

VANESSA MEGAN HOLDINGS PTY LTD

CROWD-SOURCED FUNDING OFFER DOCUMENT

DATED 24TH OCTOBER 2023



OFFER OF FULLY-PAID ORDINARY SHARES IN VANESSA MEGAN HOLDINGS PTY LTD AT \$0.75 PER SHARE TO RAISE A MAXIMUM OF \$1,400,000

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

Issuer

Vanessa Megan Holdings Pty Ltd ACN 671 628 327

Intermediary

Birchal Financial Services Pty Ltd ACN 621 812 646 AFSL 502618

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

Table of Contents

SECTION 1: RISK WARNING	3
SECTION 2: INFORMATION ABOUT THE COMPANY	5
Letter from the founder	5
2.1 Company details	8
2.2 Our business	9
2.3 Business and revenue model	23
2.4 Business strategy	25
2.5 Our team	28
2.6 Capital structure	33
2.7 Key risks facing the business	38
2.8 Financial information	39
SECTION 3: INFORMATION ABOUT THE OFFER	47
3.1 Terms of the Offer	47
3.2 Use of funds	48
3.3 Rights associated with the shares	52
3.4 What can I do with my shares?	54
SECTION 4: INFORMATION ABOUT INVESTOR RIGHTS	55
4.1 Cooling-off rights	55
4.2 Communication facility for the Offer	54
4.3 Proprietary company corporate governance obligations	55
4.4 Company updates	56
GLOSSARY	57

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.

“ You should never put
anything on your skin
that you wouldn't eat



SECTION 2:

Information about the Company

LETTER FROM THE FOUNDER

Dear prospective investors,

A heartfelt thank you for taking the time to explore this opportunity to invest in Vanessa Megan. This opportunity marks a significant milestone in our story, and I am so proud to offer you the chance to join us as part-owners, for the first time.

It was over 21 years ago now that our journey started. My best friend had just been diagnosed with cancer, and she was handed a list of all the things she shouldn't put on her skin during her treatment. I was shocked to see so many of them in everyday products.

She said to me, "You should never put anything on your skin that you wouldn't eat".

This realisation set me on a journey to discover the dermal science behind natural ingredients, and over 20 years later, I couldn't be more proud of the powerful and loyal community we've created formulating natural and organic solutions for skincare and wellness, with clinical results, here at Vanessa Megan.

We've grown much faster than even I expected. Within a few years, we had stockists all over Australia and internationally. But it was in 2021 when we launched our Vanessa Megan professional Spa range that things really took off, introducing us to a whole new customer group, and demand soared. I'm so proud that today we are now the brand of choice for skincare treatments to many of the top spas around Australia.



Vanessa Gray Lyndon
FOUNDER & FORMULATOR

In the last four years alone we've gone from strength to strength, achieving over 20% year-on-year revenue growth each year. We've grown our online sales by 54% last financial year alone, and doubled the Vanessa Megan Spa distribution business from FY22 to FY23.

After our biggest year yet last year, Vanessa Megan eCommerce sales are already up by 45% compared to this time last financial year, and, September 2023 has just finished as our biggest

month ever on record for Vanessa Megan. With the launch of our new range *Metamorphosis* we expect we can knock out all our previous records.

I owe our success to our loyal and passionate customers, who have shared the Vanessa Megan story and mission through word of mouth, and demonstrated their enthusiasm with thousands of five-star reviews from all over the world. Our expertise and commitment to quality has also seen us proud recipients of some of Australia's most prestigious natural and organic skincare awards.

Our demand has been consistently growing, and that brings me to why we've decided to raise capital. We've achieved all of this growth without a dedicated sales team, a nominal spend on marketing, and a small but dedicated team. I can only imagine how much more of an impact we could have if we bolstered these efforts.

We want to raise funds so we can:

- Get more hands on deck to support our existing growth rate and keep up with demand
- Bolster our marketing efforts so we can grow our already strong eCommerce, Spa and Stockist Distribution channels, including growing our international distribution
- Capitalise on the forecasted growth in the Australian beauty industry over the coming years
- Continue investing in formulating 100% natural and organic skincare with proven clinical results

The beauty industry is projected to grow 5.8% from 2022 to 2026, to over \$3.3 billion dollars in Australia alone ^[1]. Additionally, worldwide the 'clean' beauty industry is expected to continue to grow at a compounding annual growth rate of 12% between now and 2028 ^[2]. We're confident that with your help we can capitalise on this market.

I'll also note that to simplify our ownership structure and ensure that all assets and trading

operations are under the same roof, in September 2023 we moved everything into a new holding company – Vanessa Megan Holdings Pty Ltd - that was incorporated at the same time. This allows you to buy into a streamlined entity whilst also delivering security over IP assets and discrete operations. The Financial figures presented in this document are prepared on the basis that this structure was also in place in earlier periods.

I'm so excited for what lies ahead, but even more excited to welcome you as a part-owner in our business, and join with us in our mission to provide Australians and the world with 100% natural skincare solutions.

Thank you for your time and support.

Kindest,



Vanessa Gray Lyndon
Founder, Director & Formulator, Vanessa Megan



1. 'Australian Beauty Industry Statistics 2023', Statista via Accumulate Australia, 2023, www.accumulate.com.au/australian-beauty-industry-statistics-2023

2. 'The Worldwide Clean Beauty Industry is Expected to Reach \$14.36 Billion by 2028', Business Wire, 2023, www.businesswire.com/news/home/20230214005504/en/

WE ARE ONE OF
Australia's most awarded
natural skincare brands



2.1 COMPANY DETAILS

This offer of shares is made by Vanessa Megan Holdings Pty Ltd ACN 671 628 327

COMPANY NAME	Vanessa Megan Holdings Pty Ltd
ACN	671 628 327
DATE OF INCORPORATION	21 September 2023
REGISTERED OFFICE	C/- Business Ignition Group. 5807 Lvl 8, 89 York St. Sydney. NSW 2000
PRINCIPAL PLACE OF BUSINESS	2 - 4 Shepherd St Marrickville NSW 220
DIRECTORS	Vanessa Gray Lyndon Jason Shepherd Grant Lyndon
COMPANY SECRETARY	Vanessa Gray Lyndon
SHARE REGISTRY	Cake Equity
WEBSITE	www.vanessamegan.com www.thefourthlayer.com

2.2 OUR BUSINESS

2.2.1 About the Company

At Vanessa Megan, we believe “you should never put anything on your skin that you wouldn’t eat” (so much so that we trade-marked the saying!).

Our mission is to help more Australians and the world live a naturally healthier life. We do this by creating skincare and wellness solutions using 100% natural and organic ingredients, with clinical results^[3].

Since our inception in 2009, our product range now cover skincare, body and scent offerings, and has been recently bolstered with the launch of our new range *Metamorphosis*, which includes skincare and wellness solutions specifically targeting menopausal skin.

With our commitment to using 100% natural and organic ingredients, formulating skincare and wellness solutions with clinically proven results, we’re considered pioneers in Australia in our results-driven approach. Our efforts have been recognised with numerous awards across multiple categories in natural beauty and skincare.

All of our products are formulated using natural plant-based ingredients with zero synthetics. We work with sustainable farmers, dermatologists, chemists and aestheticians to stay on the leading front of skincare research, and prioritise using local Australian ingredients.

Vanessa Megan generates revenue through direct to consumer sales via our online store, our established wholesale partnerships with our spa & stockist distribution network, and through our white-label private manufacturing brand The Fourth Layer.

We are proud to be the skincare brand chosen by leading luxury Spas around Australia (for the majority of the skin treatments on their spa menu), including Gwinganna Lifestyle Retreat, Alba, Empire Spa and more. We have a distribution network of approximately sixty stockists across New South Wales, Queensland, Victoria, South Australia and Western Australia, of which twenty are luxury Spas, as well as selling through thirteen online third-party distributors (not including vanessamegan.com).

We also wholesale Vanessa Megan products internationally through our distribution partners, with partners in Hong Kong since 2014, and in the Czech Republic since April 2023.

Our white label manufacturing brand The Fourth Layer capitalises on our expert formulations by white label manufacturing for other businesses, providing an additional revenue stream for Vanessa Megan.

All of our product development is formulated in-house and IP protected. 90% of our production is completed onsite at the business premises in Sydney, and all finished goods are stored and dispatched from the same premises.

3. As proven through testing commenced with leading independent third party providers, including the Australian Beauty & Dermal Institute in 2019 using invasive treatments such as dermal needling, microdermabrasion and IPL. Test results available on request.

“

We have been absolutely delighted with our choice to partner with Vanessa Megan for the Spa at Alba. The brand provides our Spa with a luxury high performance Naturaceutical range that aligns with our values in wellness and aesthetics. The facial treatments are both exquisite and effective. The retail products simply walk off the shelf, the range is understandable, and the packaging is beautiful.

SONJA SORICH, DIRECTOR SPA & WELLNESS
ALBA THERMAL SPRINGS AND SPA



Individual has provided consent to inclusion of this statement.

2.2.2 Achievements to Date

Since our inception we've achieved incredible traction, growing the business from a small local stockists network to include our online store (through vanessamegan.com), premium and luxury Spa distribution nationally, an extensive stockist and distribution network in Australia and internationally, and through the launch of our white-label manufacturing brand The Fourth Layer.

Vanessa Megan has generated profits for the last four financial years running even while investing in growth of the brand and product expansion. During this time, total sales have shown quarterly growth versus the corresponding quarter from the previous year and in FY23 vanessamegan.com online store achieved revenue of over \$1 million for the first time.

Key achievements include:

- Stocked in leading spas around Australia
- Achieved at least 20% year-on-year revenue growth over the past 4 years
- Last Financial Year our online sales grew by 54% (reaching over \$1million in revenue for the first time), bringing Vanessa Megan to our biggest year ever achieving approx. \$2.7million in revenue
- Doubled the Vanessa Megan Spa distribution business from FY23
- In Quarter 1 (FY24), we're already up over 60% compared to this time last Financial Year, and September was the highest revenue month in the history of the business
- Vanessa Megan eCommerce sales are already up in Q1 45% year-on-year
- In Quarter 1 (FY24) revenue from our International Wholesale channel has already eclipsed the full year FY23
- Launched new product range 'Metamorphosis', the first of its kind in Australia specifically designed for menopausal skin & wellness using 100% natural ingredients.^[4]

4. According to internal research conducted in market 2021-2023 in Australia. Based on comparisons with product ranges made in Australia, using 100% natural ingredients, specifically targeting menopausal skin.

Our Journey So Far

Over the decade Vanessa Megan has been operating, we've achieved significant growth & milestones that have seen us achieve the success we've had to date.

- 2009** ● Vanessa Megan brand founded by Vanessa Gray Lyndon
- 2013** ● Vanessa Megan obtains Australian Certified Organic Status
- 2014** ● Begun international wholesale partnership into Hong Kong
- First Award won for our Blood Orange Body Wash
- 2017** ● Financial Year 2016-17 over \$1 million in revenue achieved
- 2018** ● The Fourth Layer private white-label manufacturing business founded
- 2019** ● Begun international wholesale partnership into Dubai
- Won a Global Innovation Award for AEON Azure Regenerative Cream
- 2020** ● Gwinganna Lifestyle Retreat signed as luxury Vanessa Megan Spa Stockist
- 2021** ● Alba Thermal Springs & Spa signed as luxury Vanessa Megan Spa Stockist
- 2022** ● FY22 over \$2 million in revenue achieved
- Vanessa Megan awarded Gold across multiple categories and Most Popular Brand of 2022 in the 2022 Organic Beauty Awards
- Won the Best New Beauty Range at Spa & Wellness Awards 2022
- The Fourth Layer white labels for premium Spa Alba
- 2023** ● Won global Innovation Awards for Beyond Night Cream from the Metamorphosis range, plus another four Organic awards, before range had even launched
- Begun international wholesale partnership into Czech Republic
- Stocked in luxury Spas Anchorage, Saint Haven, Empire & Hepburn House
- Achieved doubling of Spa business FY23
- Achieved over 20% Year-on-Year Growth over the last 4 Years
- vanessamegan.com sales increased by 54% compared to last Financial Year

Awards:

Since 2013, Vanessa Megan products have won more than 100 awards globally, with a particular highlight being awarded **'The Most Popular Brand of the Year' Award at the Organic Beauty Awards 2022.**

We're honoured to be recognised as one of Australia's most awarded natural skincare brands.

Recent award wins include:

- Anti-Aging Product of the Year at the International 2020 Beauty Awards, and the Innovation Award at the Organic Awards 2021 (AEON Azure Regenerative Cream)
- Most Popular Brand of 2022 in the 2022 Organic Beauty Awards, and multiple Gold wins across multiple categories at same awards
- Winner of The Best New Beauty Range at Spa & Wellness Awards 2022
- The Global Innovation Awards for Beyond Rejuvenating Night Cream from the Metamorphosis range, plus another four Organic awards, before the new *Metamorphosis* range had even launched
- The Serum Product of the Year at the Beauty Innovation Awards 2022 (Auric 24K Gold & WildHerb Radiance Serum)
- The Best Serum for All Skin Types at the Beauty Shortlist Award 2023 (Auric 24K Gold & WildHerb Radiance Serum)
- The Best Natural Fragrance at the Beauty Shortlist Awards 2023 (Harvest 100% Natural Perfume)
- The Best Anti-Aging Night Repair Creme at the LuxLife Health, Beauty & Wellness Awards 2023 (AEON Azure Regenerative Cream)



“

I was invited on the Metamorphosis focus group. It was at a time where my skincare products just weren't cutting it, my body was changing and so was my skin. Within 3 weeks I had less pigmentation, my lines were softer, and my skin felt more protected and plump. I had many comments I was glowing.

I work with women who support their skin at the expense of their hormones using high toxicity products. I'm passionate about low tox living and won't put anything on my skin that's not low tox so that was a big bonus for me. Amazing results and in alignment with my values and no further impact on my hormones.

There is nothing like this on the market and I feel the Metamorphosis range will fill a gap for many women across the world feeling the same changes.

EMILY ROSE YATES - NATUROPATH



Individual has provided consent to inclusion of this statement.

2.2.3 Our Products

Vanessa Megan skincare and wellness products are Australian made and distributed using 100% natural (and certified organic where possible) ingredients, to help our customers live a naturally healthy life.



All of our product range and formulations, including those produced under The Fourth Layer brand, are:

- Cruelty free
- Vegan
- 100% Australian Made & Owned
- Use sustainable packaging and 100% natural ingredients
- Certified organic (in some cases, specified by product SKU)

Our product range spans skincare, body and scent offerings, and has recently been bolstered by our new range *Metamorphosis*, which our research indicates is the first of its kind to specifically target menopausal skin and wellness, using 100% natural ingredients, made in Australia.^[5]

Our product range incorporates over 60 SKUs across three core categories. All products are formulated in-house at Vanessa Megan premises and 90% are manufactured at the same premises (with the remaining being outsourced locally).

OUR KEY PRODUCT CATEGORIES ARE:



OUR PRODUCT BRANDS ARE:

VANESSA MEGAN™
Naturaceutical Skincare

METAMORPHOSIS™
PERI - POST MENOPAUSAL SKINCARE

**THE
FOURTH
LAYER™**

5. According to internal research conducted in market 2021-2023 in Australia. Based on comparisons with product ranges made in Australia, using 100% natural ingredients, specifically targeting menopausal skin.

VANESSA MEGAN™

Naturaceutical Skincare



Vanessa Megan Naturaceutical Skincare



Our skincare product category includes a wide range of premium and clinically proven products suitable for face and body application, including 100% natural:

- Facial oils
- Toners
- Cleansers
- Collagen infused gels and serums
- Skincare packs
- Moisturisers
- Masks
- And related products and combination pack offerings



Our Body range incorporates products including:

- Mists
- Oils
- Hand & Body Creams
- Combination pack offerings



We offer a range of aromatherapy, mood enhancing and 100% natural and alcohol free scents, both for body application and household, including:

- Perfumes
- Candles
- Scented moisturisers and related products



METAMORPHOSIS™

PERI - POST MENOPAUSAL SKINCARE



Metamorphosis Skincare

In September 2023 we soft-launched (made available for purchase) our new range *Metamorphosis* Skincare, the first 100% natural menopausal skincare range available in Australia^[6]. Two years in the making and formulated specifically for peri-menopausal, menopausal and post-menopausal skin, the range has been dermatologically tested and clinician approved to deliver real results for menopausal skin.

The Metamorphosis Skincare range includes 27 product SKUs using active ingredients including:

- Ceramides
- Hyaluronic Acid
- Vitamin C
- Lactic Acid
- Peptides
- Soy Protein
- L-Arginine
- Bakuchiol (natural retinol alternative)
- Phyto-estrogen

The Metamorphosis range seeks to support common menopausal skin and wellness concerns including dry skin, age spots and decreased skin elasticity, using clinically proven ingredients and formulations^[7].

6. According to internal research conducted in market 2021-2023 in Australia. Based on comparisons with product ranges made in Australia, using 100% natural ingredients, specifically targeting menopausal skin.

7. The Metamorphosis Focus group showed to have proven results against age spots, hydration, elasticity and reduction in facial hair after using the menopausal range. Test results available on request.

THE FOURTH LAYER™



The Fourth Layer

The Fourth Layer provides a private label formulation and manufacturing offering to the market and provides an additional revenue stream to Vanessa Megan. The business is driven to support brands to create modern, luxurious and natural products, that they are proud to call their own.

The Fourth Layer reflects the same mission and approach to formulation as Vanessa Megan. Our commitment remains to our motto “you should never put anything on your skin that you wouldn’t eat”, and our desire to include as many natural and organic products into as many homes as possible extends to our Private Label range. We continue to produce only 100% natural products for other companies and brands.

Since 2018 The Fourth Layer has grown by word of mouth, now servicing the likes of Australia’s top spas, hotels and restaurants and creating innovative products for surgeons, naturopaths, and independent businesses.

Our aim is to supply our partners with a simple and effective turn key solution and provide quality products under their own brand name.

Businesses are able to choose their scent formulation, blend and product type, for which The Fourth Layer designs and manufactures, before packaging and distribution under the agreed external brand name.

The Fourth Layer manufactures:

- Oil Scents
- Shampoo & Conditioner
- Hand & Body Wash
- Lotions
- Body Oils
- Balms
- Candles
- Perfumes & Mists
- Salt Soaks & Scrubs

Ingredients

100% of the ingredients in Vanessa Megan products are 100% natural. This means zero synthetics and 100% plant-based formulations. We also make a point to use the most sustainable and organic ingredients we can find.

Every ingredient used in Vanessa Megan products is listed on the product packaging, as well as a full ingredient list and glossary available on vanessamegan.com.

All products are free of mineral oils, alcohol, Phthalates, PEGS (Polyethylene Glycol), SLS and SLES (the Sulfates), Parabens, Silicone, Formaldehyde, nut oils (except coconut) and palm oil.

Formulations

All Vanessa Megan products are formulated in-house. Vanessa Gray Lyndon as lead Formulator works directly with leading dermatologists, chemists and aestheticians in formulating products, and partners with Sydney Dermal Institute to conduct multiple rounds of case studies and research and development.

All products are dermatologically and clinically tested, and routinely tested through multiple rounds of focus groups. Independent third party testing is conducted with each round of testing including 50+ test subjects of varying age, ethnicity and skin types, with a skew towards female vs male test subjects.^[8]



8. Test results are available on request.

2.2.4 Industry Overview & Competitive Landscape

The Industry

The beauty industry is projected to grow 5.8% from 2022 to 2026, to over \$3.3 billion in Australia alone^[9]. Additionally, worldwide the clean beauty industry is estimated to continue to grow at a CAGR (Compound Annual Growth Rate) of approx. 12% between now and 2028, with market value expected to reach over \$14 billion (and up from an estimated value of approx. \$7.22 billion in 2022)^[10].

Consumers are paying close attention to the ingredients in products, which is driving strong demand for 'clean' beauty products. Over the past couple of years, consumers have spent more time focusing on skincare versus makeup which has driven increased awareness of ingredients in products. Additionally, research indicates that younger consumers are slightly more inclined to purchase only clean products ^[11].

Vanessa Megan is primed to capitalise on this growing market. With our well solidified presence in both the Australian and global market, our strong brand reputation for natural skincare products and our clinically proven results, Vanessa Megan has the experience, reputation and ability to become an industry leader in the category.



9. 'Australian Beauty Industry Statistics 2023', Statista via Accumulate Australia, 2023, www.accumulate.com.au/australian-beauty-industry-statistics-2023
 10 & 11. 'The Worldwide Clean Beauty Industry is Expected to Reach \$14.36 Billion by 2028', Business Wire, 2023, www.businesswire.com/news/home/20230214005504/en/

Key Competitors

While Vanessa Megan was an earlier entrant in the natural skincare and wellness industry in Australia, with the natural and 'clean' beauty industry growing (as evidenced above), so too does the competitive landscape both locally and globally.

Our key competitors are those brands who are 100% natural and/or organic certified skincare brands in Australia, and brands which are perceived and/or positioned as being natural and organic by consumers despite using synthetics in their products.

In our Spa & Salon stockists the Vanessa Megan product range is regularly compared as being on par with high-end synthetic-based brands. Despite these brands not being 100% natural or organic, we see this comparison as a very positive indicator for the quality of our products and their perception in market, as it indicates our range is first being compared favourably in efficacy and packaging, and then secondly with the additional bonus of our products being 100% natural and organic.

Despite the competitive landscape and likelihood of continued competition into the future, Vanessa Megan's key differentiators set the brand apart and stabilise it in the growing market.

These differentiators include:

- Premium & high-end national stockist distribution with an emphasis on continual growth in these distribution networks
- Being the skincare brand chosen by leading luxury Spas around Australia (for the majority of the skin treatments on their spa menu), which involves a highly competitive and strict selection process, for which Vanessa Megan continues to be chosen due to the high quality, formulation and results of the products. Stockist Spa agreements generally last 2 years minimum.
- Spa recommendations and treatments driving increased purchases directly from consumers, resulting in a higher rate of repurchase online (which returns a higher margin for Vanessa Megan); in Financial Year 2023 there was a correlation between Vanessa Megan's growth in both Spa network and eCommerce revenue.
- The launch of *Metamorphosis* range, as first in market in Australia to specifically target Menopausal skin using 100% natural ingredients, positioning Vanessa Megan further as a market leader^[12]
- Well established and loyal customer base, evidenced through high repeat purchase and customer loyalty. In Financial Year 2023 vs Financial Year 2022 there was a 47% growth in returning customers, of which there was 45% growth in revenue from those returning customers.
- Complete transparency in ingredients used and production processes, allowing consumers to feel confident that the brand's claims regarding natural and organic products are true and proven.
- Proven efficacy of the product range while maintaining natural and organic ingredient promise^[13]. This sets the brand on par with high-end synthetic-based brands, while maintaining our brand mission and promise.
- Vanessa Gray Lyndon, as the Founder, Formulator and 'face' of the brand, is recognised regularly as a pioneer and expert in the industry, and with regular media and event appearances, further strengthens the reputation of the brand.

12. According to internal research conducted in market 2021-2023 in Australia. Based on comparisons with product ranges made in Australia, using 100% natural ingredients, specifically targeting menopausal skin.

13. Testing commenced with the Australian Beauty & Dermal Institute in 2019 using invasive treatments such as dermal needling, microdermabrasion and IPL. VM was used on one side of the face while other products on other side. VM proved to give far superior results in healing time post treatment. When models used VM on one side, skin was firmer, more hydrated and showed visible signs of anti-ageing. The majority of VM products are dermatologically tested and 100% of tested products were approved in an independent study in 2022. Test results available on request.

“

I have been using Vanessa Megan products for a number of years. I love how the products feel on my skin. Given my dry skin, I need products that nourish and moisturise without leaving my skin oily. VM cleansers clean my skin, removing make up and dirt, without causing tightness and the serums and moisturisers keep my skin well-hydrated and leave it glowing! I appreciate more that the products are all natural and rich in vitamins (and smell so good!), especially now that my tween daughter has also started using them as well.

SARAH HARRIS - CUSTOMER



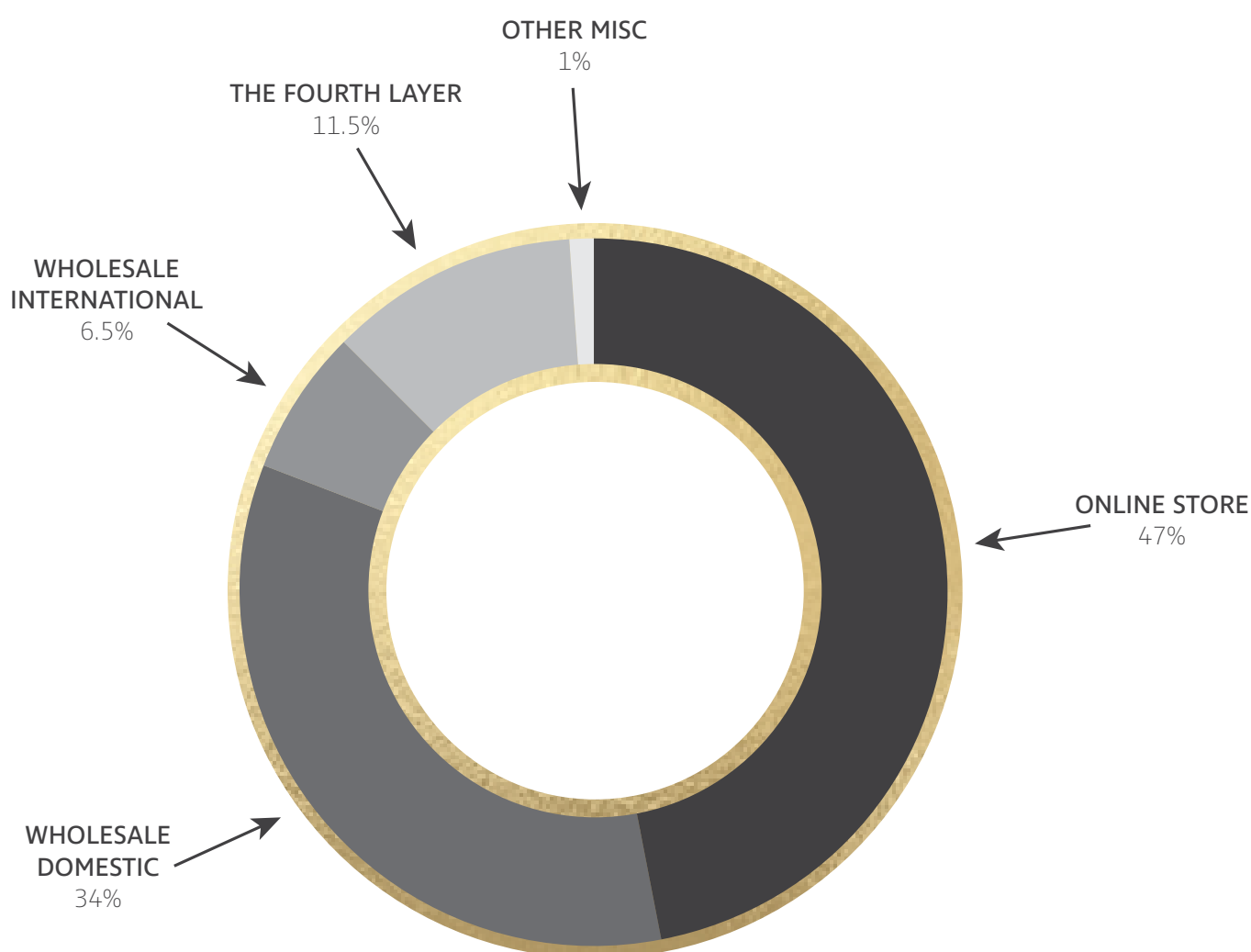
Individual has provided consent to inclusion of this statement.

2.3 BUSINESS AND REVENUE MODEL

Vanessa Megan generates revenue through:

- Direct to Consumer (D2C) sales via our online store (vanessamegan.com)
- Established wholesale partnerships with our spa and stockist distribution network and online third-party distributors, which includes international distribution partners
- White-label private manufacturing via our brand The Fourth Layer, which capitalises on our formulation and natural ingredient capabilities by white label manufacturing for other brands (B2B)

In FY23, the Revenue Split by Channel was approximately:



While our D2C online sales provide the majority of our revenue, our wholesale channel contributes approx. 40% of all revenue (domestic plus international) as well as supporting the growth of online sales. This revenue split between the two channels also provides some risk mitigation in that should one channel suffer a downturn, the other channel can be re-prioritised to help fill any short-term revenue gaps.

Sales Channel Breakdown

Wholesale Channels

The customer journey from experiencing Vanessa Megan products within our Spa & Stockist network, to purchasing in-store and/or online, is an important and valuable part of our business and revenue model. Our distribution network, both in Stockist volume and in the education and training of staff, is critical in driving awareness, product trial, and demand for the brand and product range.

Hence, our focus on growing the number of Spas and salons within our network has been a key priority over the last few years and continues to be a priority over the next 12-24 months. Growth of our distribution channels helps grow our customer base, and along with word of mouth, has been the main driver of the brand's increasing awareness to date. This continues to be demonstrated through our growth in stockist distribution channels correlating with an increase in online product sales, which we have assumed is due to customers repurchasing online rather than at their local Stockist in some cases (as all other factors have stayed the same in terms of marketing spend, product range, etc).

In line with our national growth of stockist and spa partners has been our international wholesale growth. Starting with distributors in Hong Kong in 2014, we recently also partnered with distributors in the Czech Republic in April 2023, which has increased our distribution of Vanessa Megan products internationally.

Lastly, we also have agreements to stock Vanessa Megan products at thirteen online third-party distributors, including Adore Beauty, which further bolsters our wholesale distribution network. We sell Vanessa Megan products at wholesale price to our retail and distributor partners.

Online Store

Online sales from vanessamegan.com have also grown rapidly, due in part to customers who purchase (and repurchase) directly from the online store, without having been a customer of a Vanessa Megan Stockist first. Purchases transacted online are made at full regular retail price and therefore carry a higher margin than the wholesale channels. Occasional promotions and discounts are applied to

the online store that reflect seasonality and market conditions.

The Vanessa Megan Loyalty Program ("VM Loyalty Program") is also administered and promoted through vanessamegan.com and is applicable to all customers who make one or more purchases online. The Loyalty Program is a points-based program designed to retain and prompt existing customers to repeat purchase by providing rewards at pre-defined points balance intervals. The Program is also used to further incentivise customers at peak promotional times through bonuses such as earning double points over the term of a promotion, for example.

Our Lifetime Customer Value (of customers who purchased via vanessamegan.com) was \$370.29 (in FY23). This does not take into account the fact that many customers have purchased first at their Spa or Stockist, and made their repurchase online, indicating that the actual lifetime customer value is likely to be much higher.

The Fourth Layer

Outside of the Vanessa Megan Skincare brand, The Fourth Layer provides an additional revenue stream for Vanessa Megan. The Fourth Layer is a private white-label manufacturing to other businesses, capitalising on our formulation and natural ingredient expertise to manufacture skincare and some household goods items for other businesses.

All business clients of The Fourth Layer have an assigned minimum order quantity, dependant on the size of the business, and based on a sliding scale to increase order numbers starting from 150 up to 5,000 or more. All products sold under The Fourth Layer are at Wholesale price, and orders must be paid in full before dispatch.

Operations & Ownership

All of our product development is formulated in-house and we retain full IP ownership of all formulations, R&D and product development.

90% of our manufacturing is completed onsite at the business premises in Sydney, with the 10% outsourced. All finished goods are stored and dispatched from our Sydney premises.

2.4 BUSINESS STRATEGY

Our long term ambition is to become the leader in taking Australian natural beauty to the world.

Our strategy for achieving this in the short term is based on three key strategic pillars:

1. Accelerate the Vanessa Megan brand across our existing growth channels in Australia (Online, Spa & Stockists) by investing in new customer acquisition.
2. Focused Marketing Launch of *Metamorphosis* Skincare Range. The research and development and first production run have both been completed. Products under this range are now available for purchase, and we have achieved an early to market solution to a clear consumer need. We now want to capitalise on the opportunity to establish leadership positioning by acquiring new customers through both D2C and through our distribution channels.
3. Focused international expansion by nurturing our existing distributor partners and establishing new key partnerships in the US and Dubai.

1. Accelerating Vanessa Megan

Vanessa Megan currently boasts a well established and loyal customer base, as evidenced through high repeat purchase and customer loyalty. In Financial Year 2023 vs Financial Year 2022 there was a 47% growth in returning customers, of which there was 45% growth in revenue from those returning customers (based on [vanessamegan.com](https://www.vanessamegan.com) sales data). Our digital performance metrics including conversion rate, customer retention rates and lifetime customer value are strong, highlighting that once we acquire customers we are able to retain them past the first purchase.

Additionally we have approx. 60 Spas, Salons and Stockists across our distribution network.

Across Vanessa Megan's combined social media following of approx. 36,000 followers and email contacts of approx. 15,000, the brand has a reach to over 50,000+ contacts, plus brand presence across the network.

Currently there are no dedicated sales roles for the business, and the marketing spend is only approx. 8% of revenue (of which half of this spend is advertising spend). Despite this, we've had four years of consecutive revenue growth, particularly in eCommerce sales, driven by strong conversion rates and customer retention, and achieved without increasing the marketing spend as a percentage of revenue.

Our key objectives are to significantly grow our footprint and revenue by recruiting new customers to the brand via eCommerce sales (with a 12-month plan target of doubling customer growth) and increasing our points of distribution (with a 12-month plan target of 50% increase in stockist growth).

We plan to achieve this by increasing our total consumer marketing budget, as well as increasing marketing spend as a percentage of revenue to scale the growth. With additional marketing spend we expect to upweight the marketing team resource capacity, and establish a dedicated sales role with a focus on growing the Spa and Stockist distribution network.

To support our position as educators and leaders in the category, our ambition is to open a training centre in our existing premises which would be used primarily for Spa & Stockist training and education programs, and for further product development opportunities (warehouse space already leased in the existing business premises).

To meet the increasing demand for Vanessa Megan products we expect that we will need to increase our operational capacity, and potentially invest in an upgraded technology stack and platform to ensure business continuity and to meet increased traffic and demand.

2. Marketing Launch of Metamorphosis Skincare Range

The *Metamorphosis* product range is a new range of targeted, solution-based skincare products for menopausal skin concerns, and is the result of two years of research and development. The range has already won multiple awards, and sits at a higher price point than the Vanessa Megan core range, which has the potential to contribute to driving margin mix improvement.

The *Metamorphosis* range allows us to broaden our market offering with a clear differentiated range offering, targeting a 45+ age group, and allowing the Vanessa Megan core offering to shift to recruiting a younger age range of consumers.

This differentiation helps provide clarity to our marketing activities while also providing PR and media attention that further supports the brand overall and our position as leaders in natural beauty.

Products available under this range became available for purchase in September 2023 through vanessamegan.com and selected stockists. However, the range requires investment in a hard launch driven by marketing and adequately supported with education and sales resources, following the existing successful business model.

3. Focused International Expansion

Our international distribution channel represents approx. 6% of revenue, with growth of 41% in FY23. In Quarter 1 of this Financial Year (FY24) we have already passed the full year FY23 revenue, meaning that in 3 months we have achieved more revenue than the entire 12 months of FY23.

This has been largely driven by our distribution partner in Eastern Europe and our Asia distributor in Hong Kong, and we plan to continue nurturing this growth and our relationships with our current distributors.

Additionally, our ambition is to grow our international distribution network by:

- Seeding the brand into the United States, where we believe there is a significant opportunity in market given the increasing demand for natural and organic skincare amongst U.S consumers. Our ambition is to do this by identifying a mutually beneficial retail partnership, which can be achieved through presence at leading trade shows on the ground, as a first step.
- Identifying a distribution partner in Dubai and servicing the region. Prior to Covid Vanessa Megan had a distribution partner in Dubai, therefore our first step is exploring re-entering the region with a Spa focused partner and using our existing contacts in this market as a starting point.
- Better resourcing our marketing support for our Asia distributor
- Increase our operational footprint to meet increasing international demand for products

“

After carefully evaluating a number of private label partners we chose The Fourth Layer as we could feel the quality of the formulations, the scent profiles were all beautiful and the service and communication very easy. It feels truly satisfying to see our guests converting to natural skincare for their ongoing wellbeing.

SONJA SORICH, DIRECTOR SPA & WELLNESS
ALBA THERMAL SPRINGS AND SPA



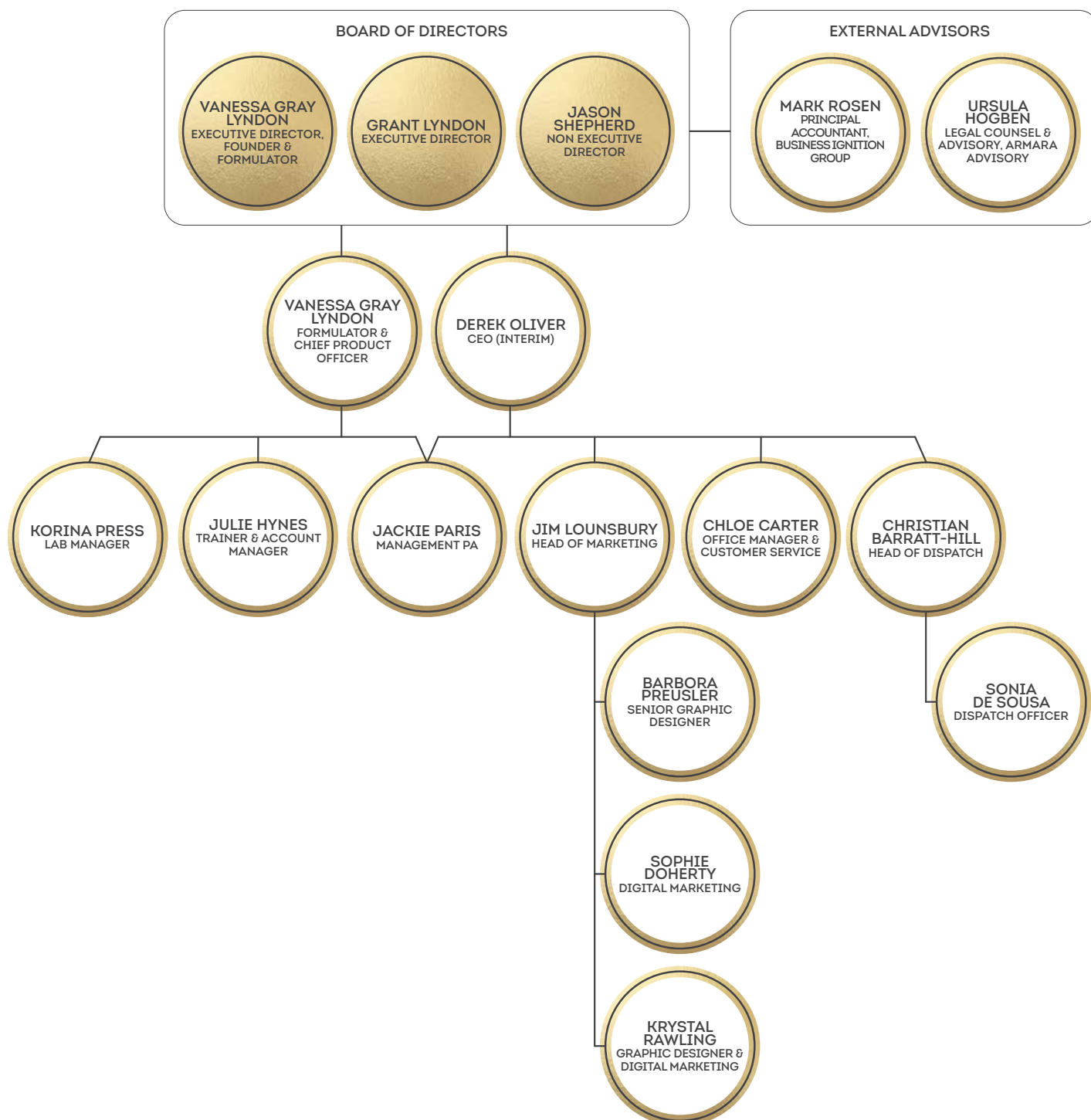
Individual has provided consent to inclusion of this statement.

2.5 OUR TEAM

2.5.1 Organisational structure

Vanessa Megan operates with the support and expertise of a small but dedicated team.

To date, priority has been given to developing key roles that support the growth of the stockist and spa distribution network, and the growth of the Vanessa Megan online store including supporting marketing, fulfillment and dispatch roles. This is in line with the revenue growth established through these key channels and the opportunity this has presented to the growth of the brand.



2.5.2 Directors & senior managers



Vanessa Megan Gray Lyndon
EXECUTIVE DIRECTOR,
FOUNDER & FORMULATOR

Vanessa Megan Gray Lyndon

EXECUTIVE DIRECTOR, FOUNDER & FORMULATOR

DESCRIPTION OF DUTIES

Vanessa's key duties include product development ("formulation"), research and development, and education and training. Vanessa is also the 'face' of the brand and lends her name, image and expertise to further the reputation of the brand through speaking engagements, media associations, key partnerships, and marketing and promotion opportunities. Vanessa also oversees The Fourth Layer key partnerships.

SKILLS AND EXPERIENCE

- Two decades studying and researching dermal science and skincare
- Founder of Vanessa Megan and key person growing the brand since inception
- Extensive experience and skills in product development, formulation and ingredient knowledge
- Extensive experience in all areas of Vanessa Megan business operations and financial performance
- University qualified and CHP Clinical Hypnotherapist qualification



Grant Bartlett Lyndon
EXECUTIVE DIRECTOR

Grant Bartlett Lyndon

EXECUTIVE DIRECTOR

DESCRIPTION OF DUTIES

Apart from his role on the Board representing all shareholders, Grant's executive role includes oversight of the warehouse OH&S requirements and efficient operation including oversight of environmental policies.

Grant will also be responsible for the physical growth of the business footprint as its operations' expand as part of this raise.

SKILLS AND EXPERIENCE

- Head of procurement NSW, for Pea Green Boat.
- NSW sales/operations manager Somage Fine Foods.
- National Sales Manager, Karma Goods.
- Owner/Operator The Food Swinger.

In all of the above businesses Grant was instrumental in setting up and working closely with the stock management and warehousing of those goods. Putting systems in place that allowed for growth in physical storage, and state & national distribution.



Jason Shepherd
NON-EXECUTIVE DIRECTOR

Jason Shepherd (BCom, Grad Dip Applied Finance, GAICD,)
NON-EXECUTIVE DIRECTOR

DESCRIPTION OF DUTIES

All roles expected of a non-executive director including but not limited to:

- Governance oversight – ensuring appropriate governance practices are followed at Board and into management of the business;
- Strategic oversight and guidance – ensuring commercial and operational decisions are made with appropriate oversight and with appropriate guidance of those recommending actions to the board.
- Risk management and mitigation – ensure the Board is fully aware of appropriate risks and has considered mitigating factors.
- Investor fiduciary protections – ensure the actions of the Board and management are delivered in the best interest of all shareholders.
- Financial oversight – ensure decisions made within the business are done so with appropriate financial rigour and justification.

SKILLS AND EXPERIENCE

- After graduating with a BCom from Bond University, spent just under 20 years in various banking roles across the capital spectrum from institutional credit, project finance, corporate finance/M&A and special situations. Working in Westpac, Hambros, Societe Generale and ANZ.
- Left banking to apply these skills for the next 10 years in own consulting business raising capital or buying or selling businesses and providing strategic advice across multiple sectors from resources, technology, finance and consumer goods.
- Roles included being public listed and unlisted CFO including taking a HR tech business to ASX listing as CFO and multiple turnaround and growth roles including as public company Executive Director.
- In 2020 started advising Vanessa Megan on business and financial reorganisation as an initial step in preparing for capital raise and domestic and offshore growth.
- Jason is a graduate member of the Australian Institute of Company Directors

In September 2018, Jason Shepherd became a director of NT Beverages Group Pty Ltd. Before joining the board, he initially served as a consultant to the company to identify and resolve financial/operational issues at the request of concerned shareholders and gained the support of major stakeholders after revealing irregularities in the business operations and reporting. He became a director when Founder/CEO was forced to resign. Eventually, Jason Shepherd structured a solution involving the sale of assets to a third party, which would have allowed the business to continue operating but required the largest debtholder to accept a debt discount. The stakeholder declined the offer, as confirmed by the Voluntary Administrator, Ferrier Hodgson. Upon this refusal and after exploring all available alternatives, a voluntary administrator was appointed. Ferrier's report identified the root cause of the group's failure as "poor strategic management by former officers," rather than the current board members, including Mr. Shepherd.



Derek Oliver
CEO (INTERIM)

Derek Oliver

CHIEF EXECUTIVE OFFICER (INTERIM)

DESCRIPTION OF DUTIES

Derek is responsible for managing Vanessa Megan's overall operations, reporting directly into the Board of Directors.

SKILLS AND EXPERIENCE

A career spanning 20 years within the blue-chip FMCG/CPG sector, including Procter & Gamble, Diageo and Pernod Ricard, Derek has consistently driven growth and fostered innovation, leaving a mark on iconic consumer brands including Johnnie Walker, and spearheading the global transformation of Jacob's Creek.

Prior to joining Vanessa Megan, Derek was the Managing Director for Flora & Fauna and Nourished Life, where he adeptly navigated the challenges faced by the businesses, successfully keeping them afloat and improving profitability within the confines of a cash-strapped parent company, BWX, leading the complex sale process of the two online retail eCommerce businesses.



Jim Lounsbury
HEAD OF MARKETING

Jim Lounsbury

HEAD OF MARKETING

DESCRIPTION OF DUTIES

Jim leads the Marketing & Design teams at Vanessa Megan and is responsible for developing marketing strategies that align with the brands' strategic objectives, and effectively drive sales revenue through key channels.

SKILLS AND EXPERIENCE

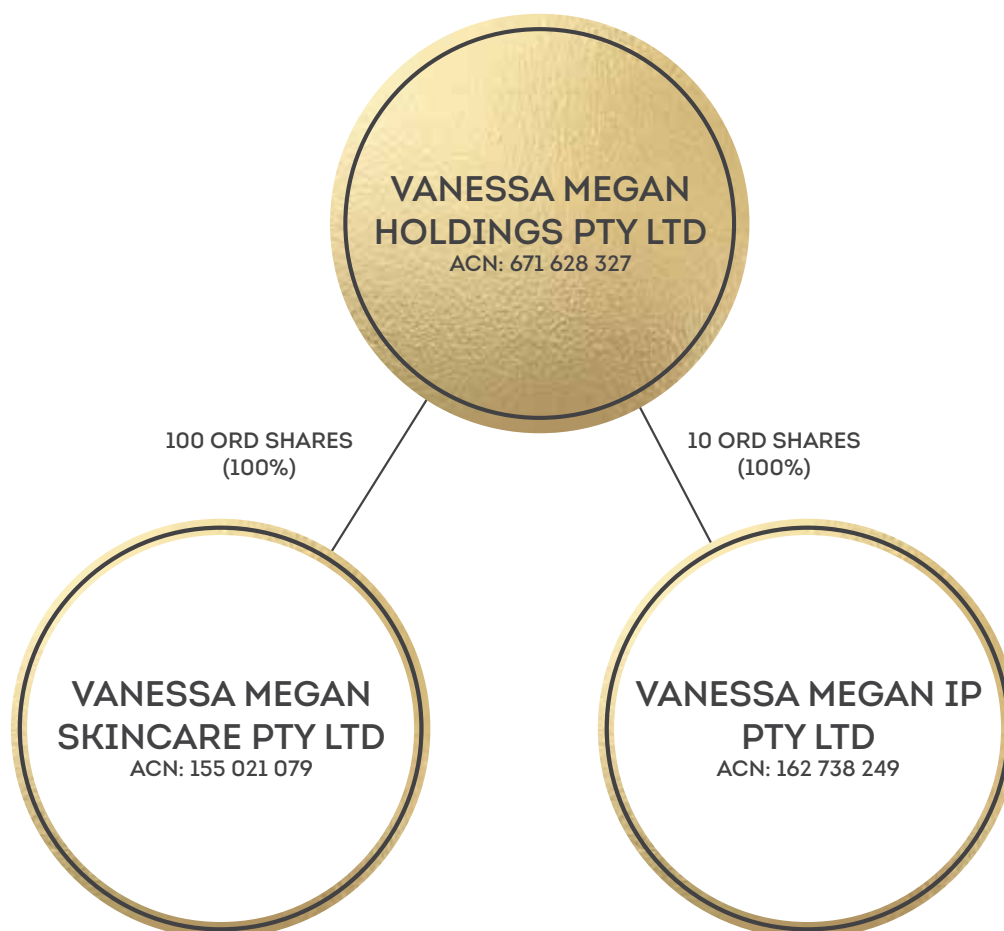
Jim is a highly accomplished and regarded Marketer, Writer, Film Director and Environmentalist.

Jim has held Senior Management and C-Suite marketing, creative and content positions for several well-known Australian brands for over a decade, and brings his astute creative vision and passion for storytelling to lead the Marketing & Design teams at Vanessa Megan.

With a passion for the circular economy, regenerative development and conservation, Jim works with nature positive organisations to amplify their storytelling capabilities with strategic media partnerships.

2.5.4 Group structure

Vanessa Megan Group of Companies group structure as at October 2023.



2.5.5 Other related parties

Vanessa Megan Holdings Pty Ltd ACN 671 628 327 is a newly incorporated holding company, incorporated on 21 September 2023 for the purposes of this and future capital raisings, so that investors would own both the operating company and the intellectual property company previously named ANBC IP Holdings Pty Ltd.

Vanessa Megan Holdings Pty Ltd owns 100% of the shares in:

- o Vanessa Megan Skincare Pty Ltd ABN 67 155 021 079: the operating company previously named The Australian Natural Beauty Co Pty Ltd, incorporated on 6 January 2012; and
- o Vanessa Megan IP Pty Ltd ABN 28 162 738 249, incorporated on 7 March 2013, the company that owns the Vanessa Megan trademarks and domain names

Vanessa Megan Holdings Pty Ltd ACN 671 628 327 is currently wholly owned by the family trust linked to the founder and owner, Vanessa Megan Gray Lyndon.

2.6 CAPITAL STRUCTURE

2.6.1 Issued capital (before and after the Offer)

As at the date of this Offer Document, the Company has 18,000,000 ordinary shares on issue, all of which are held via a Trust by the Company's founder Vanessa Gray Lyndon.

The Company also has the authority to implement, and issue up to 15% of the Company's issued share capital under an Employee Share Option Plan.

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	OPTIONS
Julessa Downs Pty Ltd ATF The All Things Good Trust	Ordinary	18,000,000	-

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 (on a fully diluted basis):

SHARES	MINIMUM SUBSCRIPTION	MAXIMUM SUBSCRIPTION
Existing Ordinary Shares	18,000,000 (98.2%)	18,000,000 (90.7%)
Offer Shares	333,333 (1.8%)	1,866,666 (9.3%)
Total Shares	18,333,333 (100%)	19,866,666 (100%)

2.6.2 Rights and liabilities associated with securities

As at the date of this Offer, the only class of shares on issue are ordinary shares. The Company has authority to implement an Employee Share Option Plan under the Constitution.

Set out below is a summary of the rights and liabilities associated with the securities in the Company. A copy of the Company's Constitution is available on the Intermediary's platform.

Ordinary Shares

- The rights and liabilities associated with the ordinary shares are set out in the Company's constitution, including:
- All ordinary shares have the same voting rights and the same rights to receive dividends.
- Restrictions on the sale or transfer of shares, including drag and tag rights and exit provisions.
- The Board has the power to refuse a transfer of shares to a third party.
- The Constitution includes a definition of a Substantial Shareholder which means a shareholder with an equity proportion of 5% or more.
- The Substantial Shareholder concept relates to:
 - Shareholder reserved matters regime ie provisions requiring a "Substantial Shareholder Resolution" which is a resolution approved by 50% or more of the votes cast on a resolution by the Substantial Shareholders.
 - Pre-emptive rights for Substantial Shareholders in certain circumstances on the issue or transfer of shares

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

Preference Shares

The Company has the right to issue preference shares, it has not yet issued preference shares. Each preference share will be convertible into one ordinary share.

The rights and liabilities associated with the preference shares are set out in the Company's constitution including:

- Holders of preference shares will be paid dividends equal to the dividend that would be payable on the number of ordinary shares into which such preference share would convert, if it were converted.
- Holders of preference shares will rank before ordinary shareholders with respect to amounts to be paid or repaid in respect of the preference shares, and on a liquidation, winding up or the proceeds from any sale.
- Holders of preference shares hold a 1 x non-participating liquidation preference in the event of a liquidation event, that enable the holder to an amount equal to the aggregate of the amount paid up on the share and the amount of all dividends declared but unpaid in respect of the share.
- Other than as described above, the preference shares have the same rights as the ordinary shares, including voting rights.

Employee Share Option Plan (ESOP)

The Company has authority to implement an employee share option plan (ESOP) to attract, retain and incentivise key employees. The maximum number of options that can be issued under an ESOP is 15% of the share capital of the Company.

As at the date of this CSF Offer Document, the Company has not implemented an ESOP.

Shareholders Agreement

Other than the Constitution, there is no shareholders agreement or other agreement between the existing shareholders of the Company.

2.6.3 Sources of financing, including debt financing and other financing

The business is self financing and has not relied on any source of external finance for its business operations.

Equity

To date, the Company has not raised any equity or loans from professional investors. See section 2.6.1 for more information.

Shareholder and Founder loans

As at the date of this offer the shareholders/founders have no funds loaned to the company.

Debt and funding position

As at the date of this Offer, the Company has no debt finance, nor debt in any of the Group Companies, other than short term trade debt and tax liabilities.

Convertible notes

The Group companies have only Ordinary shares issued and there are no convertible notes authorized or on issue.

Grant funding

The Group has not received any grants outside of Covid-19 directed Government Grants in 2021 & 2022.

2.7 KEY RISKS FACING THE BUSINESS

An investment in the Company should be seen as high-risk and speculative. A description of the main risks that may impact the Company's business is below. Investors should read this section carefully before deciding to apply for shares under the Offer. There are also other, more general risks associated with the Company (for example, risks relating to general economic conditions or the inability to quickly or easily sell your shares).

RISK	DESCRIPTION
Key person risk	<p>As a growth-stage business, Vanessa Megan is susceptible to the loss of key team members as they are considered critical to the continued success of the Company.</p> <p>Founder Vanessa Gray Lyndon creates all formulations for each product from scratch, and leads the product development and R&D function for the Company. The unforeseen loss of Vanessa from the Company, due to illness for example, could significantly affect the Company's ability to continue its operations or achieve its business objectives as the case may be.</p> <p>With the plan for the CEO role to become a permanent role post-capital raise, we expect that this will allow Vanessa to focus on her expertise as a formulator and face of the brand whilst managing the business operation responsibilities to other key senior managers.</p> <p>All formulations are documented and safe-guarded and available to the Company for manufacturing should Vanessa become unable to work in the Company for any period of time.</p>
Cash flow risk	<p>Vanessa Megan's operating activities involve a series of cash inflows and outflows. Although Vanessa Megan 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 Vanessa Megan's profitability, future prospects, and its ability to meet its business objectives.</p>
Funding risk	<p>Vanessa Megan 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>Vanessa Megan 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. Vanessa Megan's value may be materially affected if the required additional funding is not available.</p>

RISK (CONT.)	DESCRIPTION (CONT.)
Product Recall or Liability	Vanessa Megan products are designed to be applied to skin and are distributed to a wide range of consumers. There is a risk to the Company in that a product recall or liability could have a detrimental affect on business operations. To combat this, the Company has a product recall and product liability insurances in place that are in line with a business of the Company's size and market position.
Sustained Economic Downturn	It is possible that a sustained economic downturn may have a detrimental effect on consumers' disposable income and therefore affect the estimated growth of consumer spending in the industry despite the forecasts previously outlined.
Technology Risk	Vanessa Megan's tech stack and IT infrastructure are critical to attracting and retaining customers, and conducting sales transactions. If any of the Company's critical platforms do not function properly, there may be delays in transaction processing, receiving, processing or fulfilling orders, delays in marketing, loss of data, which may have a direct impact on revenue and profitability. As with any online platform, a data security breach would also significantly impact customers and sales. Funding would allow us to further invest in and upgrade features, platforms and security to minimise this risk.
Competition risk	<p>Vanessa Megan operates in a highly competitive market, with several known competitors domestically and internationally, and moderate barriers to entry that could give rise to new and unknown competitors. There is a risk that existing competitors as well as new competitors, will have greater access to capital, economies of scale, resources and distribution compared to Vanessa Megan.</p> <p>If the Company is unable to successfully compete with existing and/or new competitors, this would have a negative impact on the revenue, profitability and future prospects of the business.</p>
Brand risk	If Vanessa Megan does not maintain its current consistent levels of high quality and service in its offering, the Company's brand and reputation could be damaged. Similarly, the Company's brand image is intrinsically linked to the Founder Vanessa Gray Lyndon's personal brand and reputation, which if damaged, could also affect the overall brand reputation of Vanessa Megan (the Company). Both the Company and Vanessa Gray Lyndon personally are acutely aware of this risk and are vigilant in ensuring that consistently high levels of product quality, customer service and personal image are maintained.

RISK (CONT.)	DESCRIPTION (CONT.)
Intellectual property risk	The protection of Vanessa Megan's intellectual property, in particular our product development and formulations, 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, and/or hold our key Spa & Stockist partnerships.
Supply chain risk	Disruption to Vanessa Megan's supply chain, in particular our ability to source the particular type and quality of specific ingredients required for formulations, could affect the Company's ability to produce inventory at commercially acceptable cost, in a timely manner, and to our required product standards, which would have a direct impact on the Company's revenue and profitability.
Distribution risk	<p>Vanessa Megan relies on third party distributors and vendors to sell its products, most notably our established Spa and Stockist distribution networks. If suitable third parties are not found on favourable terms, this may negatively affect the margins and profitability of the Company. Our international distributors have written agreements in place including length and minimum order quantities. Our domestic distributors have agreements in place which are generally two-year terms.</p> <p>In the event of any significant disruptions in the distribution network, Vanessa Megan can re-prioritise focus and resources to the D2C eCommerce channel as a means of continuing to generate revenue and maintain overall business objectives.</p>

2.8 FINANCIAL INFORMATION

In September 2023, the Vanessa Megan group completed a group restructure whereby Vanessa Megan Holdings Pty Ltd was incorporated as a new holding company and directly and indirectly holds 100% of all of the shares in the Vanessa Megan group of companies. Vanessa Megan IP Pty Ltd owns the Vanessa Megan group's IP and Vanessa Megan Skincare Pty Ltd is the Vanessa Megan groups' trading entity.

Below are the financial statements of Vanessa Megan Holdings Pty Ltd for the period from the incorporation date to September 2023, which have been prepared in accordance with the Accounting Standards.

Also below are the pro forma consolidated financial statements of the Company and its controlled subsidiaries for the financial years ended 30 June 2022 and 30 June 2023, which have been prepared in accordance with the Accounting Standards.

2.8.1 Balance Sheet For Vanessa Megan Holdings Pty Ltd as at 30 September 2023

ACCOUNT	30 SEP 2023
Assets	
Current Assets	
Shares in Subsidiary Co's	110
Goodwill	17,999,890
Total Assets	18,000,000
Net Assets	18,000,000
Equity	
Share Capital	18,000,000
Total Equity	18,000,000

2.8.2 Profit and Loss Statement for Vanessa Megan Holdings Pty Ltd as at 30 September 2023

ACCOUNT	21 SEP-30 SEP 2023
Income	
Total Income	-
Cost of Sales	
Total Cost of Sales	-
Gross Profit	-
Total Income	-
Expenses	
Total Expenses	-
Profit/(Loss) before Taxation	-
Income Tax Expense	-
Net Profit After Tax	-

2.8.3 Cash Flow statement for Vanessa Megan Holdings Pty Ltd as at 30 September 2023

ACCOUNT	21 SEP-30 SEP 2023
Operating Activities	
Cash receipts from other operating activities	
Cash payments from other operating activities	-
Net Cash Flows from Operating Activities	-
Investing Activities	
Other cash items from investing activities	-
Net Cash Flows from Investing Activities	-
Financing Activities	
Other cash items from financing activities	-
Net Cash Flows from Financing Activities	-
Net Cash Flow	-
Cash and Cash Equivalents	
Cash and cash equivalents at beginning of period	-
Cash and cash equivalents at end of period	-

2.8.4 Statement of Changes in Equity for Vanessa Megan Holdings Pty Ltd as at 30 September 2023

	21 SEP-30 SEP 2023
Equity	
Opening Balance	18,000,000
Current Period Earnings	-
Total Equity	18,000,000

2.8.5 Pro Forma Balance Sheet for Company and Controlled Subsidiaries as at 30 June 2023

ACCOUNT	30 JUN 2023	30 JUN 2022
Assets		
Current Assets		
Bank and Cash		
Total Bank Accounts & Cash	55,185	177,028
Bond 2 Shepherd Street	21,244	21,244
Inventory	412,543	340,003
Loan Biode	77,186	77,186
Logo	18,150	18,150
Trade Debtors	228,140	182,529
Loan - VGL	94,088	(12)
Total Current Assets	906,536	816,128
Total Assets	906,536	816,128
Liabilities		
Current Liabilities		
GST	50,711	36,303
BAS Clearing AC	118,017	93,090
Deposit Received in ADV	16,017	3,380
Income Tax Payable	(85,497)	3,952
PAYG Withholding Payable	22,812	11,203
Total Current Liabilities	208,908	177,629
Net Assets	697,627	638,499
Equity		
Share Capital	100	100
Current Year Earnings	59,128	136,909
Retained Earnings	638,399	501,490
Total Equity	697,627	638,499

2.8.6 Pro Forma Profit and Loss Statement for Company and Controlled Subsidiaries for the Year Ended 30 June 2023

ACCOUNT	FY2023	FY2022
Income		
Sales Revenue	2,731,814	2,149,831
Cost of Sales		
Add: Opening Stock	(340,003)	(315,289)
Purchases	(908,340)	(662,378)
Less: Closing Stock	412,543	340,003
Total Cost of Sales	(835,800)	(637,664)
Gross Profit	1,896,014	1,512,167
Other Income - Govt Grants	0	169,432
Total Income	1,896,014	1,681,599
Expenses		
Foreign Currency Gains and Losses	(7,195)	846
Legal and Professional Fees	201,605	263,481
Marketing Expense	129,595	77,623
Advertising & Promotion	97,429	83,801
Bank and Merchant Fees	39,037	25,174
ASIC	1,324	1,426
Bad Debts	6,746	1,409
Business Consulting services	24,144	64,121
Motor Vehicle Expenses	36,396	24,732
Office Expenses	171,883	189,035
Discounts Taken	91	136
Donations	1,306	5,482
Subscriptions	37,918	31,708
Entertainment	6,604	6,517
Instant Asset Write-off	28,970	47,333
Insurance (6-3117)	25,105	21,301
Interest Expense	3,365	40
IT Support	11,271	6,033
Staff Costs	959,195	653,742
Travel Expenses	41,379	8,489
Total Expenses	1,816,169	1,512,430
Profit/(Loss) before Taxation	79,846	169,169
Income Tax Expense	(20,718)	(6,131)
Net Profit After Tax	59,128	163,038

2.8.7 Pro Forma Cash Flow Statement for Company and Controlled Subsidiaries for the Year Ended 30 June 2023

ACCOUNT	30 JUN 2023
Receipts from Customers	
Opening AR	179,198
Opening Deposit Rec'd in adv	3,380
Add: Sales	2,731,814
Less: Closing AR	(224,808)
Less: Closing Deposits Re'cd in Adv	(16,017)
Receipts from Customers	2,673,567
Payments to Suppliers & Employees	
Opening AP	29,701
Payments to Suppliers	573,879
Salaries & Wages & related Staff costs	959,195
Less: closing AP	(73,960)
Less: Payments to Suppliers & Employees	(1,488,815)
Other Operating Cash Flows	
Opening PAYGW	11,203
Opening GST	138,923
Opening Income Tax Liability	885
Operational Expense Payments	1,163,004
Less: Tax Charge	(20,718)
Less: closing PAYGW	(22,812)
Less: Closing GST	(125,042)
Less: Closing Income Tax Liability	104,592
Less: Other Operating Cash Flows	(1,250,036)
Operating Cash Flow	(65,284)
Payments for Property Plant & Equipment	(28,970)
Net Cash Flow from Investing Activities	(28,970)
Funds from Financing Activities (Loans)	(27,589)
Net Cash Flow from Financing Activities	(27,589)
Net Cash Flow	(121,843)

Cash flow statement continued on page 43

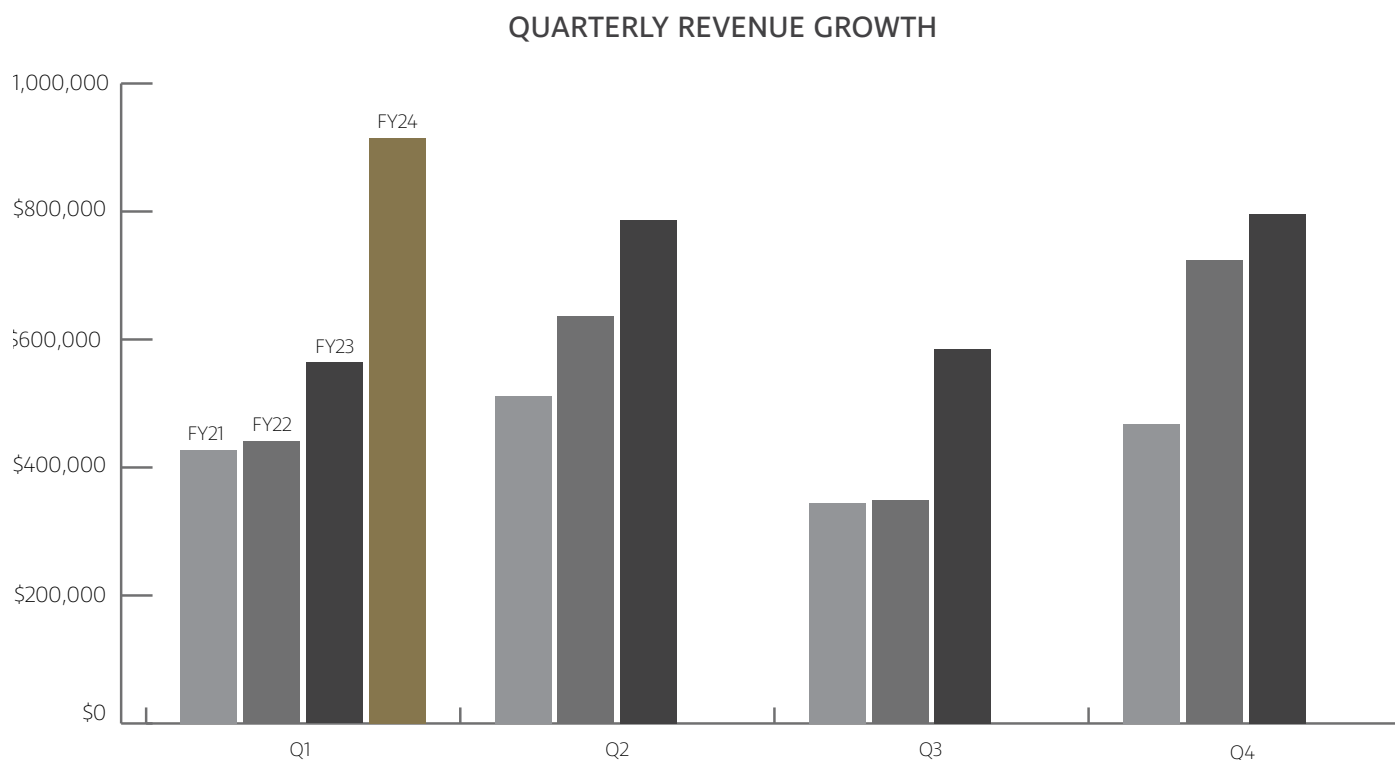
Cash flow statement continued from page 42

Increase/(Decrease) in Cash & Cash Equivalents	
Opening Cash & Bank Accounts	
1 Electronic Clearing Account	(1,159)
ANZ AU CC 2599	4,895
AUD PayPal	14,830
Cash On Hand	100
Cleanskin Organics 3807	27
PayPal USD	1,875
Stripe AUD	1,631
Vanessa Megan 4748	147,401
Vanessa Megan GST 4764	7,429
Opening Cash & Bank Accounts	177,028
Closing Cash & Bank Accounts	
1 Electronic Clearing Account	1,774
ANZ AU CC 2599	(995)
Cash On Hand	100
Cleanskin Organics 3807	21
PayPal USD	4,027
Stripe AUD	180
Vanessa Megan 4748	27,837
Vanessa Megan GST 4764	22,241
Closing Cash & Bank Accounts	55,185
Movement in Cash & Bank Accounts	(121,843)

2.8.8 Pro Forma Statement of Changes in Equity for Company and Controlled Subsidiaries

	ISSUED CAPITAL	RETAINED PROFIT	TOTAL EQUITY
Balance as of 1 July 2021	100	501,490	501,590
Profit/(Loss) after Tax	-	136,909	-
Increase (Decrease) in Equity	-	-	-
Balance as of 30 June 2022	100	638,399	638,499
Profit/(Loss) after Tax	-	59,128	-
Increase (Decrease) in Equity	-	-	-
Balance as of 30 June 2023	100	697,527	697,627

2.8.9 Management Comments on Historical Performance and Outlook



The largest quantum of revenue growth in the business has come from the increase in online sales, even post covid, which is a remarkable achievement given the headwinds that have challenged many online businesses since the peak of Covid. The graph illustrates that since the beginning of FY21 the business has had 17 consecutive quarters of growth (year-on-year quarterly comparison basis). Again, this has been achieved on nominal marketing spend and mostly from Australian consumers.

Overall sales or trading Revenue increased by 27.1% YoY from FY22 to FY23, resulting in four years of consecutive revenue growth (22.7% in FY22 and 43.7% in FY21). Revenue growth was driven by strong growth across our Online store sales, international wholesale and domestic wholesale (spa, salon and stockists). Vanessamegan.com Shopify reporting indicated a 54% growth year on year, with our Online stores sales representing 47% of total revenue in FY23.

Our revenue outlook remains strong for FY24, as we close Q1 (total revenues) over 60% vs Q1 FY23, driven by continued strong momentum of our online store sales (Shopify reports +45%) and also

international wholesale, where Q1 FY24 has already delivered over full year FY23 driven by our European distributor (Czech Republic). This distributor contacted us without any marketing from the business and is an example of the growth available outside of Australia once we have the resources to focus on international expansion. September was the highest month of revenue in the history of the business.

The business has maintained a consistent level of cost of sales (as a % of revenue) over the last three years in line with revenue growth, achieving 28% in FY21, 27% in FY22 and 29% in FY23. The future outlook is positive, despite the headwind of potential inflationary pressures in the cost of ingredients and packaging, as we expect the benefits of cost efficiencies with increasing demand to offset against those potential cost increases. In addition, a majority of Metamorphosis packaging costs (covering 2,000 units of each SKU) have already been expensed into FY23, as has the first production run of 500 units of each SKU. Therefore, we expect to see a decrease in the cost of sales % of revenue in FY24 resulting in a positive impact on gross profit margins. Further, the business

has fully expensed all development costs for the Metamorphosis range rather than capitalise these costs as an asset.

Operating expenses increased 17% in FY23. The increase was driven by an increase in salary and wages, as headcount grew within the Marketing team and as we replaced consultants with permanent staff. Marketing consulting services declined as a result. Despite an increase in marketing costs, total marketing expenses remained at 8% of revenue. Within these marketing costs, the total advertising spend only marginally increased, with the actual % of revenue allocated to paid media (advertising) decreasing. There was also an increase in costs related to travel, for education purposes, as we increased the number of Spa and Salon partners around Australia. Expos and event related costs also increased, coming out of the Covid period in prior years. Incremental costs related to contractors also increased in line with growth demand and fulfillment. Overall operating costs as % of revenue decreased from 75% in FY22 to 69% in FY23. When removing the Government related income in FY22, profit increased from FY22 to FY23.

Balance sheet (2.8.1)

The business has bank facilities available to it of \$100k available to meet seasonal fluctuations in working capital needs and these were undrawn as at 30 June. There are no current plans to enter into any long-term banking facilities in the current planning cycle.

As the business has been growing its brand and sales over the last several years, it has planned to reinvest surplus cashflow into the business by way of product development, people or marketing.

SECTION 3:

Information about the Offer

3.1 TERMS OF THE OFFER

The Company is offering up to 1,866,666 shares at an issue price of \$0.75 per share to raise up to \$1,400,000. The key terms and conditions of the Offer are set out below.

TERM	DESCRIPTION
SHARES	Fully-paid ordinary shares
PRICE	\$0.75 per share
MINIMUM SUBSCRIPTION	\$250,000
MAXIMUM SUBSCRIPTION	\$1,400,000
OPENING DATE	24th October, 2023
CLOSING DATE	9th November, 2023

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

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

Retail investors may withdraw their application during the Cooling-off Period. Further information on investor cooling-off rights can be found in Section 4 of this CSF offer document.

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

3.2 USE OF FUNDS

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	\$159,375 (64%)	\$770,000 (55%)
WHOLESALE SALES SUPPORT	\$10,000 (4%)	\$280,000 (20%)
EDUCATION	\$0 (0%)	\$56,000 (4%)
WORKING CAPITAL	\$62,500 (25%)	\$206,500 (15%)
OFFER COSTS	\$18,125 (7%)	\$87,500 (6%)
TOTAL	\$250,000 (100%)	\$1,400,000 (100%)

3.2.1 Explanation of Use of Funds:

Marketing

To date, marketing spend has been nominal and operated on a shoestring budget. Investing in marketing is a significant proportion of the intended use of funds.

The key focus of marketing budget allocation is:

1. Growth of the Vanessa Megan customer base

- Vanessa Megan marketing campaigns to attract, acquire and retain new customers, to build the customer base, market the Company to a broader audience, and increase brand awareness in the Australian market. This may be achieved through strategic activities including advertising, paid media, brand ambassadors, content production, PR and sponsorships.
- Our ambition, from an investment of the size allocated into these customer acquisition activities, would be triple the Australian base over the next 18 months.

2. Marketing Launch of the Metamorphosis Skincare Range

- Targeted Metamorphosis launch campaign including advertising, PR and content production. The Metamorphosis range became available for purchase in September 2023 but requires investment in a hard launch driven by marketing and adequately supported with education and sales resources, to gain traction and achieve ROI on the product range development.

3. Building and maintaining the VM Loyalty Program

- Increase in advertising, promotional activities and supporting marketing activities (such as partnership opportunities) to invest in increased customer retention and loyalty, to increase lifetime customer value (LCV), maintain existing customer base, and activate the Vanessa Megan Loyalty Program to a greater extent to achieve this goal.

4. U.S. market seed funding

- In order to deliver on our goal of growing our international footprint in the United States, resources are required to enable our team to prepare, attend and present at allocated Trade Shows, as well as the costs associated with travel, event fees, and promotional and marketing support (including digital paid media) for the brand.

Wholesale Sales Support

A key area of growth and opportunity for the business is in growing our stockist and distribution partner network, domestically and internationally. As such, we plan to allocate some of the capital raised to better resourcing, supporting and investing in this sector of the business.

1. Sales staff support:

- To date, there has been no dedicated Sales staff member employed by Vanessa Megan. All sale opportunities and enquiries have been handled by staff members as the time and need arises, without a dedicated resource, training or sales process implementation.
- Funds allowing, with the appointment of the Company's first ever fully focused and experienced Salesperson, our ambition is to triple our stockist distribution network within the next 12-18 months, as well as increase the revenue from our existing stockists and Spa distributors by offering a more proactive, more responsive, and better supported sales service.

2. B2B Ordering:

- We plan to support this business area through the development of a Shopify B2B website (using our existing Shopify platform) to improve the ordering process for Spas and Stockist Partners. This will also allow us to better support Stockists in merchandising and replenishment.
- Currently stockists and Spas in our distribution network face many frustrations in ordering through our manual and time consuming process; with the development of this feature we aim to improve the user experience of ordering Vanessa Megan for our distribution network, thereby making our offering more attractive and easier to use, and hence further growing our sales revenue from this channel.

3. Retail Partnership in U.S:

- Trade marketing funding to support newly identified U.S. retail partner. 'Pay to Play' funding that we expect would support our partner with promotions, advertising and merchandising.

4. Supporting Asia Distribution Partner

- Better resource the business to support our existing Hong Kong based distributor, to grow the partnership and ultimately increase volume and product range as a result, including training and travel.

Education

Educating customers and staff (in our distribution network) on the benefits of using natural and organic products has been a key driver in our success to date. In growing our stockist and Spa network, we need to support this growth with adequate education and training resources to ensure we can maintain driving results for our customers. For the growth of our wholesale business to succeed domestically and internationally, it must be supported by training and education resources once the partnerships have been established.

Funds are expected to be allocated to:

1. Fund a full training program for our lead Educator/Trainer, including travel, to better resource our Educator to train Spas, Salons and Stockists, including training our international distributors, and their retail networks for the first time
2. Fit-out the Training Centre (at 4 Shepherd Street Marrickville NSW) for training and education purposes to support this program.

Working Capital

A portion of the funds raised will be allocated to Working Capital. In the short term, Vanessa Megan intends to use these funds to:

1. Cover Overhead Expenses:
 - Fit-out of warehouse recently leased adjacent to current business premises (3-year lease). This warehouse space would be used to increase the lab, manufacturing, fulfillment and dispatch capability of the existing Vanessa Megan warehouse in order to meet increasing demand and maintain dispatch and delivery timeframes for B2C and B2B distribution.
 - Fit-out the Training Centre (same premises as above) for training and education purposes to support this program.
2. People & Staff Retention:
 - Turn the current Head of Marketing role from a contractual role to a permanent full-time role, to ensure the allocation of funds to Marketing is executed as per the intended strategy and plan.
 - Implement critical Operations foundations to allow the business to move beyond current capacity and growth thresholds. This includes recruiting an Operations Manager, who will also be tasked with (beyond overseeing normal operations) embedding the company's first inventory and warehouse management systems, including integration with Shopify and Xero, and to project manage the fit-out of the expansion into the adjacent premises.

Offer Costs

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 Birchall 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 this CSF Offer is unsuccessful, or 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 18-24 months. In such circumstances, the Company may consider alternative sources of funding, such as undertaking a further CSF offer under the CSF regime or other debt or equity funding. Until additional funding is obtained, we will scale back growth activities and continue to focus our cash resources on organic business-as-usual growth and the basic requirements required from working capital.

3.3 RIGHTS ASSOCIATED WITH THE SHARES

Immediately after issue, the shares under this Offer will be fully-paid ordinary 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.

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

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.

3.3.4 Election and removal of directors

Shareholders may vote to elect and remove directors at a general meeting by way of a special resolution (75%).

3.3.5 Winding-up

If the Company is wound up and there are any

assets left over after all the Company's debts have been paid, the surplus is distributed to shareholders after secured and unsecured creditors of the Company. Holders of fully-paid ordinary voting shares rank behind holders of preference shares (if any).

3.3.6 Restrictions on sale and transfer

Drag along and tag along rights

The Constitution contains drag and tag-along rights, as follows:

- Drag rights - If Shareholders who together hold at least 75% of the shares on issue, including the shareholding entity of the founder director, propose to sell all of their shares to a third party, they can 'drag' the remaining shareholders who hold up to 25% to sell their shares on the same terms. The pre-emptive rights process does not need to be undertaken in order for the drag along to be triggered.
- Tag rights - If Shareholders who together hold 50% or more of the shares on issue propose to sell their shares to a third party under one transaction (or series of transactions) the remaining shareholders who hold up to 50% may also 'tag'-along and sell their shares on the same terms.

If the Company has no CSF shareholders and is regulated under Chapter 6 of the Corporations Act, the Constitution contains a mechanism to 'turn off' the drag along and tag along provisions (as these provisions cannot functionally apply if the Company is regulated by Chapter 6 of the Corporations Act).

Exit provisions

The Board may propose an Exit Event including an IPO, share sale, asset sale or another transaction which results in a change of control, or which the Board determines is an Exit Event. A Special Resolution of the Board, and a Substantial Shareholder Resolution must approve the Exit Proposal. If an Exit Proposal is approved by the Board and a Substantial Shareholder Resolution, all Shareholders (and Directors) must exercise all rights and do all things to enable the Exit Event to occur.

Pre-emptive rights on transfer

If a Substantial Shareholder provides a notice to transfer its shares (other than as a permitted disposal), the Company must first offer each other Substantial Shareholder the right to purchase those shares. The Board may vary this procedure, provided that each Substantial Shareholder has an opportunity to acquire their pro rata entitlement to the Sale Shares and there is no material adverse impact on a Substantial Shareholder. The Constitution also includes carve outs for CSF offers, issuing shares as part of the approved ESOP, and capital raisings up to 10% of the capital of the Company.

Escrow arrangements in an IPO

If an Exit Proposal is approved under the Constitution and that Exit Proposal involves an IPO, each shareholder agrees to enter into any required escrow arrangements as may be required by law, the rules of the relevant stock exchange, or as may be recommended by the relevant financial adviser to enable the success of the IPO.

Discretion to refuse to register a transfer of shares

The Board has the power to refuse a transfer of shares to a third party.

On-sale restrictions under the Corporations Act

Shares acquired under the Offer may not be on-sold within 12 months of their issue without a prospectus or other disclosure document, unless an exemption under section 708 of the Corporations Act 2001 (Cth) applies (e.g. sales to sophisticated or professional investors) or unless ASIC gives relief from the requirement to provide such prospectus or other disclosure document.

3.3.7 Pre-emptive rights / anti-dilution on issue of shares

If the Board resolves to issue new Equity Securities (which includes shares, options, warrants, convertible notes or any other instrument convertible into shares), it must first offer the new Equity Securities to each Substantial Shareholder (as defined in the Constitution) unless one of the following exceptions apply:

- The Board resolves to make a CSF offer
- The issue of Equity Securities is a public offer of securities
- The Board resolves to issue up to 10% in aggregate of the issued share capital of the Company, in any 12 month period in aggregate
- The Equity Securities are issued as part of an approved ESOP
- The Equity Securities are issued pursuant to the terms of an agreement, option or warrant or other security convertible into or exercisable in exchange for an Equity Security that existed before the date of the Constitution or was entered into in accordance with this Constitution
- The Equity Securities are issued as part of an Exit Event approved in accordance with the Constitution
- The Equity Securities are issued as part of an arm's length commercial agreement, provided that such issuances in any 12 month period are in aggregate not more than 5% of the issued share capital of the Company;
- The Equity Securities are issued as part of the consideration for an acquisition of an interest in any business, entity or company approved by the Board by Special Resolution.

3.3.8 Amendments to the Constitution

To vary the Constitution or adopt a new constitution, the Company must pass a special resolution at a general meeting. At least 75% of the voting members of the Company must vote in favour of the resolution for it to pass.

3.4 WHAT CAN I DO WITH MY SHARES?

Shares in the Company are considered illiquid as they cannot easily be transferred or sold.

However, there are numerous possible circumstances that may create an opportunity for shareholders to exit their investment in the Company. These include:

- 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

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.

4.2 COMMUNICATION FACILITY FOR THE OFFER

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

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

Officers, employees or agents of the Company,

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

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

4.3 PROPRIETARY COMPANY CORPORATE GOVERNANCE OBLIGATIONS

4.3.1 Annual report

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

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

We may be required to have our financial reports

audited in the future if we raise more than \$3 million from CSF offers (including this current offer and any future offers) or otherwise become a large proprietary company.

4.3.2 Distribution of annual report

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

4.3.3 Related party transactions

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

4.3.4 Takeovers

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

Shareholders will not have the benefit of the full protections under the takeover rules, which means you may not have the right to vote on or participate in a change of control of the company. However, the general principles of ensuring shareholders have sufficient information and time to consider a change of control, and all have a reasonable and

equal opportunity to participate in any benefits, will apply to the Company. In addition, the Takeovers Panel has jurisdiction to hear disputes relating to control of the Company.

4.4 COMPANY UPDATES

The Company will provide regular updates to investors on the Company's website at the following address www.vanessamegan.com, via the Company's share registry website at the following address www.cakeequity.com and via the Intermediary's platform.

Glossary

Company means Vanessa Megan Holdings Pty Ltd ACN 671 628 327

Cooling-off Period means the period ending five business days after an application is made under this Offer, during which a retail 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 ACN 621 812 646 AFSL 502618

Maximum Subscription means the amount specified in this CSF offer document as the maximum amount sought to be raised by the Offer. The Maximum Subscription is subject to rounding based on the share price of the Offer.

Minimum Subscription means the amount specified in this CSF offer document as the minimum amount sought to be raised by the Offer. The Minimum Subscription is subject to rounding based on the share price of 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