)

Federica Nicolao, (Fed), has had a series of successful executive roles at senior operations, procurement and retail level throughout her career. In her current role as Chief Operating Officer at The Foundry, private equity fund partnering with passionate founders who have a premium offering in the health and wellness space, Federica works with numerous brands to strategically improve their supply chain, product development, sourcing and sustainability.

Prior to this, Federica was responsible for supply chain effectiveness as Director of Global Procurement at H&H Group and various senior Operations roles at Swisse Wellness. She developed and implemented strategic sourcing, tactical procurement, and contract management strategies that took the supply chain from a local single source to a global supply chain platform supporting the brands global expansion.



John Elliott
(Retail and Social Impact)

John is the owner of Save Our Soles which is engaged in recycling shoes and apparel in Australia. He is a founding board member of B Lab Australia and New Zealand that look after B Corporations who are leading a global movement to redefine success in business.

John was also the Managing Director of TOMS Australia & New Zealand, the One for One company who use their business to improve people's lives. John was responsible for the brand's significant business growth and awareness since TOMS launched in the Australian and New Zealand market in 2012.

John also sits on the retail advisory board of Save the Children, Australia and the Advisory board of Looptworks, a US company who manufacture eco-friendly upcycled products with brands to create closed-loop and waste recycling solutions.



Christie Nicholas
(Marketing and Research Insights)

Christie founded Mumpower over a decade ago, after a career representing global brands that all sold products to Mums, to build an agency that exclusively focused on understanding Mums, her buying behaviour and what brands must to build fruitful relationships. Mumpower has since collaborated with 300+ brands across all product/service categories.

At Mumpower, Christie leads a team, dedicated to keeping today's Mums at the centre of the conversation to deliver brands: Mum-to-Mum Advocacy. Mum Advocacy fuels growth for brands.



Gerry Cawson
(Legal, Regulatory and Compliance)

Gerry Cawson is a Director at Kain Lawyers, a nationally regarded law firm specialising in mid-market transactions. He has over 25 years' local and international experience at top tier law firms in London, Hong Kong, Sydney and Adelaide. He is the lawyer of choice for fast growing companies in relation to their commercial advice and complex transactions.

Gerry is regularly named 'Best Lawyer' in the fields of mergers and acquisitions, private equity and commercial law and is a trusted advisor to countless clients, helping them buy and sell businesses, raise private equity, list on stock exchanges and negotiate their joint ventures and day-to-day commercial arrangements

RISKS FACING THE BUSINESS

An investment in Nourish Foods 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 Nourish Foods Pty Ltd (for example, risks relating to general economic conditions or the inability to quickly or easily sell your shares).

Type of risk	Description of risk
Market and competition risk	<p>The Company operates in the Food and Beverage industry which is highly competitive, and some competitors have significant advantageous access to capital, resources and distribution compared to the Company. As there are low barriers to entry, new competitors may enter the market from time to time.</p> <p>There is no assurance that the Company will be able to compete effectively with existing and new competitors in the future. Should any of the Company's competitors participate more aggressively on price, product, promotion, or other means, this may have an adverse impact on the Company's financial performance and growth prospects. Equally, consumer preferences may change or evolve overtime, favouring other products over the Company's products.</p>
Supplier and manufacturing risk	<p>The Company's business model relies on outsourcing product manufacturing, packaging and raw materials to third parties. The Company may experience disruptions, delays and shortages in its supply chain which may have a material adverse impact on the Company's ability to provide its products to retailers, distributors and the public to meet current and anticipated future demand.</p>
Cashflow risk	<p>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.</p>
Insolvency risk	<p>The Company is currently unprofitable. The Company is seeking to obtain further funding to achieve its objectives.</p>
Funding risk	<p>The current cash reserves (plus the 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 guarantee that funding will be available on favourable terms or that the Company will receive any level of funding at all.</p>
Organic certification and regulatory risk	<p>The Company's organic certification is a key factor in its success. Should quality control issues (or any other relevant issues) arise which may compromise the ability of the Company to maintain its organic certification, this may have a material adverse impact of the Company's brand and, consequently, the Company's financial performance and future growth prospects. Similarly, if rules and regulations in respect of food products change, there is a risk that such changes may impact on the Company's ability to commercialise its products.</p>
Reliance on sales channels and key customers	<p>The Company distributes its products to consumers through various sales channels and the Company depends on continued access to its sales channels. These relationships may not always be contracted. There is no guarantee that the Company's relationships with key customers and channel partners will continue or, if they do continue, that they will generate the same or greater revenue as they have done in the past.</p>
Brand and reputation risk	<p>The Company may fail to provide customers with the quality of product they expect or have product contamination/recall issues. This may have a material adverse impact the Company's revenue and profitability.</p>
Personnel risk	<p>The Company may fail to attract or retain key personnel that are critical to the Company's growth and performance. Any losses to key personnel, or any delay in their replacement, may have a significant adverse impact on the management of the Company, and may, in turn, have adverse impacts on the Company's financial performance and future prospects.</p>
Pandemic/epidemic risk	<p>Due to recent events (including Covid-19), there is considerable uncertainty in respect of the global and local economy. This creates risk for the Company, including that consumers may not be able to afford the Company's products and/or that the Company may be subject to specific regulatory restrictions. The risk of associated with COVID-19 and/or any other pandemic or epidemic may have a material adverse impact the Company's revenue and profitability</p>
Legal Risk	<p>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.</p>

FINANCIAL INFORMATION

2.15.1 PROFIT & LOSS STATEMENT

NOURISH FOODS PTY LTD ABN 83 101 453 847

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

	FY2019-20 \$	FY2018-19 \$
Sales	4,415,372	4,715,569
Other Revenue	137,898	8,195
Less: Discounts	(410,310)	(529,255)
Less: Cost of Goods Sold	(2,694,954)	(2,574,520)
Gross Profit	1,448,006	1,619,989
Expenses		
Advertising & Marketing	506,905	280,598
Consultants	126,633	201,108
Employment Expenses	489,084	504,836
Warehousing	524,701	533,751
Insurance	63,177	53,976
IT & Telecommunications	45,112	57,177
Rent & Property	36,875	80,995
Travel	6,948	23,983
Research & Development	33,226	969
Other Expenses	123,028	135,693
Earnings before Interest, Tax and Depreciation	(507,683)	(253,095)
Interest	77,388	61,790
Depreciation & Amortisation	26,077	37,199
Income Tax Expense	-	2,475
Net Profit / (Loss) after Interest, Tax and Depreciation	(611,147)	(354,560)
Other Comprehensive Income	80,000	82,797
Comprehensive Income / (Loss) for Year attributable to the Owners	(531,147)	(271,763)

2.15.2 BALANCE SHEET

NOURISH FOODS PTY LTD ABN 83 101 453 847

BALANCE SHEET		
	30 June 2020	30 June 2019
	\$	\$
Current Assets		
Cash and Cash Equivalents	201,766	21,532
Trade and Other Receivables	836,034	785,488
Stock on Hand	919,079	532,693
Taxation	127,349	(639)
Other Current Assets	-	-
Total Current Assets	2,084,227	1,339,075
Non-Current Assets		
Property, Plant and Equipment	66,734	78,517
Intangible Assets	169,031	169,031
Total non-current assets	235,765	247,548
Total Assets	2,319,992	1,586,623
Current Liabilities		
Bank Overdrafts	860,981	619,838
Trade and Other Payables	918,835	488,118
Hire Purchase Liabilities	16,611	35,264
Other Current Liabilities	-	-
Employee Benefits	78,098	69,003
Total Current Liabilities	1,874,524	1,212,222
Non-Current Liabilities		
Loans From Directors	10,247	245,181
Borrowings	351,860	-
Hire Purchase Liabilities	30,063	44,774
Total Non-Current Liabilities	392,170	289,955
Total Liabilities	2,266,694	1,502,178
Net Assets	53,298	84,446
Equity		
Issued Capital	945,000	445,000
Retained earnings	(891,702)	(360,554)
Net Equity	53,298	84,446

2.15.3 STATEMENT OF CASH FLOWS

NOURISH FOODS PTY LTD ABN 83 101 453 847

STATEMENT OF CASH FLOWS		
	30 June 2020 \$	30 June 2019 \$
Cash flows from operating activities		
Net Income	(531,147)	(271,762)
Accounts Receivable	(118,075)	43,881
Inventory Asset	(472,950)	205,971
Other Current Asset	72,617	(144,746)
Accounts Payable	(615)	70,767
Sales Tax Payable	(41,024)	(653)
Other Current Liabilities	476,287	(440,092)
Net cash provided by / (used in) operating activities	(614,907)	(536,634)
Cash flows from investing activities		
Payments for Property, Plant and Equipment	11,783	(28,528)
Net cash from / (used in) investing activities	11,783	(28,528)
Cash flows from financing activities		
Long Term Liabilities	31,968	293,113
Other Equity	510,247	(27,258)
Net cash from financing activities	542,215	265,856
Reconciliation of cash and cash equivalents		
Cash and cash equivalents at beginning of the financial year	(598,306)	(298,999)
Net increase/(decrease) in cash and cash equivalents	(60,909)	(299,306)
Cash and cash equivalents at end of the financial year	(659,215)	(598,306)

2.15.4 STATEMENT OF EQUITY

NOURISH FOODS PTY LTD ABN 83 101 453 847

STATEMENT OF CHANGED IN EQUITY FOR THE YEAR ENDED 30 JUNE 2020

	Issued Capital \$	Accumulated losses \$	Total equity \$
Balance at 1 July 2018	445,000	(88,792)	
Profit/(loss) for the year		(271,763)	(271,763)
Total comprehensive income for the year		(271,763)	(271,763)
Transactions with owners in their capacity as owners			
Contributions of equity, net of transaction costs	-	-	-
Share-based payments	-	-	-
Total transactions with owners in their capacity as owners	-	-	-
Balance at 30 June 2019	445,000	(360,554)	84,446
Balance at 1 July 2019	445,000	(360,554)	84,446
Profit/(loss) for the year		(531,147)	(531,147)
Total comprehensive income for the year		(531,147)	(531,147)
Transactions with owners in their capacity as owners			
Contributions of equity, net of transaction costs	500,000	-	500,000
Share-based payments	-	-	-
Total transactions with owners in their capacity as owners	500,000	-	500,000
Balance at 30 June 2020	945,000		53,298

2.15.5 MANAGEMENT COMMENTARY ON HISTORICAL PERFORMANCE

Nourish Foods has been impacted by COVID-19, particularly given the proportion of sales through the airlines that have been adversely impacted in FY19 and FY20. As COVID-19 virtually grounded the airline industry almost overnight, our sales from February to June 2020 through this channel were reduced to zero. This accounted for a \$350K drop in sales compared to the same period in the prior year. Nourish Foods was at a near break-even position by the end of H1 FY20, with the impact of the loss in airline sales driving the loss in H2 FY20. Whilst this channel is expected to recover in time, the business is focused on driving sales through other channels and prioritising profitability in current channels.

The business entered a key supermarket partnership in September 2019 which boosted sales, however at an overall cost to the business because of a strategic investment in marketing – with the key intention of growing brand presence and expanding customer mix. In late FY20, we renegotiated pricing with this key customer, and focused its SKUs on higher margin best sellers which should see this movement in FY20 as a once-off. This was estimated as a \$120K once-off loss to the business in FY20.

Range reviews, which are common in supermarket channels, occurred in early 2019 with a key supermarket customer and this led to a re-shuffle in the Whole Kids product offering, resulting in a switch to several less profitable products. This was addressed in late FY20 with a new range and price negotiation which will assist future growth.

Towards the second half of FY20, the business has renewed its focus on higher margin returns on SKUs, particularly within the supermarket category. We have recently expanded our key retail partnerships with ranging in Big W, have had brand presence in Aldi, launched export markets in New Zealand (through Countdown) and Singapore, as well as experiencing significant growth (over 150%) in our direct-to-home ecommerce sales channel. Key focus areas for the business are to expand distribution channels and extend our product range within current channels.

The Whole Kids team is lean and efficient, and this was reinforced through the COVID period when expenditure was re-prioritised and savings driven across employee expenses, consultants, rent and general operating expenses. This was necessary to protect the business at the time, though particularly across marketing and team members. In order to fuel growth into new channels and markets, investment in key hires for the team and brand marketing activities will be required.

SECTION 3
INFORMATION ABOUT THE OFFER



TERMS OF THE OFFER

Nourish Foods Pty Ltd is offering up to 2,000,000 shares at an issue price of AU\$1.00 per share to raise up to \$2,000,000.

The key terms and conditions of the Offer are set out in the Table below.

To participate in the Offer, you must submit a completed application form together with the application money via the Intermediary's platform. The Intermediary's website provides instructions on how to apply for shares under the Offer at www.birchal.com.

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

TABLE 4 : TERMS OF THE OFFER

Term	Details
Shares	Fully-paid ordinary shares
Price	AU\$1.00 per share
Minimum Subscription	\$500,000
Maximum Subscription	\$2,000,000
Opening date	7 October 2020
Closing date	29 October 2020

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

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.

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.

Intended use	Minimum Subscription	Maximum Subscription
Marketing	150,000	450,000
Team / New Hires	100,000	400,000
New Products / Growth Capital	50,000	500,000
Systems	-	100,000
Working Capital	167,200	427,200
CSF offer costs	32,800	122,800
Total	\$500,000	\$2,000,000

The Offer is not underwritten and there is no guarantee that these funds will be raised.

The cost of the Offer includes the Intermediary's fees under the hosting agreement between the Company and the Intermediary.

These fees are up to 6% of all funds raised by the Issuer through Birchal Financial Services Pty Ltd (Intermediary), plus \$2,800 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.

We expect that the Maximum Subscription amount will be sufficient to meet the Company's short-term objectives over the next 18-24 months. If only the Minimum Subscription amount is raised, the Company will require further funding to be able to carry out our intended activities over the next 6-12 months. In such circumstances, the Company may consider undertaking a further crowd-sourced funding (CSF) offer under the CSF regime. Until additional funding is obtained, we will scale back sales and marketing and further team investment and continue to focus our cash resources on working capital costs to advance channel growth.

RIGHTS ASSOCIATED WITH 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 Nourish Foods Pty Ltd Constitution. These rights are described below. A copy of the constitution is available on the Intermediary's platform.

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 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.

- 1) Directors have the power to call meetings of all shareholders or meetings of only those shareholders who hold a particular class of shares.
- 2) 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(d) of the Constitution, shareholders may vote to elect and remove directors at a general meeting by way of ordinary resolution (50%).















The Constitution also provides certain other special director appointment rights. These are set out in clause 4.2 of the Constitution.

3.3.5 Winding-up

Subject to Schedule 4 of the Constitution, 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 shares after secured and unsecured creditors of the Company. Holders of fully-paid ordinary voting shares rank ahead of other classes of shares (except for Preference Shareholders).

INVESTOR REWARDS

As part of our tiered investment package, you will receive an exclusive code based on your level of investment which gives you a discount on Whole Kids products purchased online through our website (www.wholekids.com.au). Future products launched as part of the Whole Kids and Nourish brands that are available on our website will also be eligible for the discount. Your discount will remain active for as long as you remain a shareholder of the Company.

	Community	Bronze	Silver	Gold	Platinum
Amount Invested	\$250+	\$500+	\$1,000+	\$5,000+	\$10,000+
Shares in Nourish Foods					
Welcome Sampler Pack of Whole Kids snacks					
Discount code for products purchased on our website					
Join our Invitation-only Tasting Table for new product ideas & taste tests					
Exclusive sample pack of new products (when available) before retail launch					

Note:

Rewards can only be delivered to addresses in Australia. No overseas delivery.

Tasting panel limited to first 50 investors.

Discount code cannot be used in conjunction with any other offers.

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 the business.

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 investment in the Company
- A share buy-back by the Company

There is no guarantee that any of the exit options will eventuate.



SECTION 4
INFORMATION ABOUT INVESTOR RIGHTS

4.1. COOLING-OFF RIGHTS

You have the right to withdraw your application under this Offer and to be repaid your application money. If you wish to withdraw your application for any reason (including if you change your mind about investing in the Company), you must do so within five business days of making your application (the Cooling-off Period).

You must withdraw your application via the Intermediary's platform as follows: by following the link and instructions on the CSF Offer page on the Intermediary's platform.

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

Annual report

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.

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).

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 Nourish Foods Pty Ltd ACN 101 453 847

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 Birchal Financial Services Pty Ltd AFSL 502618

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.

Wholesale Investor means an investor who satisfies the definition of a 'wholesale client' under Chapter 7 of the Corporations Act 2001 (Cth).

THANK YOU

We look forward to welcoming
you on the journey with us.

Monica & James

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