



**WE'RE ON A  
MISSION TO GET THE  
WORLD OUTSIDE.**

CROWD - SOURCED FUNDING OFFER DOCUMENT 2022





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Zorali Pty Ltd

Crowd-sourced funding offer document

Dated 16 March 2022

Offer of fully-paid ordinary shares in Zorali Pty Ltd at \$5.93 per share to raise a maximum of \$1,200,000.

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

Issuer  
Zorali Pty Ltd ACN 631 905 087

Intermediary  
Birchal Financial Services Pty Ltd AFSL 502618



Your offer doc  
compass

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# RISK WARNING

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# Risk Warning

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

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

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

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

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

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

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

# INFORMATION ABOUT THE COMPANY

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## Letter from the founders

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### Dear Zorali People,

Every dream starts somewhere. Ours began while exploring our favourite rugged coastline of Southern Victoria, Australia. We are Cam (that's me) and Elise (my wife and Zorali co-founder) – a couple with a passion for life outdoors, spending our days hiking, surfing and exploring the many trails.

We've always shared this deep appreciation for nature with others – inviting friends for a dip in the ocean (even in winter), walks along our beautiful Ocean Grove coastline, and camping trips further afield. Because for us, nature is the ultimate restorer. It brings a sense of renewal to our lives and friendships. It brings health and happiness to our days.

### Nature: an ancient remedy for modern life.

Like everyone else, we were becoming programmed to the pings, rings and looming deadlines of modern life. And, even as lucky ones with nature on our doorstep, getting out there started to feel more and more difficult.

Then we heard about a pervasive but little-talked-about global trend: the great migration indoors. Caught up in ever-growing cities and distracted by the lure of technology, humanity – us included – was experiencing a collective dislocation from the natural world.

As we navigated the pushes, pulls and stressors of modern life, we were feeling increasingly antsy. So we went back to what we knew, and we stepped outside. We breathed in hard. And we breathed out Zorali – consciously designed gear to help get the world outside to reconnect with a sustainable lifestyle.

We all need more chirps, rustles and roars of the natural world. To make us feel awe. To make us feel small. To make us feel happier and more connected to ourselves and each other. Yes, Zorali is tents, t-shirts, camp chairs, cookers, cutlery, jackets, hats, backpacks, dog gear, and more. But it was never just an outdoor brand. Zorali is an invitation to reconnect with nature: a therapeutic remedy that renews and restores.



# Letter from the founders continued.

## Multiple perspectives of success.

In August 2019, we introduced Zorali to the world through our first equity crowdfunding campaign, successfully raising funds required to get Zorali off the ground from over 550 investors. And in just two-and-a-half years, what began as a celebration of our shared passion for the greatest outdoors has grown to surpass even our wildest expectations – including more than 600% growth in the last year alone.

We've built Zorali on the back of many timely consumer trends: from wellness to mental health and a newfound post-COVID-19 zeal for adventure. And we know our continued success will be built upon the rock of a strong community filled with thousands of fans and advocates. People who, like us, believe in the restorative power of nature. People who are passionate about seeing positive change for people and our planet.

Our online retail, direct-to-consumer (DTC) model enables us to have one-to-one relationships with our beloved customers. So our focus remains on building stellar customer experiences as we continue to realise our vision – strengthening our community and creating more brand supporters on trails and campsites around the globe.

And, just as nature is our inspiration for everything we do, we focus our efforts on keeping it calm and wild. Like measuring, offsetting and reducing our carbon emissions beyond neutral. And planting ten trees for every single product purchased – reforesting areas of severe deforestation through our partnership with Eden Reforestation Projects. That's over 500,000 trees so far, providing a full year of employment for over 200 people.

## Feet on the Earth, eyes on the horizon.

The next 12–24 months are going to be big for Zorali. It marks the next step of our mission of getting the world outside, with expansion not only domestically, but globally. With monthly product releases and in response to rapidly increasing demand, we'll be reconnecting more and more people to the greatest outdoors.

As the world opens up around us, the Zorali mission to get the world outside feels more critical than ever. As Elise and I explore more ways to find connection – in nature and with our community – we're inspired to embark on the next phase of our Zorali journey with you as a part of the team.

This is our invitation for you to join us as a Zorali investor – a Vision Builder. To help us expand our product range, reach new markets, capitalise on demand, and grow with us as we take our vision worldwide.

We'd love for you to join us, out here in this giant playground where all paths meet.

—Zorali co-founders  
Cam, Elise and Koda the Adventure Dog





# Company details



This offer of shares is made by Zorali Pty Ltd ACN 631 905 087 (Company).

Company Name	Zorali Pty Ltd
ACN	631905087
Date of incorporation	26th FEB 2019
Registered office and contact details	Level 1, 46 Ranelagh Drive, Mount Eliza, VIC 3930
Principal place of business	4/41 Smithton Grove, Ocean Grove, VIC, 3226
Offer date	16th March 2022
Offer type	Crowd-sourced funding

# Zorali scorecard.

For our first capital raise in August 2019, we became just the fifth company in Australia to successfully reach its maximum target in a crowd-sourced funding (CSF) regime – approximately \$300,000 from 550 investors. It was the first of many, many successes on our journey so far. Take a look at the table below to see how our achievements – for our business, community and planet – have measured up to our strategic objectives.

Strategic Focus

## Sales & Market penetration

Strategic Objective

**Grow sales domestically in Australia through our direct-to-consumer, e-commerce channel.**

Progress

Our revenue grew 618% from FY 19/20 to FY 20/21, which was a fantastic result. Here are some of the reasons we're incredibly optimistic about our ability to build upon this growth in the years to come:

**Products flew out, even when we were locked in.**

Our sales grew 618% over our first two financial years, despite COVID-related delays and restrictions. No easy feat for an outdoor brand when people physically can't explore as they please.

**24,238 online orders orders don't lie.**

We've shipped 24,238 orders across Australia and to 27 other countries, with a total of 41,238 products sold, amounting to \$3,508,410 in sales with a current annualised revenue of \$2.4m (see page 49 for description). That's a lot of outdoorsy types champing at the bit to get out there.

**Average order values up by 100%**

Our focus on increasing average order value throughout our first two years has been successful, with a 100% increase averaging at \$180 per order.

**A small galaxy of 5-star reviews.**

With a bunch of sell-out performances, our products got the love they deserve. And we gathered more than 1,600 5-star reviews to prove it.

**Pre-order popularity on the rise.**

Our inventory continued to move fast, and we've seen a significant uptake in people wanting to pre-order Zorali products as the popularity of the brand increases.



Zorali scorecard.

Strategic Focus

Product development

Strategic Objective

Expand our market share and increase our offering through product development.

Progress

Rule number one for Zorali is to make good-looking, long-lasting products that have the least environmental impact on the planet possible. Without great product, we can't have a great brand. Here are some of the ways we're developing products to sustain the future of our business.

People are the beating heart of our product future.

That's why we're investing in our product development team and suppliers boasting great experience and knowledge across the areas of product development, design and manufacturing.

Giving the people what they want.

Improving systems and processes around range planning and production tracking allows us to increase stock holdings of the right products at the right time.

Investing in the growth of our range.

A big focus for us has been increasing our stock holdings and expanding our range. We've invested deep into the manufacturing of our outdoor gear and apparel. We're expecting this increase in stock and product lines to drive a further increase in revenue.

Efficiencies of scale across materials, manufacturing and shipping.

Because we're increasing our purchase orders to keep up with demand across many of our popular styles, we will see a rise in gross margin due to efficiencies of scale.

Zorali scorecard.

Strategic Focus

Brand awareness & Marketing



Strategic Objective

Increase brand awareness and grow our community & presence.

Progress

The Zorali community is brimming with people like us who just want to get outside in any way they can. We've built Zorali upon the solid rock of a strong community filled with thousands of faithful fans and advocates. Here are some of the ways we've connected with people to grow our brand awareness and love.

Focusing our investment where our people congregate.

We're focusing our marketing strategy on paid social media channels because that's where our audience engages most every day. Our online traffic has grown 520% year on year, along with brand awareness and recognition.

We're ready for an uptick in marketing spend efficiency.

Due to external factors, industry-wide FY 2020/21 saw a decline in the efficiency of marketing spend. With our range and stock holdings expanding through this financial year, we're gearing up for greater marketing ROI.

Substance is Zorali currency.

That's why another key focus for Zorali moving forward is marketing campaigns that deliver an emotional message – answering the call to spend more time in nature. These campaigns align with our tagline #thejourneycalls and continue to position Zorali as one of the most wellbeing-centred brands on the market.

- Zorali Ramblers promote upcoming products and receive rewards for inspiring others to answer nature's call.
- Zorali events bring our fabulous and diverse community of outdoorsy types together.
- Our Earth Office campaign encouraged employees and organisations to get outside – to work, play and recharge.
- Keep your eyes out for many more.



Zorali scorecard.

Strategic Focus

Positive impact

Strategic Objective

**Increase our social and environmental impact and become a leading sustainable resource for the outdoor lifestyle.**

Progress

Everything we do, in business and in design, we do while thinking of the planet first. We challenge ourselves to do better, keep pushing for change, and keep learning and improving as we go. Nature is our inspiration. Here are some of the ways we've been giving back.

**500,00+ trees planted since launched**

Via our partnership with Eden Projects we've planted over 500,000 trees in a highly degraded forest region near Kijabe, Kenya. Providing over 50,000 days of employment as we work to restore their environment while lifting local communities out of extreme poverty.

**1% of our revenue (not just profit) goes to environmental initiatives.**

Via our partnership with 1% for the Planet, we're donating 1% of revenue to preserving and restoring the natural world.

**Happy to be Climate Neutral certified.**

As a Climate Neutral certified brand, we joined 230 companies in calculating emissions (in our case: 237 tonnes of carbon), then offsetting all of it. We're doing so by investing in climate-change solutions, including a mix of energy, energy efficiency, methane destruction, and forestry projects.

**Future emissions are in our sights.**

The science is clear: we all must reduce our future emissions to limit global warming and climate change. Over the next 12 months, we'll continue to look at how we can reduce our emissions, and we will continue to work with Climate Neutral to offset the rest.

# Zorali scorecard.

Strategic Focus

## Operations



Strategic Objective

**Create processes to provide greater flexibility and capabilities to support our growth and improve operational efficiencies as we grow.**

Progress

The Zorali community forms the beating heart of our business. So it makes sense to keep them happy. It's fair to say the last two years have been logistically challenging for most e-commerce brands. Here are some ways we've navigated those challenges and continue improving customer service to keep smiles on Zorali customers' dials.

**Deepening our partnership with Bulk Group.**

We've continued to develop our partnership with the Bulk Group in Melbourne to warehouse our stock and fulfil all our online orders in a timely and cost-effective manner. We've been able to work closely with the Bulk team to provide quality service to our customers during a time of widespread logistical challenges and COVID-related freight impacts.

**Inbound and outbound logistics efficiencies.**

Due to the pandemic, the cost of global freight has increased which has caused some challenges, ultimately affecting our net margin. One of our goals in 2022 is to find efficiencies across our inbound and outbound logistics costs. We're working with the team at Bulk to analyse our data and reduce our overall percentage of revenue spent on logistics to increase our profit margin.

**We've built a scalable warehousing and fulfilment strategy in partnership with Bulk Group.**

This enables our core team to focus on what we do best: brand growth.

**Improving in-house customer service.**

We've continued to develop our customer service team to help process and streamline customer support with best-in-class service. Through these changes, we're ensuring our customers receive the support they need, when they need it.



# Zorali scorecard.

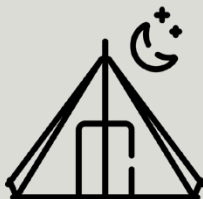
A CAPITAL RAISE TO HELP US MOVE FROM STRENGTH TO STRENGTH.

This latest round of investment will help us grow our product range, capitalise on ever-increasing demand, and expand our vision further into a global market. Reaching new and existing customers with the products to meet every season head-on.

# Growth horizons:



Increasing our global marketing efforts to expand and deepen international sales.



Developing new product categories to service the entire outdoor market.



Working with world-class distributors in high-growth regions – extra sets of hands to assist with language barriers and restricted logistics networks.



Expanding into brick-and-mortar retail, to invite customers to get hands-on and feel the uniqueness and quality of our product.



Responding to high demand for wholesaling into Australian retailers to reach new markets and increase stock holdings across core styles.



Setting up a global network of outsourced warehousing and fulfilment in key regions – so we can scale quickly and effectively, without the need for a significant increase in our workforce.

# Zorali scorecard.

THREE WAYS WE MEASURE SUCCESS.

Pandemic aside, our first two and a half years of Zorali-ing has been a time of great positivity: for our business, our planet and our community.

# 1. Positivity for our buinssess

**+618%**  
**Growth**

In online sales from 19/20 FY to 20/21 FY.

**24,238**  
**Online Orders**

+ 41,108 products sold.  
August 18, 2019 - March 12, 2021

**18,259**  
**Customers**

August 18, 2019 - March 12, 2021

## More wins for our business

- Successfully launched new gear product categories to stop our dependency on the apparel category.
- Successfully launched new products to help us deliver all-year-round revenue.
- Improved gross profit margins across our first two years due to efficiencies of scale.
- Secured a distribution deal in Taiwan.
- Attracted attention from many retailers in Australia and abroad wishing to stock the Zorali range.
- Collaboration with Huckberry, the US outdoor retailer, launching in July 2022.

## Zorali scorecard.

## 2. Positivity for our planet

**500,000**  
**Trees Planted**

Via our partnership with Eden  
Projects

**+1%**  
**Revenue Donated**

Via our partnership with 1% for  
the Planet

### More wins for our planet

- And as a Climate Neutral brand, we're offsetting all of our emissions via a range of initiatives.
- We also launched our website's sustainability section and shared our code of conduct to ensure our values are out there for all to see.
- And we applied to for the B Corp Certification with official certification expected this year.



Zorali scorecard.



3. Positivity for our community

**150,000+**  
**Followers**

Across Instagram, Facebook and TikTok to inspire outdoor adventures from all generations (seriously – go check it out).

**1,600+**  
**5 Star Reviews**

A galaxy of 5 Star reviews on our products.

★★★★★  
**Google Rating**

We achieved 5-star rating on Google Reviews with 168 5-star reviews. That's No easy feat!

**35,000+**  
**Email Subscribers**

With highly engaged, above industry average monthly open rate of 38%.

More wins for our community

- We launched our ambassador program, Zorali Ramblers – a free-thinking, free-wheeling community of creatives, creators and outside-the-boxers with one thing in common: a passion for life outdoors. Our Ramblers promote upcoming products and receive rewards for inspiring others to answer nature's call.
- And we're mapping out a range of events to suit the extraordinary diversity of our Zorali People. Keep your ears out for our meetups and hikes.

## Zorali Truths

# We believe in the restorative power of nature.

Two-and-a-half years ago, we started an outdoor brand with a bold mission: to get the world outside. To help people breathe in the air, breathe out the fear, and have fun exploring our greatest playground.

### The problem.

Spending time in nature makes us feel happier, healthier and more connected to ourselves and each other. But, just like everyone else, we'd become overly tuned in to the pings, rings and looming deadlines of modern life.

Too much inside time makes us antsy. And we know we're not alone. We're amid a mass migration indoors, with people increasingly living in cities and connected to technology 24/7. We're experiencing a collective dislocation from the natural world.

### The idea.

Zorali is much more than an outdoor brand. It's an invitation to reconnect with nature and a sustainable outdoor lifestyle: a therapeutic remedy that renews and restores.

Tents, t-shirts, camp chairs, cookers, cutlery, jackets, hats, backpacks, dog gear, and more. All consciously designed. Everything you need to get out there.

Because that's what's most important: getting the world outside.





**OUTSIDE  
NURTURES**

**US  
INSIDE.**



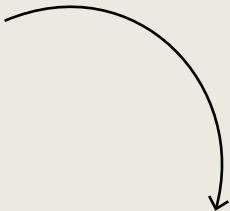
# Brand positioning



## Cultural Fuel

In our complex, connected world, people are becoming increasingly stressed, anxious, and disconnected from nature.

outdoor lifestyle – a therapeutic remedy that renews and restores.



## Human Truth

En masse, humans are searching for therapeutic solutions that heal and renew our bodies and minds.



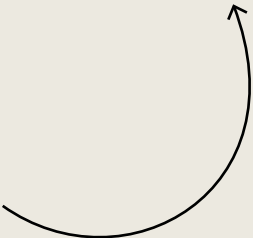
## Brand Truth

Zorali believes in the restorative power of nature.



## Zorali Positioning

Much more than outdoor gear, Zorali's a sustainable wellness brand, connecting people with nature and a sustainable outdoor lifestyle – a therapeutic remedy that renews and restores.



# Brand positioning

## Keys to Zorali success.

As we emerge into a post-lockdown world, one thing we've learned is that the call of the great outdoors is ringing louder than ever before. And as our community continues to show us, the ways we experience nature is as wondrously diverse as the people who step into it.

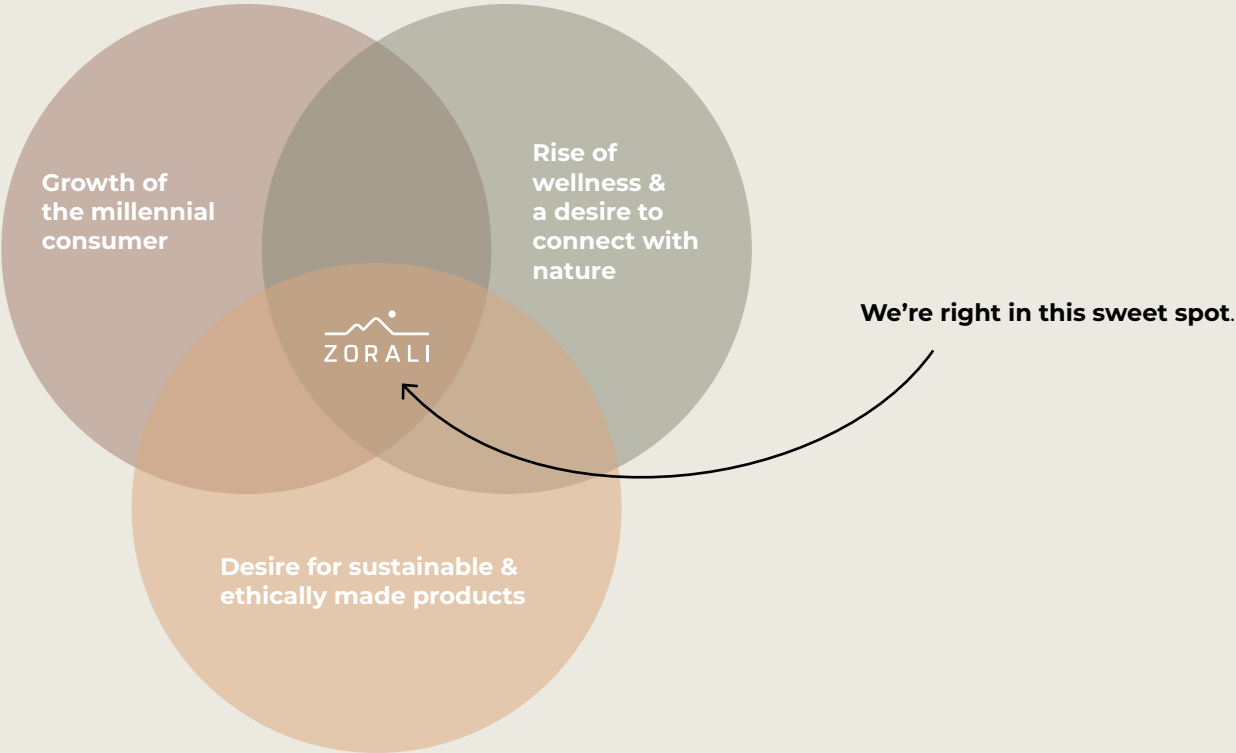
## Here's to the new adventurers.

The outdoors market has shifted. The new 'adventurers' are not necessarily mountaineers – ice-axes in mitts, crampons on boots. They're people from every walk of life who long to walk beneath forests, view waterfalls and comb coastlines. They're urban hikers and day-trippers, overnights and weekenders – people drawn to answer nature's call, however that looks for them.

For Zorali people, the outdoors is not a proving ground to be conquered. It's a place to be enjoyed – undefined by a single activity or interest. It's about getting out there. For lifestyle. For mental and physical wellbeing. For that feeling of awe that only being in nature can bring. That's what Zorali stands for.



# Brand positioning



**Millennials**

They're drawn to our authenticity. We stand for tangible values, and our business model aligns with these. So we walk the talk, among trees.

**Wellness & nature**

People are increasingly overwhelmed by stress and anxiety living in an overstimulated, complex world. We're inviting people outside to feel the restorative power of nature. We could all use more of that.

**Sustainable products**

Sustainability and social responsibility are hot right now. And for good reason. We're committed to being a leader on the path towards a sustainable outdoor lifestyle. Recycled and organic materials + lifetime designs – you'll find them here.

**Planet positive**

We work with Climate Neutral to measure and offset our carbon emissions. But why stop there? We also plant ten trees for every item sold. That's more than 500,000 and counting. So we're net-positive for the planet.



# Our model

## A direct line to the Zorali community.

Our online retail, direct-to-consumer (DTC) model enables us to have one-to-one relationships with our customers. By responding to their wants and desires in real-time – with products differentiated in terms of quality, style, impact and value – our Zorali community has become the backbone of our success. The data they share with us has become our North Star.

DTC also lets us cut marketplaces, retailers, and wholesalers from the customer sales journey. Control freaks? Maybe. But it works for us. In just two-and-a-half years, we've shipped over 24,000 orders in 27 countries, and we saw a +618% increase in online orders in the last year alone. According to data from The Direct-to-Consumer Guide, in the US, e-commerce is expected to account for 6.6% of all consumer-packaged goods sales, with the DTC model accounting for 40% of sales growth in the sector.



## More benefits of DTC.

**Profit:** we don't need to cut it with retailers, wholesalers or marketplaces, so we generate more – meaning we can do cool stuff like plant over 500,000 trees.

**Control:** no middle people means we own every customer touchpoint. It also means we leave less risk exposed in our supply chain. Any bumps in the road are on us, so we can plan and navigate accordingly.

**Responsiveness:** the entire customer journey is ours, so with the data we gather, we can create a picture of the hows, whys, and what's next of our community. This puts us in the perfect place to develop and iterate new products faster, responding in real-time to our customers' desires.

Our Model

# Reputation is everything.

The Zorali community of thousands of true fans and advocates has become the backbone of our success. Because we own every customer touchpoint, it's up to us to keep creating experiences that create more brand supporters on trails and campsites around the globe.

“We’re laser-focused on ensuring our customers have the best possible purchasing experience from start to finish. This includes things like ensuring the website all the way down to the goods the consumer receives in the mail are all without issues. Our brand reputation is on the line throughout the entire process. Challenge accepted.” — Cam Greenwood\*



**Reviewing** ★★★★★  
Recycled Venture Pants Black

about 1 month ago

Wanted pants for hiking and camping activities. Tried these and they were amazing. Worked really well on a wet day and plenty of pockets! On top of that they look good! Would definitely buy another pair in a different colour.

**Age Range:** 25 - 34

**Used For:** Camping, Hiking, Other

**Bottom Line:** I recommend this product



**Reviewing** ★★★★★  
Escapade Backpack Tan

2 days ago

We now have 2 of these incredible backpacks. The quality as always is second to none. I use mine everyday for uni or work and also whenever we get out and about. Absolutely love it!

**Age Range:** 25 - 34

**Used For:** Everyday, Camping, Hiking, Holiday

**Bottom Line:** I recommend this product



**Reviewing** ★★★★★  
Highlands 2P Tent

2 months ago

Love my tent! Super easy to set up and fantastic quality. Also amazing customer service, thanks Zorali!

**Age Range:** 25 - 34 **Used For:** Camping

**Bottom Line:** I recommend this product

\*Individual has provided consent to inclusion of this statement.



## Our Model



## A DTC snapshot: funding and investors.

It might feel like eons ago, but even before the COVID-19 pandemic, the so-called '[retail apocalypse](#)'. was biting, with thousands of brick-and-mortar businesses shutting up shop the world over.

Naturally, the DTC movement was gaining serious traction in the US and abroad. And not just from brands switching up their offering. Venture capital companies caught on quick, and between 2015 and 2019, almost [60% of all investments](#) <sup>2</sup>(\$3.3B USD) went into DTC brands.

## Remember this news from the US?

- **2019:** Glossier received \$100M in Series D investment, bringing total funding to more than [\\$186M USD](#)<sup>3</sup> (they've now eclipsed more than \$244M USD).
- **2017:** Target bought a stake in DTC mattress retailer Casper for [\\$80M USD](#)<sup>4</sup>.
- **2017:** [Walmart acquired Bonobos](#) for \$310M USD.
- **2016:** Unilever bought legendary DTC brand [Dollar Shave Club](#) <sup>5</sup>for \$1B USD.

And it's not just all about the big guys. Investors everywhere see the benefits of cutting out the middle people, wholesalers and big-box stores.

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1 <https://www.businessinsider.com/stores-closing-in-2019-list-2019-3?r=US&IR=T>

2 <https://www.retaildive.com/news/majority-of-cpg-investments-go-to-direct-to-consumer-brands/573727/>

3 [https://www.crunchbase.com/organization/glossier/company\\_financials](https://www.crunchbase.com/organization/glossier/company_financials)

4 <https://www.startribune.com/schafer-why-casper-mattresses-appealed-to-target-and-what-bounces-lie-ahead/567836862/>

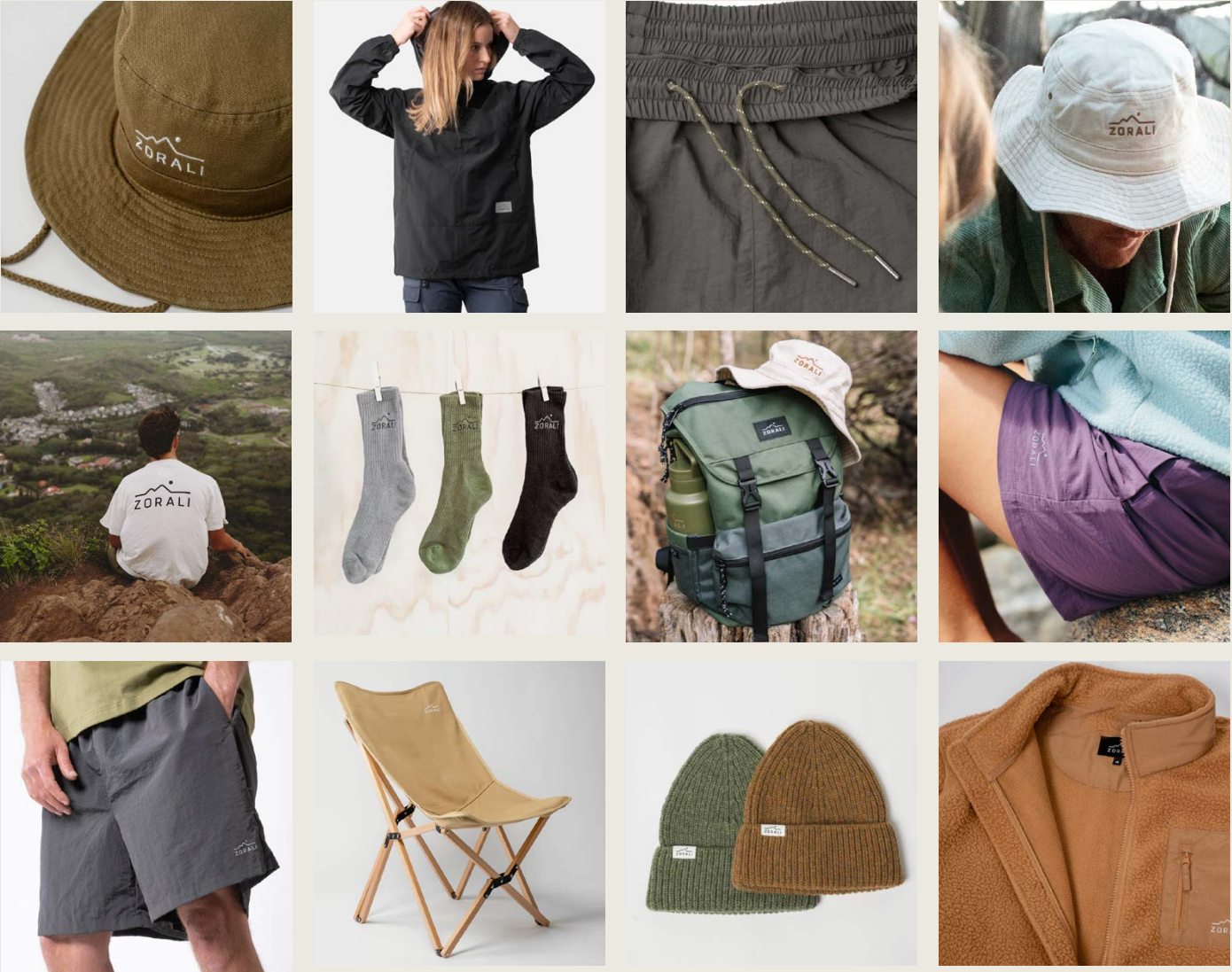
5 <https://www.ft.com/content/bd07237e-4e45-11e6-8172-e39ecd3b86fc>



# Our Products

Some of the finest designs we've ever seen have come straight out of the Earth (have you seen an old Mountain Ash?). And we're inspired to make products that are equally good-looking, long-lasting, and with the least environmental impact on the planet possible. Without great products, we can't have a great brand. That's why we continue to invest in our product development team and suppliers, so we can boast that everything Zorali is made by people who are the best at what they do.

# Our core range



## Our Compass



### Mission, Values & Vision.

We're on a mission to get the world outside.  
To help you breathe in the air, breathe out the fear, and have fun exploring our greatest playground. We believe that's the secret to the good life.

At Zorali, we want to show you just how close that good life can be. Frankly, it's right outside your door. The outdoors. They're wild and they're free. Not a challenge to be conquered, but a teammate welcoming you to the field.

Get out there. Breathe in so deep that your chest grows. Heart and lungs. Bring your mates. Or don't. Because the only thing you actually need is an open mind. Oh, and water. And snacks. Maybe a jumper. That's it though, we swear.



# Our Compass



## Our treehouse is built on three pillars.

We're committed to being a leader on the path towards a sustainable, outdoor lifestyle. And to keep us on (hiking) track, we stand by three core values:



### People

In the spirit of symbiosis, we consider the people we work with our greatest value. And make sure everybody's needs can be met in equal measure. No exclusions. No rain checks.



### Planet

It's a bit of a big deal. Everything we do, in business and in design, we do while wearing a sustainability hat. Not to brag, but we wear it well. Nice and snug. Hat jokes aside, we promise to keep pushing for change, challenging ourselves to do better, and learning everything we can along the way.



### Product

Some of the finest designs we've ever seen have come straight out of the Earth (have you seen an old Mountain Ash?). And we're inspired to make products that are equally good-looking, and long-lasting. Made by people who are the best at what they do.

Our vision is to create a world where more people are outdoors, more often. From individuals to couples (like us), families, communities, even nature retreats abroad. Walks, hikes, treks, bikes. Anyone who's drawn to answer nature's call – to find connection, restoration and calm. However that looks to you. Because that's what it's all about: getting the world outside.

Positive Planetary Impact.

FAITH IN THE FUTURE. AND A FIRE IN OUR GUT.

Protecting our business means protecting our planet first. We can't have one without the other – and, call us greedy, but we really want them both. As nature is our inspiration, we focus our efforts on keeping it calm and wild.

By using natural fibres such as hemp, organic cotton and recycled fabrics, we're helping you connect with nature before you've even stepped out the door.

Choosing materials responsibly.



Hemp

Hemp is breathable and soft. Plus it's good at removing carbon dioxide from the air and keeping its impact lower than a drunken game of limbo.



Organic Cotton

Organic cotton is gentle on your body, and doesn't put chemicals or pesticides into the soil. And while its non-organic sibling takes pretty long showers, the organic kind is much better with water.



Recycled Fabrics

Recycled fabrics keep waste out of landfill, reduce demand for petroleum-based raw materials, and limit contamination of the air, soil and water. What a little workhorse



# Positive Planetary Impact.

TAKING THE ETHICS AND CLEANLINESS WITHIN OUR SUPPLY CHAIN SERIOUSLY.

Sure, we like to escape the crowds and talk to trees. But we care deeply about humans, too. Our code of conduct ensures all the people in our supply chain are treated well, paid properly and have a safe spot to work. And we take time to chat face-to-face with our factories – when we can get the trees to hush, that is.

# Responsible partnerships.



## Climate Neutral

Are Planet Positive: The only footprint here, folks, is the one our hiking boots leave in the dirt. We offset the rest, with Climate Neutral.



## 1% for the planet

Donate 1% of revenue to the preservation and restoration of the natural environment. While we still have the chance.



## Eden Projects

Plant trees with Eden Projects. 10 of them planted for every product you buy – to keep the planet happy and make sure the trees are always there to catch our jokes.

**Aiming higher with our goals – to the stars and back.**  
**With good business, we can do good things for the future. We're working towards:**

Closing the loop, ensuring everything we make can keep going 'round and 'round through repairs, resales and recycling.

Ensuring all makers are environmentally certified, ethical, transparent and the kind of people we'd love to share a campfire with.

Grow our own forest. **Our goal is to plant 100 million trees by 2030.** Wild, huh? Good. That's just how we like it.

# Positive Planetary Impact.

We are always trying harder to leave no trace; to keep our hands out of the planet’s soup. But until we can get products to you without emitting any carbon at all, we’ll keep planting trees. Ten trees – hundreds of leaves – for every product purchased. And Eden Reforestation Projects makes sure they start growing at the right place, at the right time, in the right way.



## We’re all about growth. Especially when it comes to trees.

### Now planting in Kitiligini, Kenya

North of Nairobi’s capital city, the village of Kijabe stands on the edge of the Great Rift Valley. It is known for its dry steep terrain and Afromontane forests. This unique forest in Kenya is home to many pastoral communities who rely on the local ecosystem to sustain themselves and the economy. Due to deforestation events related primarily to charcoal harvesting, the land is highly degraded. Our project partners, Eden, use multiple methods of reforestation, including farmer-managed natural regeneration (FMNR) to help restore the area. Through the employment of local villagers and the planting of native trees, Eden’s Kenyan team work to restore their environment while lifting local communities out of extreme poverty.



# Our Marketing



## Purpose-led brand, purpose-led marketing.

Zorali is a purpose-led brand. Our purpose makes us relevant and necessary to customers and stakeholders. Just as price, product quality, functionality and convenience are essential and expected by customers when making purchase decisions. The new generations of consumers – Millennials and Gen Z – are making more ethical shopping decisions based on a brand's authenticity and transparency. How do you treat your employees? How do you support communities? What are your social and environmental impacts? And what's your purpose beyond profit? All this matters.



# Our Marketing



## Activating our core purpose through marketing.

As a brand for people who yearn to enjoy our greatest playground, we understand how much our customers' value wellbeing and environmental sustainability. That's why we've crafted our identity around a set of values that are authentic and relevant to the products we sell. Our products (and the related marketing) are inseparable from our purpose, which is inseparable from the brand itself. We know our customers aren't simply purchasing a product; they support what we stand for. And this is what creates brand equity. When you look at Zorali interact with the world on social media, you'll find a consistent and authentic brand message that aligns with our purpose – to get the world outside.

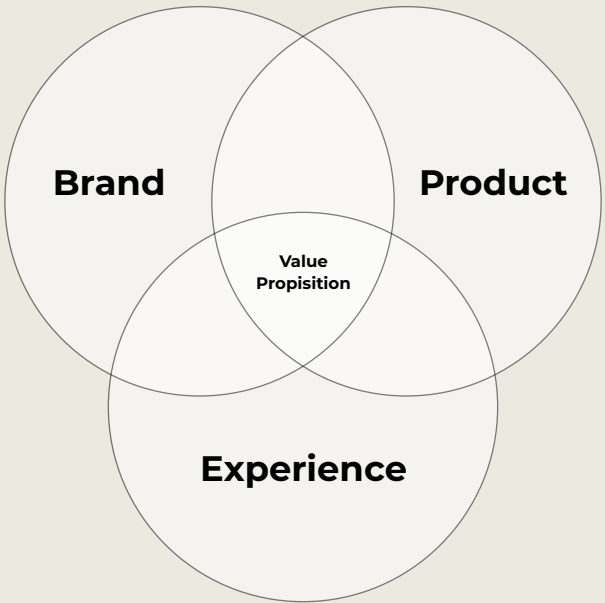
We embody this purpose in everything we do, including our marketing strategy. Whether it relates to the heart behind our products or sharing our belief in the restorative power of nature, our approach brings in customer advocacy and creates new fans – Zoralians. While having a higher purpose for our marketing is essential, it's not enough to achieve our mission. We understand we can't only be as good as our competitors, or even a little better. We have to be vastly superior in our value proposition – where our brand, user experience, and product features collide.



# Our Marketing

## Value Proposition.

Where our brand, user experience, and product function collide, we have a strong value proposition that becomes the basis of our marketing.



## Brand

### Why people want Zorali products.

When it comes down to it, brand is the number-one customer value indicator. We desire to become a generational brand that is well-known by outdoor enthusiasts across the globe, so we factor brand goals into everything we do. We believe our greatest strength is brand, so we've deliberately kept it at the forefront of our focus. For Zorali, brand goes well beyond visual identity. It's about how our product makes people feel. It's about the associations they'll make with our brand, and it extends across every interaction they have with us at every touchpoint.

## Experience

### People, product and brand.

A user's experience is key to reinforcing brand perception because it connects our product's utility with their emotional reaction. Their experience encompasses everything from onboarding to social media experience to customer service. It's also the catalyst for creating brand advocates, who then create brand awareness for our new product. Ultimately, it's not enough to understand why someone would want our product; you have to know how they'll use it. You have to understand its value to them, so you can design the greatest experience. That's why we obsess over every detail across the customer journey – from discovery to delivery.

## Product

### Solving a real customer frustration.

Now, our product. Some of the finest designs we've ever seen have come straight out of the earth (have you seen an old Mountain Ash?). Our goal is to create products that are equally as beautiful and long-lasting – so that our customers can't help but talk to their friends about them. Zorali has successfully grown via word of mouth. So, moving forward, we'll continue to redirect budget to product and experience development. Because the success of our product is directly tied to the value our customers get from it. And this value drives every decision we make: from marketing activities to production choices to investment decisions.

# Our Marketing

## Community-first.

As a part of a new generation of direct-to-consumer brands who put building a brand community at the core of its strategy, our goal is twofold: to increase customer loyalty and accelerate growth through brand advocacy.

We help people have fun exploring the great outdoors by providing high-quality, sustainably made gear to get them outside with a considered approach to style and function.

## User-Generated Content.

By definition, user-Generated Content (UGC) is ‘any content produced by an unpaid user’. That means Zorali followers are the ones producing the content shown on our social pages. Not us.

When we share UGC, it creates a sense of community for our customers, which compels them to continue supporting our brand. Consumers are more likely to purchase or repurchase a product if they hear rave reviews from someone. Not only does this benefit us (hello, free and unsponsored content), but it also benefits our community because it gives people the credible and authentic content they crave in today’s digital age. UGC Instagram posts see 50% more engagement than typical branded images. As such, UGC is seen as being more authentic and trustworthy.

## Why we lean in to our community for UGC:

- To promote authenticity.
- To showcase brand loyalty.
- To build and create trust.
- To create brand desire.



## #thejourneycalls

Our ‘journey calls’ hashtag has been used over 20,000 times. It gives our community a tagline to curate their content, and it allows us to narrow down the best UGC to share on our social channels.

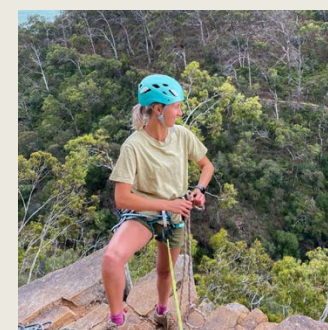
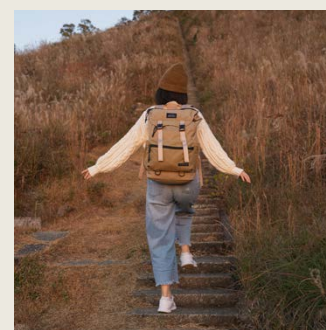
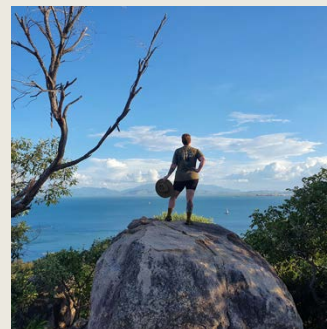


## Our Marketing

## Zorali Ramblers

**A co-creation with a small group of super customers.**

The goal of our micro group of brand ambassadors – ‘Ramblers’ – is community building, social promotion and community engagement. They’re some of our best customers, so we use their feedback to guide brand-level decision making – as well as providing exclusive perks that turn them into the right advocates for Zorali. That way, we’re building our community and maximising the impact 1% of our customers can have on the other 99%.

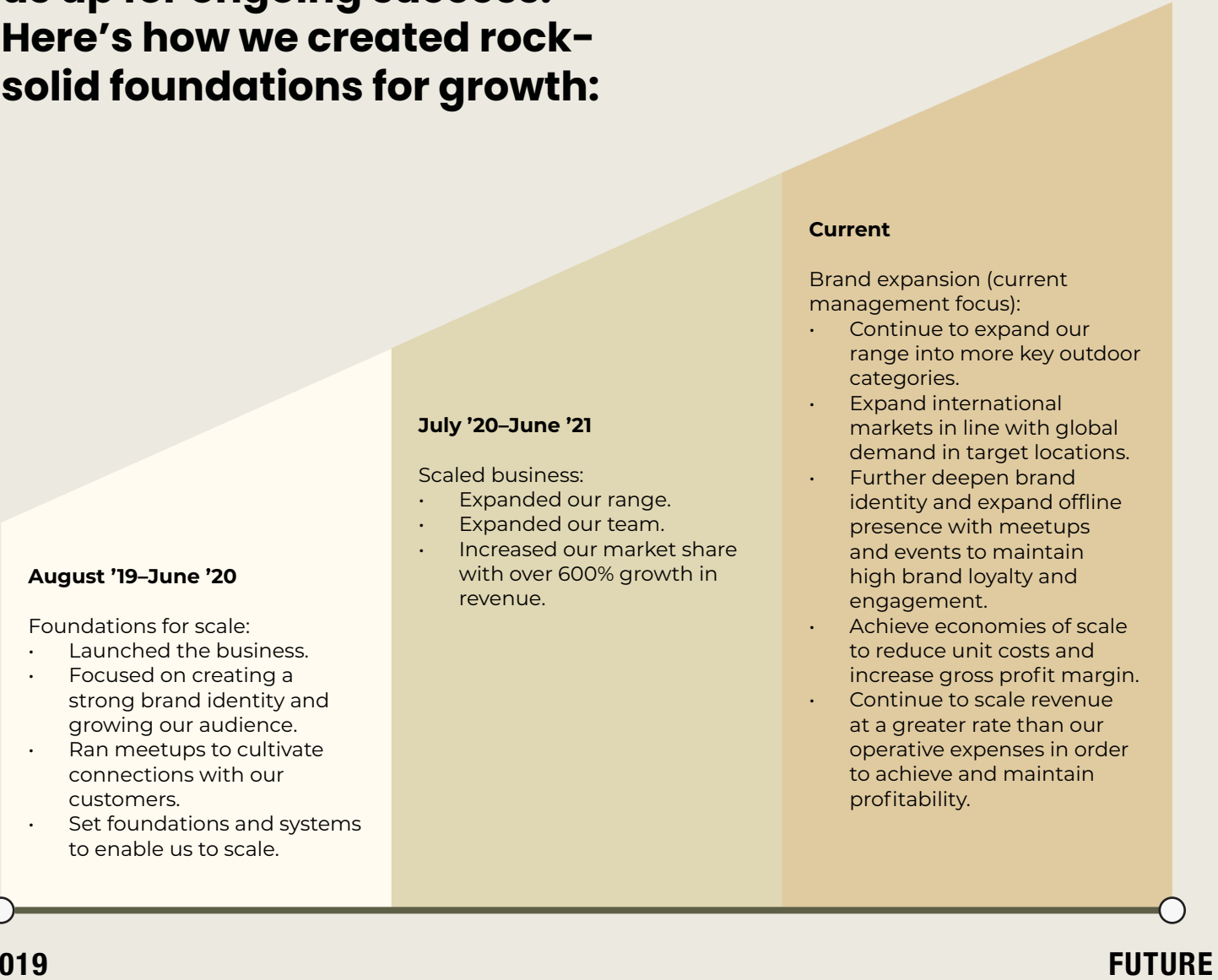




# The Zorali Journey

The next 12-24 months are going to be big for Zorali. It marks the next step of our mission of getting the world outside, with expansion not only domestically, but globally. With monthly product releases and a rapidly increasing demand, we'll be introducing more and more people to the great outdoors through our products.

The foundations of our first two years of trading have set us up for ongoing success. Here's how we created rock-solid foundations for growth:





## The Zorali Journey

# Looking to the horizon.

### Scaling up from rock-solid foundations.

With a successful launch and two years behind us, we're in a great position to scale up while keeping fixed costs (relatively) steady and increasing overall net margin. As we continually refine our processes, we expect more efficiencies across major costs like manufacturing, shipping and advertising.

### Monthly releases are go.

Scaling up means we're able to diversify and extend our ranges. To reach new and existing customers with the products to meet every season head-on, we'll be releasing fresh gear monthly across 2022-2023.

### Campaigns to celebrate what makes us different.

Our community is the backbone of our success. We'll be launching several campaigns inviting them to celebrate the things that make us, us – further building the substance and authenticity of our brand.

We will also be taking our online presence offline, in the form of in-person meetups, hikes and camp-outs to nurture more profound connections with our consumers/community and nature.

# Our Opportunity



## Market overview.

If there was one upside to the pandemic, it was a collective rediscovery of love for the outdoors. We're just at the foot of the mountain, and the opportunity in Australia, as it is globally, is large and expanding. Now is the perfect time for us to capitalise on the equity we have built in the Zorali brand in a number of other attractive markets.

Fitness tracking app Strava's 2020 'Year In Sport' report showed a 33% increase in activity participation globally compared to 2019, with 1.1 billion activities uploaded to the platform that year. Fitness watch brand Suunto, meanwhile, reported a 41% increase in walking among American users over the last year, with hiking, specifically, up 25%.

## Our goal is to become the category leader in the outdoor wellness space.

### Australia

Market Size (Hiking & Outdoor Equipment Stores):

\$2B

### New Zealand

Market Size (Hiking & Outdoor Equipment Stores):

\$1B

### United States

Market Size (Hiking & Outdoor Equipment Stores):

\$7B

*\*Note: data collected IBISWorld 2021*

*Industry Definition:  
The industry includes bricks-and-mortar stores that sell hiking and outdoor equipment, with a specific focus on camping and hiking supplies. This excludes sales of hiking and outdoor equipment from online-only retailers (such as Zorali), so we can assume the market is larger than the research shown here.*



# Our Opportunity

## Stepping into the future, outside.

From TikTok tips on camping to a deep focus on wellbeing and environmentalism, we're laser-focused on what our future customers want from Zorali. By understanding how they're getting outside, we can implement strategies to appeal to a whole new group of tech-savvy Gen-Z, or Boomers seeking post-retirement adventure.

# Emerging consumer groups:



## Hike beasts

A growing cohort of streetwear fans are embracing the great outdoors and prioritising sustainable values.

### How Zorali connects:

Sustainable credentials, exclusivity, style & collaborations.



## Frugal newbies

The pandemic has pushed new audiences outdoors, eager to try new activities, but unwilling to commit to expensive gear.

### How Zorali connects:

Functionality + value (for example, Zorali kits save money and the headache of finding the right gear for your next trip).



## Explorative Escapists

With more time to plan, ambitious outdoorsy types are taking local and domestic trips, which appeal to a sense of adventure. These consumers are focused on convenience and experience. They want to buy in to a brand's values and become loyal customers over the long-term.

### How Zorali connects:

Steadfast (lifetime) guarantee, free & fast (+ risk-free) shipping, superior customer service and experience, and of course our repair program.

Source: *Influencers, Adventure and The Outdoors: Top Trends for 2021 with WGSN*  
<https://www.youtube.com/watch?v=Un4zlx8ZeOs>

# Team Zorali

Directors/Pioneers



## Cam Greenwood

**Managing Director/Chief Pioneer**  
**Blazing the Zorali trail.**

Focus: Cast the vision, maximise revenue, control costs, let people do their thing (train well, don't micromanage).

Cam Greenwood is the co-founder and chief pioneer of Zorali.

For Cam, life is an adventure. An invisible path even more exhilarating than the most breathtaking of hikes. And as long as there are more corners to explore, Cam will keep seeking what's around the next one.

Cam's adventurous spirit has attracted attention – recognised as one of Australia's most creative entrepreneurs under the age of 30.

Ultimately, Cam's goal is to inspire people to believe that all things are possible when you actively engage in a life driven more strongly by curiosity than by fear.



## Elise Greenwood

**Co-Founder/Creative Visionary**  
**Shaping the Zorali brand.**

Focus: Direct and develop the brand, product and overall experience.

Elise Greenwood is the creative visionary and co-founder of Zorali. Elise was born and raised on the Surf Coast of Victoria, Australia, so it's in her blood to be outside enjoying nature.

With 6 years of experience in the design Industry, Elise is passionate about good design and brand experience.

Elise's greatest joy (besides surfing and design) is using her creative talents to inspire others to step outside and experience the wonder and beauty of the wild. Because she believes that by reconnecting with nature, we also rediscover a part of our humanity.



# Team Zorali

## Directors



**Cam Greenwood** / Director  
Co-Founder / Managing Director



**Elise Greenwood** / Director  
Co-Founder / Creative Visionary

## Product



**Jake Springthorpe** / Designer  
Cheif product designer and all round creative genius.



**Kandy Olley** / Production  
Product developer and production tracking.

## Marketing



**Karly Gray** / Storyteller  
Community and partnerships.



**Elliot Gray** / Storyteller  
Photographer and videographer.

## Customer Service



**Jay** / Customer Service  
Putting smiles on customers' dials.

# Capital Structure

As at the date of this Offer Document, the Company has 2,024,238 ordinary shares on issue. The Company has also issued convertible notes.

Table 1 below sets out the issued capital of the Company before the Offer.

**Table 1: Issued capital of the Company before the Offer**

Shareholder	Share Type	Shares
Cameron Greenwood	Ordinary	1,523,335 (73.73%)
Other Investors with less than 2%	Ordinary	371,411 (17.98%)
Change Tomorrow Pty Ltd	Ordinary	129,462 (6.27%)
Convertible Note Shares	Ordinary	41,665 (2.01%)
Total		2,065,873 (100%)



# Captial Structure

Table 2 sets out the issued capital of the Company following the Offer on a fully diluted basis (i.e. presuming all options are exercised).

Table 2: Issued capital of the Company following the Offer

Shares	Minimum Subscription	Maximum Subscription
Existing Shares	2,065,873 (97.61%)	2,065,873 (91.08%)
Offer Shares	50,590 (2.39%)	202,360 (8.92%)
Total Shares	2,116,463 (100%)	2,268,233 (100%)

# Rights and liabilities associated with securities

## Rights and liabilities associated with securities

As at the date of this Offer, the only class of shares on issue are ordinary shares. There is no shareholders agreement between the existing shareholders and as such, the rights and liabilities associated with the shares are as set out in the Company's constitution.

Under the Constitution, Zorali has the discretion to approve a transfer of shares to a third party. A more detailed description of the rights and liabilities associated with the shares is set out in Section 3. A copy of the Company's Constitution is available on the Intermediary's platform

## Sources of financing, including debt financing and other financing

To date, our activities have been primarily funded by completing equity raises, business cash flows and most recently through the establishment of a debt-facility which is listed on the balance sheet. By reaching our goals for this current raise, we believe we will be able to scale the business and increase our overall net margin, to a level that is able to sustain and fund our growth moving forward. If so, this may be our last capital raise.

The company's current debt financing arrangements are summarized in the table below:

Funding Type	Source	Amount Obtained	Term
Credit Card	AMEX	No pre-set spending limit	Continuous
Working Capital Loan	Paypal	\$119,000	Approx 6-9 Months
Business Load	OnDeck	\$240,000	24 Months
*Convertible Note	Shareholders	\$140,000	Various

\*There is a Convertible Note in place, for 2 shareholders, loaning a total of \$140,000 with an annual interest rate of 10%.



# Risks facing the business

An investment in Zorali 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).

Main Risks	Description
Cash flow risk	The Company’s operating activities involve a series of cash inflows and outflows. Although the Company seeks to manage its cash flow efficiently, there is a risk that the Company may not have sufficient cash or working capital, at times, to fund both its operations and its expansion plans. This could affect the Company’s profitability, future prospects, and its ability to meet its business objectives. To avoid over-forecasting, we review our forecast weekly and check in with advisors quarterly to keep us on (hiking) track.
Supply Chain	Disruption could affect our ability to produce inventory at our target margins, directly impacting profitability. That’s why we’ve set up a multi-nation network of suppliers able to produce our products at the quality we are famous for.
Growth	We all love it, but if it’s not managed well it can lead to financial missteps, inefficient systems, loss of productivity, and poor customer experiences. That’s why we set daily and weekly benchmarks, forecast our upcoming finances, profits and sales, and set up great business processes and systems to keep things organised as we continue to grow and mature.
Customer acquisition	The cost of customer acquisition online has steadily risen over the years. There is no assurance that Zorali will continue being able to adapt to these rising customer acquisition costs. If Zorali is unable to manage these rising customer acquisition costs, its value and growth may be materially affected.

# Risks facing the business cont.

Other Risks	Description
Funding risk	<p>The Company is in the process of raising funds to achieve its strategic business objectives and to cover its projected operating expenses. The Company may not raise all of the required funding and therefore not achieve all of its business objectives.</p> <p>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.</p>
Key person risk	<p>As an early stage business, the Company is susceptible to the loss of key team members as they are considered critical to the continued success of the Company. If a key team member was lost, due to illness for example, this could significantly affect the Company's ability to continue its operations or achieve its business objectives as the case may be.</p>
Brand risk	<p>If the Company does not maintain consistent levels of quality and service in its offering, the Company's brand and reputation could be damaged. In an increasingly connected world, damage to a company's brand and reputation can be catastrophic. The Company is acutely aware of this risk and is vigilant to ensure that it maintains a consistently high level of product quality and customer service.</p>
Intellectual property risk	<p>The protection of the Company's intellectual property is critical to our business and commercial success. If we are unable to protect or enforce the Company's intellectual property rights, there is a risk that other companies will copy our product and technology, which could adversely affect our ability to compete in the market.</p>



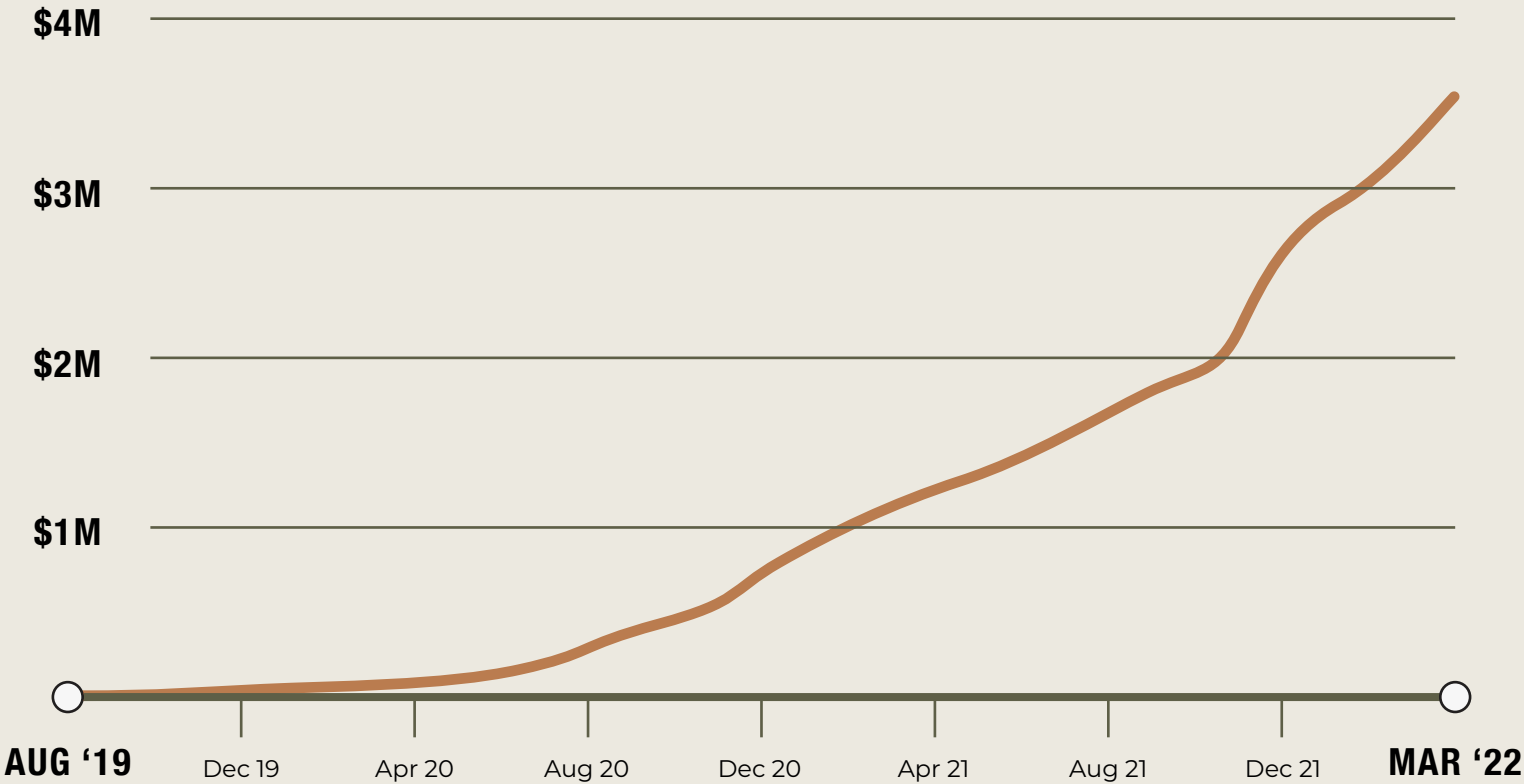
# Total Sales

Total sales to date: \$3,508,410

Current annualised revenue: \$2,400,000

[Based off the 6 month period from July 2021 - 31 December 2021, multiplied by 2. We believe this is a reasonable approach to calculating annualised revenue because our revenue has increased by over 100% quarter on quarter throughout this financial year, and our current monthly sales has further accelerated since the most recent 6 months of financial statements.]

*Please note: Comments on revenue outlook are inherently uncertain and should not be solely relied upon as they are subject to change, uncertainty and unexpected events, many of which cannot be controlled. Accordingly, actual results are likely to differ from the forecasts. No representation or assurance is or can be given that the forecasts will be achieved. Past performance is no guarantee of future performance. This revenue outlook has been prepared by Zorali and has not been validated by an independent third party.*



We've shipped 24,238 orders across Australia and to 27 other countries, with a total of 41,238 products sold, amounting to \$3,508,410 in sales. That's a lot of outdoorsy types champing at the bit to get out there.

# Balance sheet

Opposite are the financial statements of the Company for the financial years ended 30 June 2021 and June 30 2020, which have been prepared in accordance with the Accounting Standards.

Financial information for the 6 months ended December 31 have also been included, based on management accounts, and accordingly may be subject to change.

ASSETS	31 Dec 2021	30 Jun 2021	30 Jun 2020
<b>Current Assets</b>			
Cash & Cash Equivalents	12,849	15,698	36,200
Trade and other receivables	2,977	8,265	1,834
Inventories	529,625	304,376	95,507
Other assets	4,060	4,060	0
<b>Total Current Assets</b>	<b>549,511</b>	<b>332,398</b>	<b>133,541</b>
<b>Non-Current Assets</b>			
Property, plant and equipment	40,925	83,027	0
Intangible Assets	18,296	18,296	22,908
Total Non-Current Assets	59,220	101,323	22,908
Total Assets	608,732	433,721	156,450
<b>LIABILITIES</b>			
<b>Current Liabilities</b>			
Trade and other payables	89,945	112,932	31,038
Financial Liabilities	202,267	185,550	0
Other liabilities	14,060	13,264	2,080
<b>Total Current Liabilities</b>	<b>306,272</b>	<b>311,747</b>	<b>33,117</b>
<b>Non-Current Liabilities</b>			
Financial liabilities	167,081	98,956	30,585
<b>Total Non-Current Liabilities</b>	<b>167,081</b>	<b>98,956</b>	<b>30,585</b>
<b>Total Liabilities</b>	<b>473,353</b>	<b>410,702</b>	<b>63,702</b>
<b>Net Assets</b>	<b>135,379</b>	<b>23,019</b>	<b>92,748</b>
<b>EQUITY</b>			
Contributed Equity	530,952	430,952	290,635
Retained Earnings	-395,573	-407,933	-197,887
<b>Total Equity</b>	<b>135,379</b>	<b>23,019</b>	<b>92,748</b>

# Profit and loss statement

Opposite are the financial statements of the Company for the financial years ended 30 June 2021 and June 30 2020, which have been prepared in accordance with the Accounting Standards.

Financial information for the 6 months ended December 31 have also been included, based on management accounts, and accordingly may be subject to change.

INCOME	31 Dec 2021 (6 months)	30 Jun 2021	30 Jun 2020
Revenue	1,197,592	1,249,113	176,822
Total Income	1,197,592	1,249,113	176,822
COST OF GOODS SOLD			
Changes in inventories	427,187	517,120	182,906
Total Cost of goods sold	427,187	517,120	182,906
Gross Profit	770,404	731,993	-6,084
OTHER INCOME			
Other income		48,200	22,000
Total Other Income		48,200	22,000
Total Operating Income	770,404	780,193	15,916
EXPENSES			
Amortisation of intangible assets	0	4,613	4,613
Depreciation	11,795	7,305	0
Employee benefits expense	54,809	165,980	25,171
Finance costs	0	16,250	2,658
Other expenses	691,439	796,091	163,630
Total Expenses	758,044	990,239	196,072
Profit/(Loss) before Taxation	12,360	-210,046	-180,155
Net Profit After Tax	12,360	-210046	-180155



# Cash flow statement

Opposite are the financial statements of the Company for the financial years ended 30 June 2021 and June 30 2020, which have been prepared in accordance with the Accounting Standards.

CASH FLOW MOVEMENTS	30 Jun 2021	30 Jun 2020
Operating Activities		
Receipts from Customers	1,248,760	173,099
Payments to Suppliers	-1,475,362	-360,987
Payments to Employees	-152,637	-22,000
Net GST Received / (Paid)	28,476	9,339
Interest Received	0	1
Other Revenue	48,200	22,000
Other Payments	-21,846	0
Net Cash Flows From Operating Activities	-324,409	-178,548
Investing Activities		
Purchase of Property, Plant, and Equipment	-90,332	0
Payments to Suppliers	0	0
Other Revenue	0	0
Other Payments	0	-4,458
Net Cash Flows From Investing Activities	-90,332	0
Financing Activities		
Contributed Equity	140,317	290,455
Dividend Paid	0	0
Proceeds from / (Repayment of) Borrowings	253,921	-64,041
Other Cash items from Financing Activities	0	-23,064
Net Cash Flows From Financing Activities	394,238	203,350
Net Cash Flows	-20,502	20,345
Account	2021	2020
BANK BALANCE MOVEMENTS		
Opening Bank Balances	36,200	15,855
Closing Bank Balances	15,698	36,200
Net Change in Cash for period	-20502	20,345

# Statement of changes in equity

Below are the financial statements of the Company for the financial years ended 30 June 2021 and June 30 2020, which have been prepared in accordance with the Accounting Standards. Financial information for the 6 months ended December 31 have also been included, based on management accounts, and accordingly may be subject to change.

EQUITY	31 Dec 2021	30 Jun 2021	30 Jun 2020
Opening Balance	23,019	92,748	-17552
Increases			
Profit for the period	12,360		
Share Capital	100,000	140,317	290455
Total Increases	112,360	140,317	290455
Decreases			
Loss for the Period	0	210,046	180155
Total Decreases	0	210,046	180155
Total Equity	135,379	23,019	92,748

# Financial Information



## Management Comments on Financials.

We have big dreams for Zorali. We don't just want to keep people warm and comfortable outdoors, we want to create a platform that really does benefit our planet and our community. In saying that, we know we can't achieve our vision without strong commercial foundations. So we're happy to report strong sales growth during the first two years of trading, with sustained, profitable growth in the most recent 6 months of financial statements provided. During this current quarter, our monthly sales have further accelerated with a current annualised revenue of \$2.4m (see page 49 for description). And we're confident we'll continue to build upon our revenue and margin, as the solid footings of our strong brand equity continues to rise in the years to come.

As we move into this next phase of growth, we're focused on striking a balance between building a sustainable business model and creating momentum. We're pleased to note that as we move forward, we expect to be able to take advantage of the fact that our fixed costs (as a percentage of our total revenue), should continue to decrease due to the scalability of our online-business model. This means we should have the potential to sell exponentially more product with relatively stable fixed costs, as our team has the capacity to manage further growth. We have already realised this increased efficiency due to the continued growth we've experienced this financial year - which is evident in the most recent 6 most of financial statements provided.

As we continue to grow our purchase orders from our suppliers, we expect to be able to negotiate lower costs. We also expect our marketing efficiency to increase as we should have less stock outs due to holding more stock across our most popular products.



## Financial Information

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### Three key areas of focus for profitability.

#### 1. Focus on margins above all else.

Carving out our path to profitability starts with knowing the cost variables on our income statement and how they can be tweaked. These include manufacturing, transportation, salaries of employees, warehouse charges, shipping and – most expensive of all for digital brands – marketing and customer acquisition.

We've built the foundation and formula for profitability as we budget how much we're spending on product (at the right margins) and marketing in order to leave a robust contribution margin. And as we continue to scale, we expect to move well beyond our current break-even point as our sales should generate enough profit to cover expenses and generate growth (as seen in the financial statements, where our business efficiency has increased in line with our sustained expansion).

#### 2. Don't lose money to acquire customers.

Our biggest expense (as for all online retailers) by far is customer acquisition. Our team have been relentless in making sure we're investing in channels that really work for Zorali, and relentless in cutting off less efficient streams.

#### 3. Aim for increased lifetime value.

One way to grow our profitability and cut down on customer acquisition is to ensure our customers keep coming back, and that they tell their friends about Zorali. Word of mouth marketing is free, and it's a lot cheaper to retain customers than to attract new ones.

For Zorali, building loyalty starts with the quality of the product and the experience we provide. We also layer on our loyalty program – 'TreeKeeper Rewards' – where customers can keep track of the trees they are planting, get easy and convenient returns, elevated customer service, and engage in our fun social media presence. We regularly review our customer repeat purchase rate and have targets for our ratio of lifetime value versus the initial customer acquisition costs.

# Join us



## Join us as we take Zorali... Beyond.

With this crowdfund, we hope to get access to the funds required for this next phase of our growth plan, setting up Zorali for rapid expansion. We already have the streamlined operational infrastructure. We have an authentic and increasingly recognised brand, with unique positioning in the market – connecting people with nature and a sustainable outdoor lifestyle. We have stellar, repeatable environmental credentials. We have a solid foundation of core sell-out products. And we have a strong community of thousands of true fans and advocates to show for it.

Now all we need is you, to capitalise on all of the above and take the Zorali vision further than ever before.

*[Comments on revenue outlook are inherently uncertain and should not be solely relied upon as they are subject to change, uncertainty and unexpected events, many of which cannot be controlled. Accordingly, actual results are likely to differ from the forecasts. No representation or assurance is or can be given that the forecasts will be achieved. Past performance is no guarantee of future performance. This revenue outlook has been prepared by Zorali and has not been validated by an independent third party.]*

# INFORMATION ABOUT THE OFFER

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# Terms of the offer

**Zorali Pty Ltd is offering up to 202,360 shares at an issue price of \$5.93 per share to raise up to \$1,200,000. The key terms and conditions of the Offer are set out below.**

Term	Details
Shares	Fully-paid ordinary shares
Price	\$5.93 per share
Minimum Subscription	\$300,000
Maximum Subscription	\$1,200,000
Minimum parcel size	\$200.00
Opening date	16/03/2022
Closing date	31/03/2022

**A description of the rights associated with the shares is set out on page 59.**

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](http://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.

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.

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	Min Raise	Max Raise
Working Capital	\$279,200	\$1,128,000
Offer Expenses	\$20,800	\$72,000
Total	\$300,000	\$1,200,000

The Offer costs 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 Company through Birchal Financial Services Pty Ltd (Intermediary), plus \$2,800 for administration and setup costs.

**Working capital will be allocated to the below categories (in order from greatest allocation of capital to least):**

**Range expansion.**  
Expanding our product range with consciously designed gear to get the world outside.

**Increased inventory purchases of the core Zorali range.**  
In order to capitalise on ever-increasing demand and achieve greater profit margins due to increased manufacturing quantities.

**Marketing & Advertising.**  
In order to expand the business and reach new markets of future fans.

**Other working capital.**  
Including global freight and warehousing for increased imports and employee wages.  
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.

**By reaching our goals for this current raise, we believe we will be able to scale the business and increase our overall net margin, to a level that is able to sustain and fund our growth moving forward. If so, this may be our last capital raise.**

*If only the Minimum Subscription amount is raised, the Company may require further funding to be able to carry out our intended activities over the next 12–18 months. In such circumstances, the Company may consider undertaking a further CSF offer under the CSF regime. Until additional funding is obtained, we will scale back our range expansion and continue to focus our cash resources on our current core range.*

# 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. These rights are described below. A copy of the constitution 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.

## 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).

## General meetings and notices

Directors have the power to call meetings of all shareholders or meetings of only those shareholders who hold a particular class of shares. Shareholders who hold at least 5% of the votes which may be cast at a general meeting of the Company have the power to call and hold a meeting themselves or to require the directors to call and hold a meeting.

## Election and removal of directors

Shareholders may vote to elect and remove directors at a general meeting by way of ordinary resolution (50%).

## Winding-up

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

## Registration of transfers:

Zorali:

- (a) may refuse to register any transfer of an Issued Security without being bound to give any reason whatsoever for so doing; and
- (b) must refuse to register a transfer of an Issued Security if:
  - (i) the registration of the transfer would result in a contravention of any law of the Commonwealth of Australia or any Australian state or territory;
  - (ii) the transfer is of an Issued Security in respect of which a call has been made but not complied with in full, unless the transfer is initiated by the Company under clause 7.6 or 8.3.



# Rights associated with the shares



## What can I do with my shares?

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

- A trade purchase of the Company
- A listing on a registered stock exchange (eg the ASX)
- A private equity investment in the Company
- A share buy-back by the Company
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There is no guarantee that any of the exit options will eventuate.

## Details of previous CSF offer

Zorali closed a CSF offer on July 31, 2019. 561 people invested and our maximum target of \$300,000 was raised.

# Zorali Investor Rewards

Brands talk a lot about adding value. We want to take that one step further. In addition to being a Zorali shareholder, all investors also become part of our Vision Builders team. You get insider access to the brand as well as exclusive opportunities and offers.

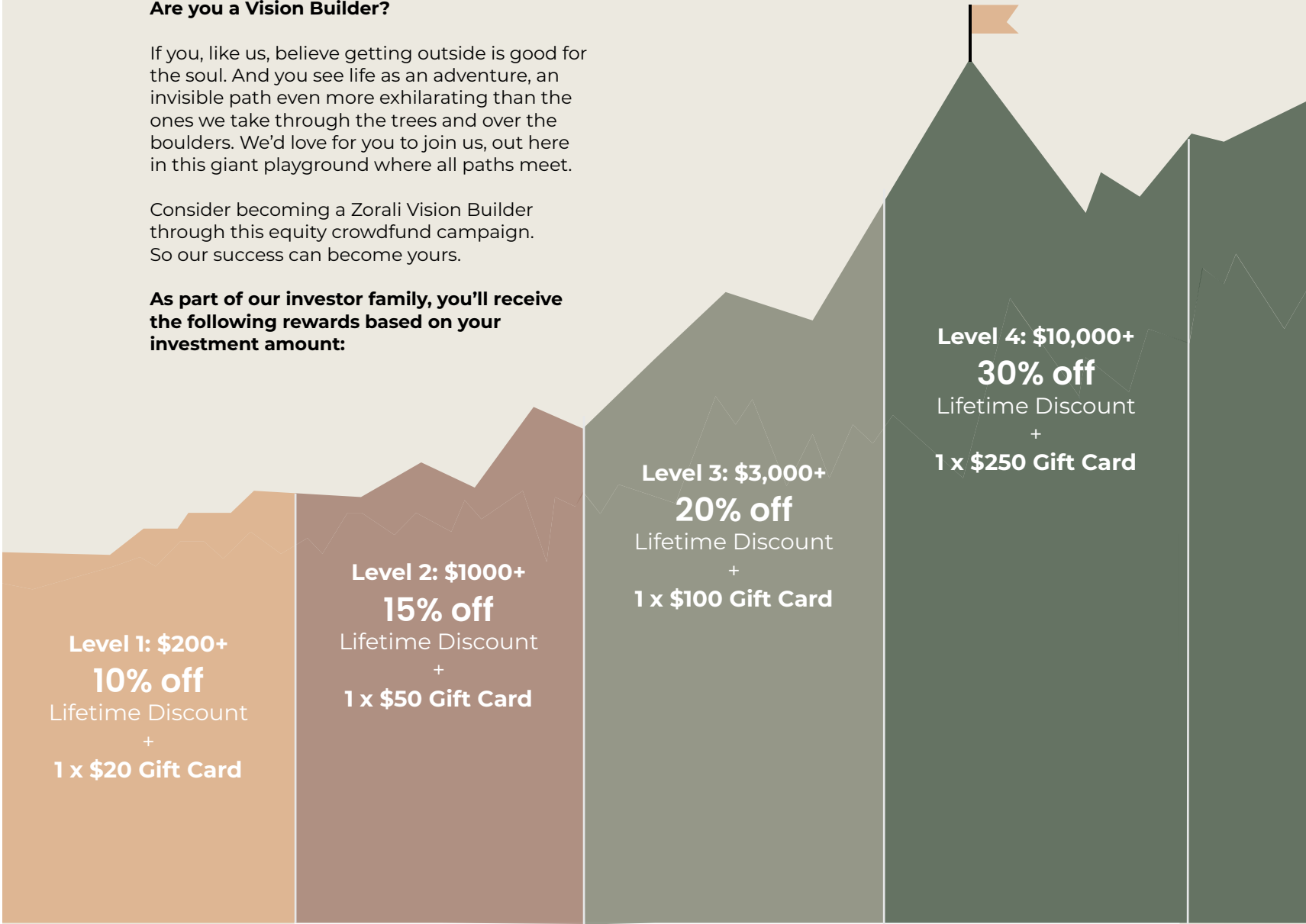
# Rewards

## Are you a Vision Builder?

If you, like us, believe getting outside is good for the soul. And you see life as an adventure, an invisible path even more exhilarating than the ones we take through the trees and over the boulders. We'd love for you to join us, out here in this giant playground where all paths meet.

Consider becoming a Zorali Vision Builder through this equity crowdfund campaign. So our success can become yours.

**As part of our investor family, you'll receive the following rewards based on your investment amount:**



# INFORMATION ABOUT INVESTOR RIGHTS

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## Information about investor rights

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### Cooling-off rights

If you are a retail investor, 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. You will be able to withdraw your application within the Cooling-off Period by following the link and the instructions within your portfolio 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.

### 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.

## Information about investor rights

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### Proprietary company corporate governance obligations

#### Annual report

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

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

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

#### Distribution of annual report

The Company is not required to notify shareholders in writing of the options to receive or access the annual report. Shareholders will not be able to elect to receive a copy of the annual report by way of email or post. However, shareholders can access the annual report on the Company's share registry website at the following address <https://cakeequity.com/au> (free of charge) or can purchase the report from ASIC.

# Information about investor rights

## 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.

## Company updates

The Company will provide regular updates to investors via the Company's share registry website at the following address <https://cakeequity.com/au> and via the Intermediary's platform.





## Glossary

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**Company** means Zorali Pty Ltd ACN 631 905 087

**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 Birchall 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

**Retail investor** has the meaning given to the term “retail client” under the Corporations Act

# Thanks, from us.

We're so excited to have captured your attention with this equity crowdfund. And even more excited by the concept of walking the trail with you as part of the Zorali family.

Thanks for taking the time to share our vision.

Until we meet again, we'll see you where #thejourneycalls



**CAM GREENWOOD**  
cam@zorali.com

**ELISE GREENWOOD**  
elise@zorali.com

**WEBSITE**  
www.zorali.com

**SOCIAL MEDIA**  
@zorali



We're on a mission to get the world outside. To help you breathe in the air, breathe out the fear, and have fun exploring our greatest playground. We believe that's the secret to the good life. #thejourneycalls