



SMART OYSTERS PTY LTD

CROWD-SOURCED FUNDING OFFER

DOCUMENT

DATED 1.06.2021

**Offer of fully-paid ordinary shares in Smart Oysters Pty Ltd at
\$1.00 per share to raise a maximum of \$600,000**

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

ISSUER:

Smart Oysters Pty Ltd
ACN 616145683

INTERMEDIARY:

Birchal Financial Services Pty Ltd
AFSL 502618

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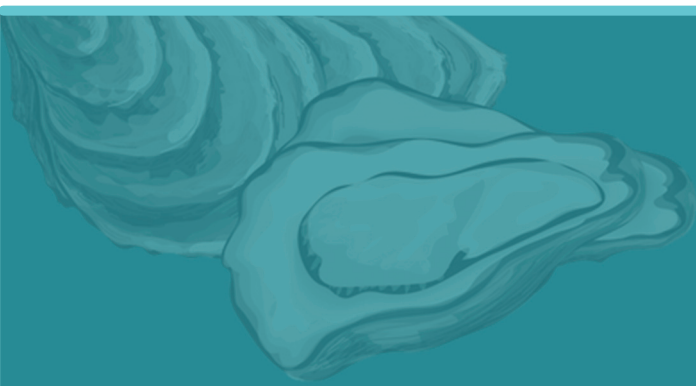
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Section 1



Risk Warning

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

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

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

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

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

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

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



Section 2

Information About the Company



Letter from the CEO

SmartOysters is entering a truly exciting phase in its growth as a company, and we need your help.

We've built a product that can transform the lives and livelihoods of aquaculture farms around the world. One that takes the practice of farming that farmers must painstakingly learn over time and commit to memory - practices unique to their place and their environment - and put it in the palm of their hand.



We have found customers all over the world, and many have found us. We have customers in New Zealand, the US, the UK and Ireland. We are also working with mussels and finfish farm customers and are planning to embark on collaborative projects in regenerative ocean farming, reef restoration and carbon sequestration.

We've made a great start; however global aquaculture is big. About US\$260 billion, employing about 20 million people in mostly small-scale farms, which means we need to invest in the sales and marketing resources.

That's where you come in.

Come with us on our journey to "Create a better world, one farm at a time."

Cheers,

Ewan McAsh

Co-founder and CEO

Company Details

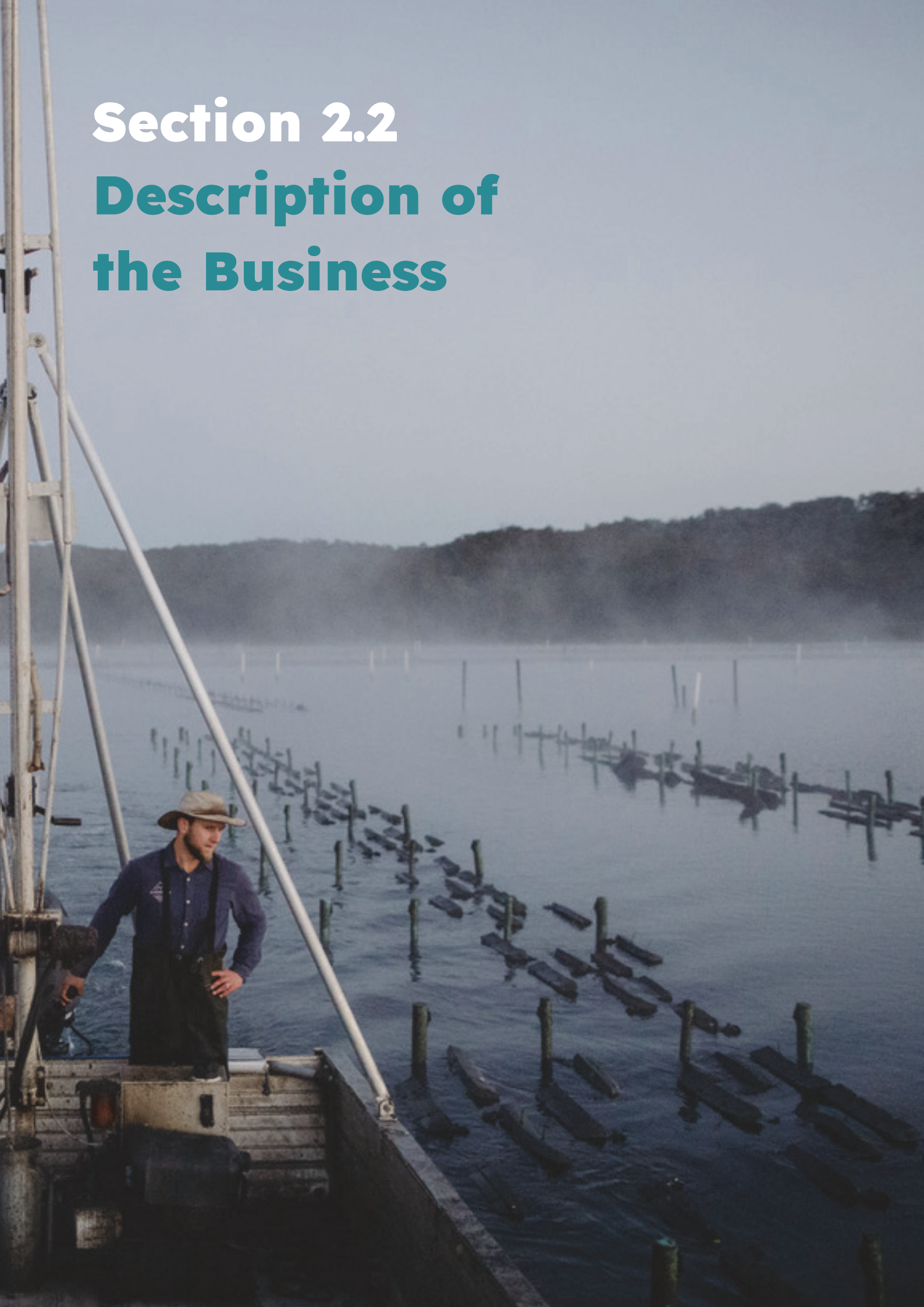
This offer of shares is made by Smart Oysters Pty Ltd ACN **616145683** (Company)

Company Name	Smart Oysters Pty Ltd
ACN	616145683
Date of Incorporation	28/11/2016
Registered Office	41 Deering St, Ulladulla NSW 2539 AUSTRALIA
Principal Place of Business	31 Elizabeth Street, Moruya Heads NSW 2537 AUSTRALIA



Section 2.2

Description of the Business



2.2.1



About the Company

SmartOysters develops and sells an application that enables aquaculture farmers to run the farm operations from their mobile phones and analyse farm performance and inventory.

The company was founded by Ewan McAsh and Phil Browning in 2016 and in 2017 the first prototype was trialled on the McAsh family farm run by co-founder, Ewan McAsh.

In 2017, James Horton joined the company as a co-founder, providing access to the technologies and partnerships required to develop a minimum marketable product.

First sales of the SmartOysters application were made in late 2018. The company now has 50 customers located in Australia, New Zealand, the United States, the United Kingdom, Ireland, and Mexico. These include two customers in the mussel and finfish sectors undertaking pilot projects to adapt the SmartOysters application.

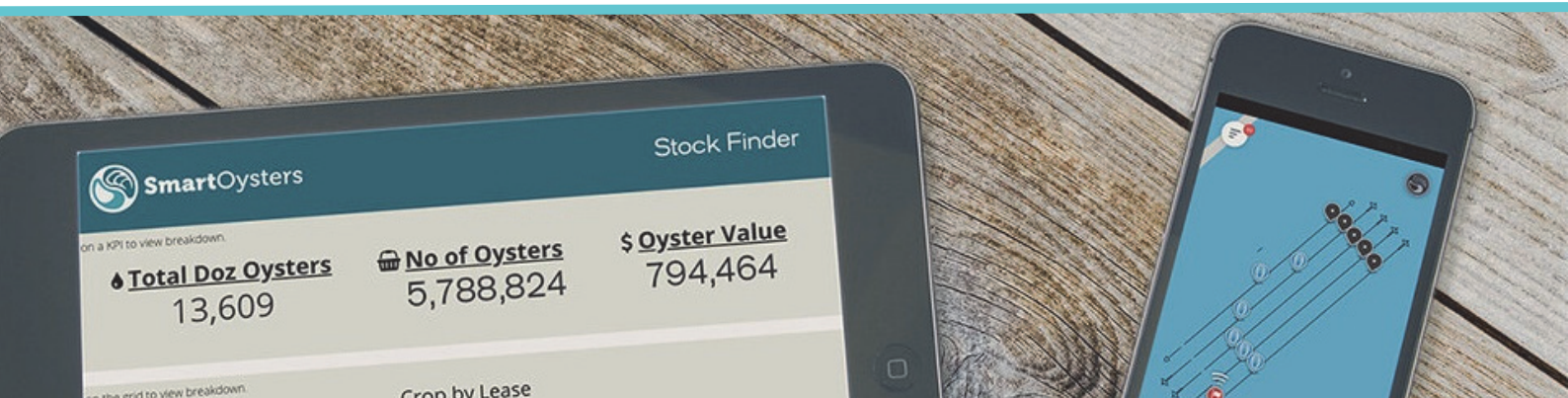
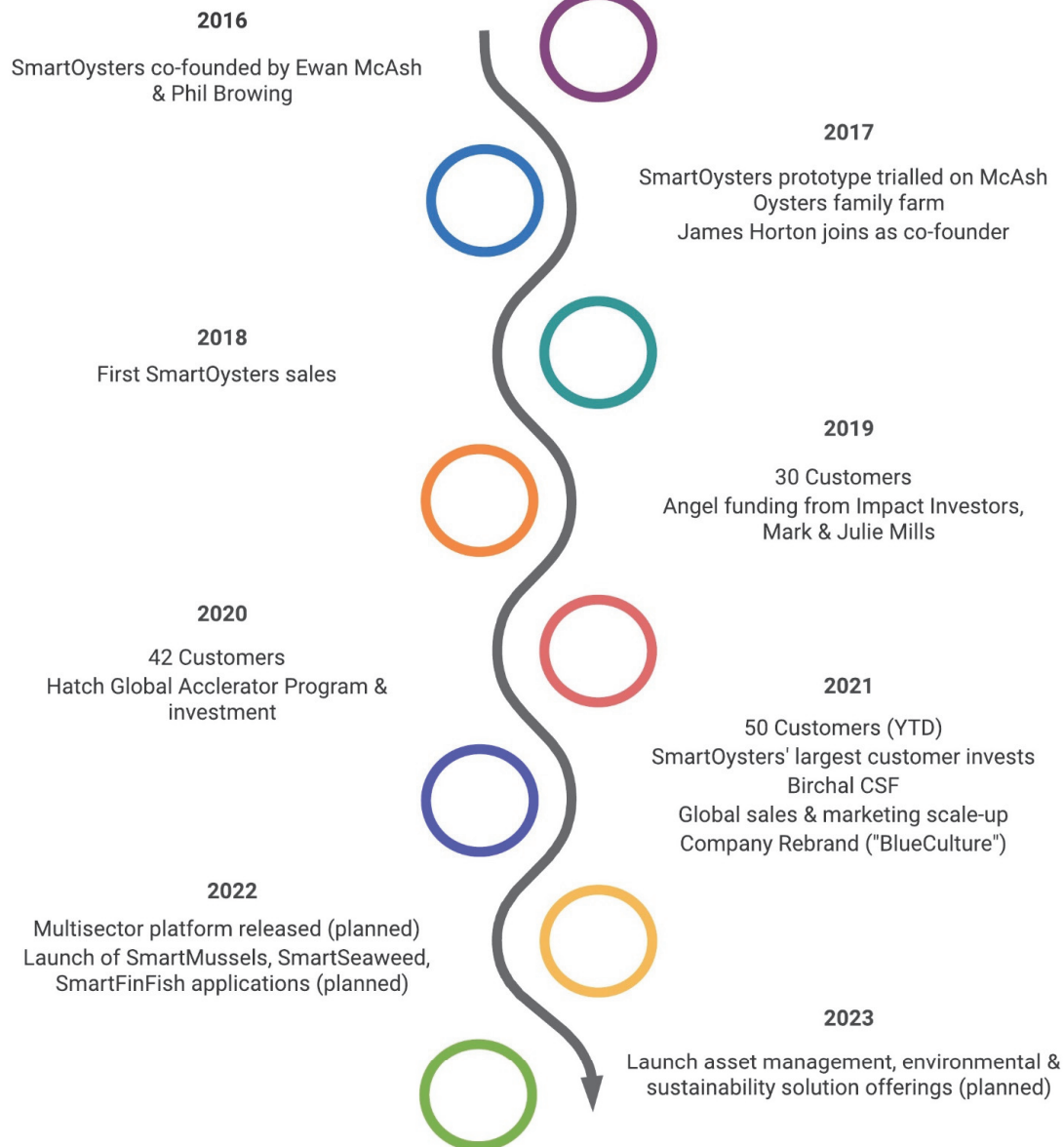
SmartOysters currently employs 5 people.



2.2.1



About the Company



SmartOysters Vision

Creating a better world, one farm at a time.



Better Lives

Giving farmers a better sense of control through being able to schedule, record and monitor farm activities.



Better Produce

Giving farmers the ability to focus on practices that deliver better and verifiable quality.



Better Livelihoods

Giving farmers the ability to operate more efficiently by being able to make better decisions about what needs to be done, and when and where they need to be done.



Better Environment

Giving farmers the ability to operate in a way that delivers measurable and demonstrable outcomes.

2.2.2

Products/Services

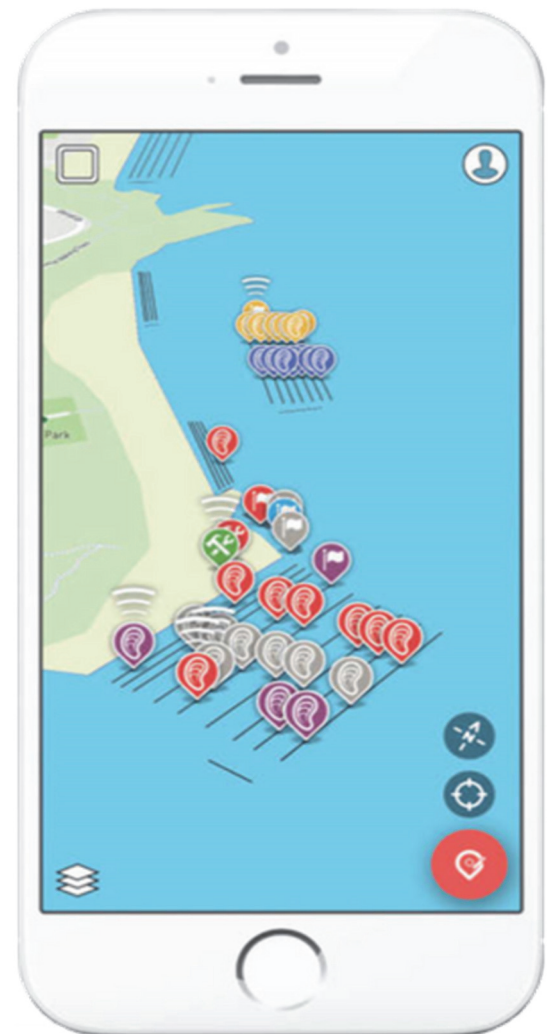
SmartOysters develops and sells an application that enables oyster farmers to manage and monitor their farm operations from a GPS-enabled Android or IOS smartphone. It has a map-based user interface that allows farmers to visualise their farm assets and schedule the time and location of their activities.

The application also offers a web-based dashboard that provides farmers with a range of standard and customisable reports about farm activities, crops, and farming assets.

SmartOysters is sold on a subscription basis, with tiered pricing based on the size and complexity of farming operations. The subscription also includes an onboarding service to assist farmers initially map their farm assets into the application and setting up forms to capture and schedule activity data relevant to their farming practices.

The company is currently trialling adaptations of its application for mussel, finfish and seaweed farming with a view to launching associated applications in calendar year 2022.

The company also plans to commence trials to assess the feasibility of adapting the application for seaweed-based farming for carbon sequestration and regenerative ocean farming, oyster reef restoration, and farm asset financing



2.2.3

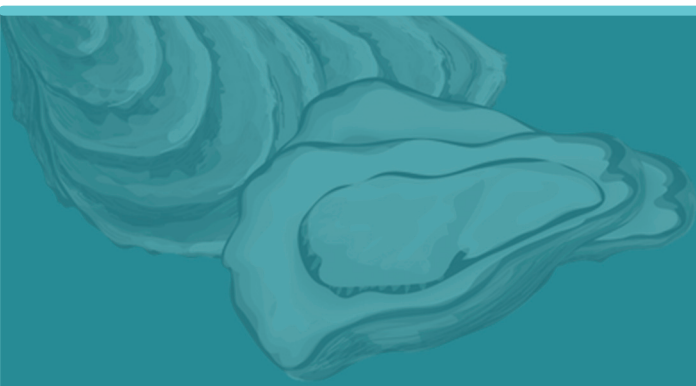
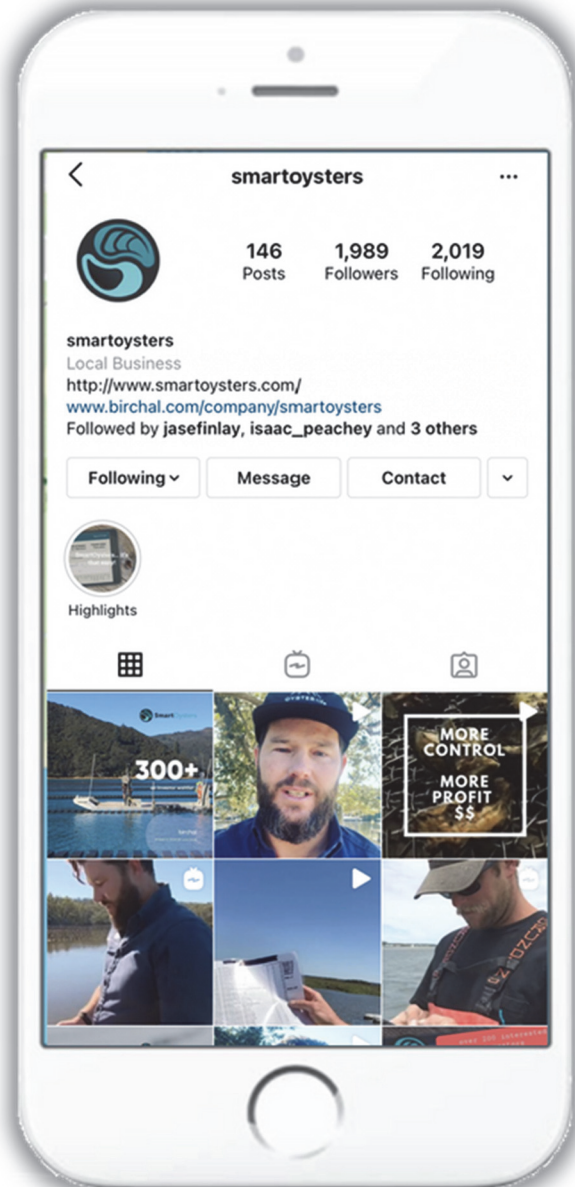


Marketing & Distribution

SmartOysters marketing is primarily a combination of social media and email marketing.

Sales are direct to customers via online subscription signup.

SmartOysters plans to develop a value-added reseller model to expand its global operations.



Market & Competitors

According to the Food and Agriculture Organisation of the United Nations report, “[The State of World Fisheries and Aquaculture 2020](#)”, aquaculture employs approximately 20 million people globally, producing over 114 million tons of produce at a market gate value of approximately USD 260 billion.

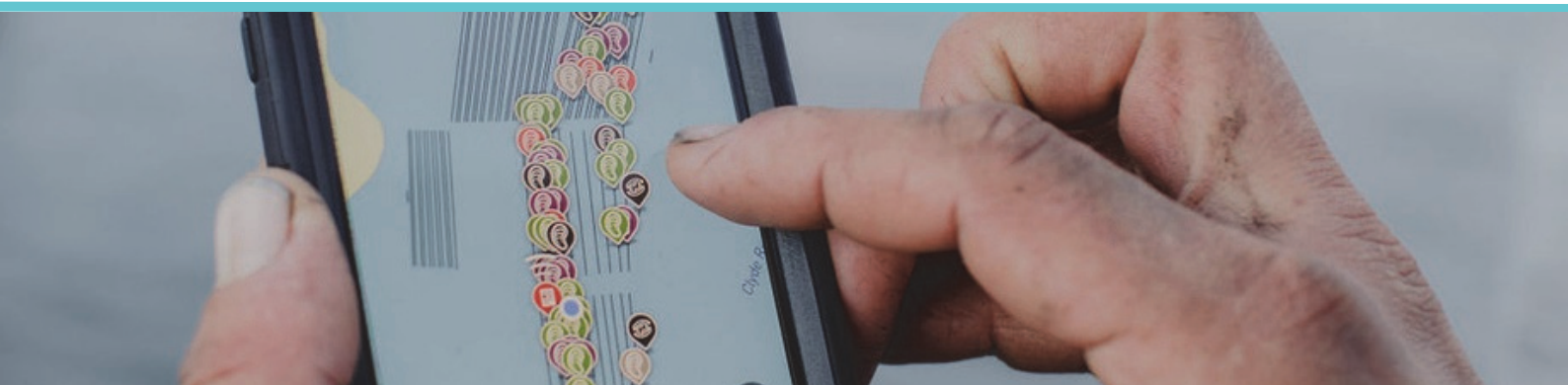
Based on this data, SmartOysters estimate that its addressable markets* comprise about 18,000 oyster farms and 7,000 mussel farms.

SmartOysters has not identified any directly competitive application offering equivalent location and activity functionality on a mobile phone platform in the oyster farming sector or any other aquaculture farming sectors globally.

Competition in the form of alternative applications are focused on the management of product and production, not operations and activities as is the case for SmartOysters.

In the oyster sector, there are a small number of software providers, predominantly serving regional markets. SmartOysters has a global customer base.

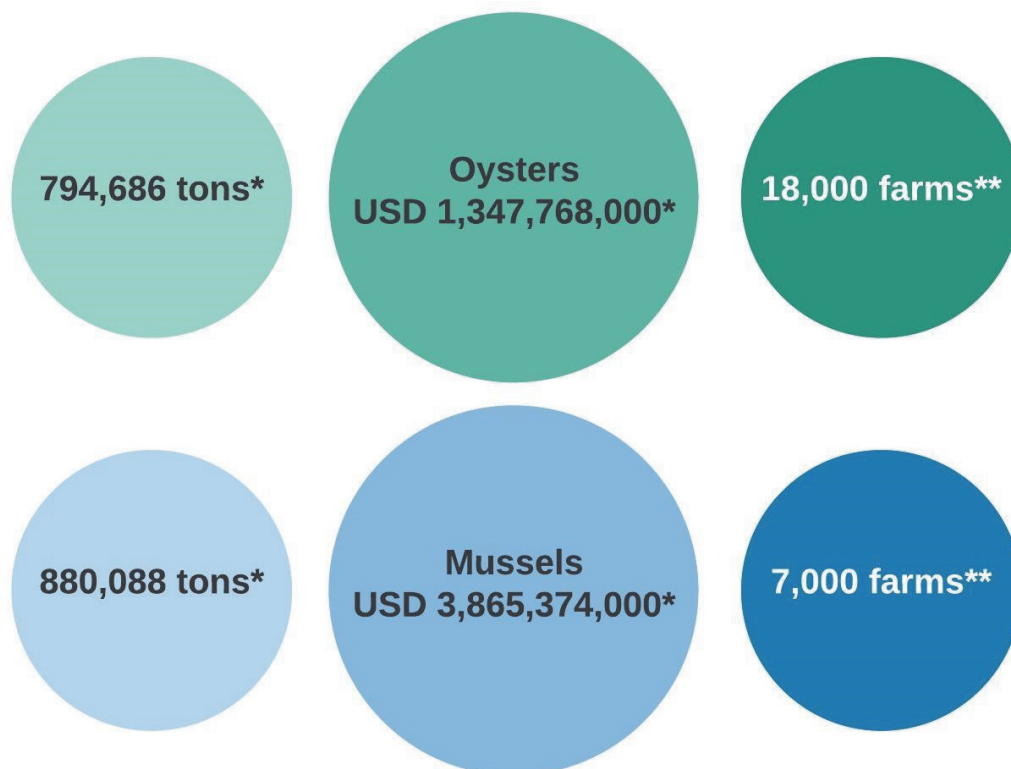
*Australia, Canada, Chile, France, Ireland, Japan, South Korea, Mexico, New Zealand, Spain, United Kingdom, United States. Estimate based on average farm output of 44 tons per oyster farm and 126 tonnes per mussel farm.



2.2.4

Industry Size

2019 Production Statistics

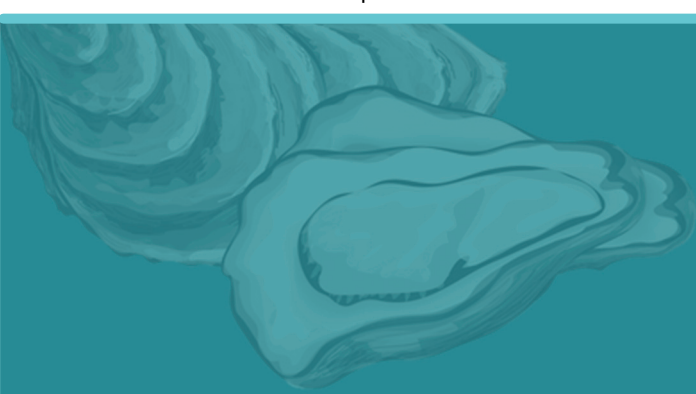


Addressable Markets:

- Oceania: Australia, New Zealand
- Americas: Canada, Chile, Mexico, United States
- Europe: France, Ireland, United Kingdom
- Asia: Japan, South Korea
- Canada, Chile, France, Ireland, Japan, South Korea

* Source: [Food and Agriculture Organisation of the United Nations Fisheries Division – 2019](#)

** SmartOysters Estimate based Estimate based on average farm output of 44 tons per oyster farm and 126 tonnes per mussel farm.



Addressable Market

Seaweed

Seaweed farming is a highly diverse sector in terms of species and markets such food, industrial, carbon sequestration, ocean regeneration and livestock methane reduction.

SmartOysters has not been able to identify any significant sector or sub-sector specific solution providers.

SmartOysters intends to focus on seaweed carbon sequestration farms and farmed-based ocean regeneration as the company may offer the best opportunity to gain first mover advantage in greenfield, high value, high impact markets.



Mussels

Similar to oyster farming, most mussel farms currently use a combination of generic financial, spreadsheet and reporting software.

SmartOysters has not be able to identify significant sector specific solution providers. This has been supported by feedback from mussel farmers.



FinFish

The finfish sector is dominated by large scale industrialised farming operations. That are highly automated and served by established technology and solutions providers for which SmartOysters' labour activity-based value proposition is limited.

Small to medium scale ocean-farmed operations appear to be under-served by farm software solutions.

SmartOysters believes its activity-based approach can offer a unique value proposition for farmers seeking to demonstrate and replicate their sustainability credentials.



2.2.5

Key Differentiators

Functional differentiation

Functionally, SmartOysters' primary differentiation is based on a design that is centred on the management of farm activities and operations - when and how activities are scheduled, how and where they are to be performed, what information needs to be recorded, who is required to perform them and what relevant equipment they involve.

SmartOysters' operational focus means that it can capture farm practices that are unique to each farm, based on their location and environment. By contrast, product-oriented applications seek to standardise production processes.



2.2.5

Key Differentiators

Technical differentiation

To support the SmartOysters farm operations functionality, the software application is mobile, location-aware, real-time, and easy to access and use.

Mobile-first architecture

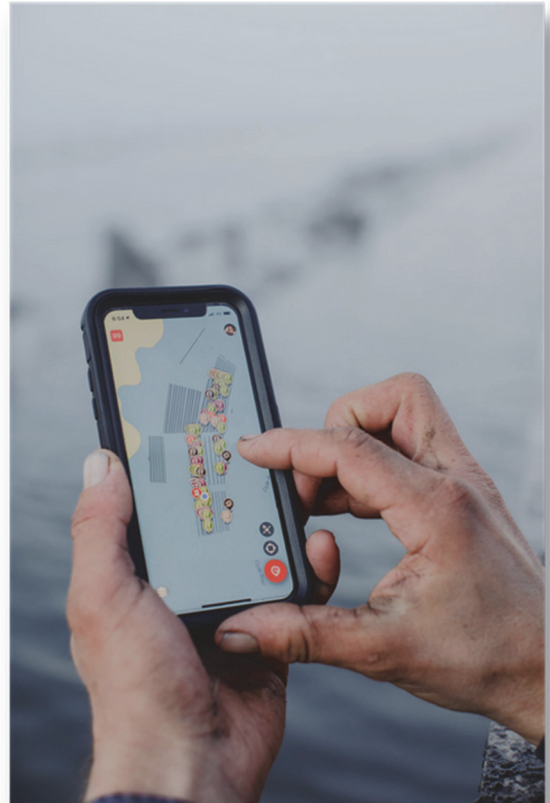
SmartOysters has been developed on a mobile-first basis. In other words, the mobile application does not exist as an extension or representation of another (i.e. laptop) application.

Location-aware

The SmartOysters application uses mobile phone GPS capabilities so that activities can be scheduled and undertaken at specific times and places.

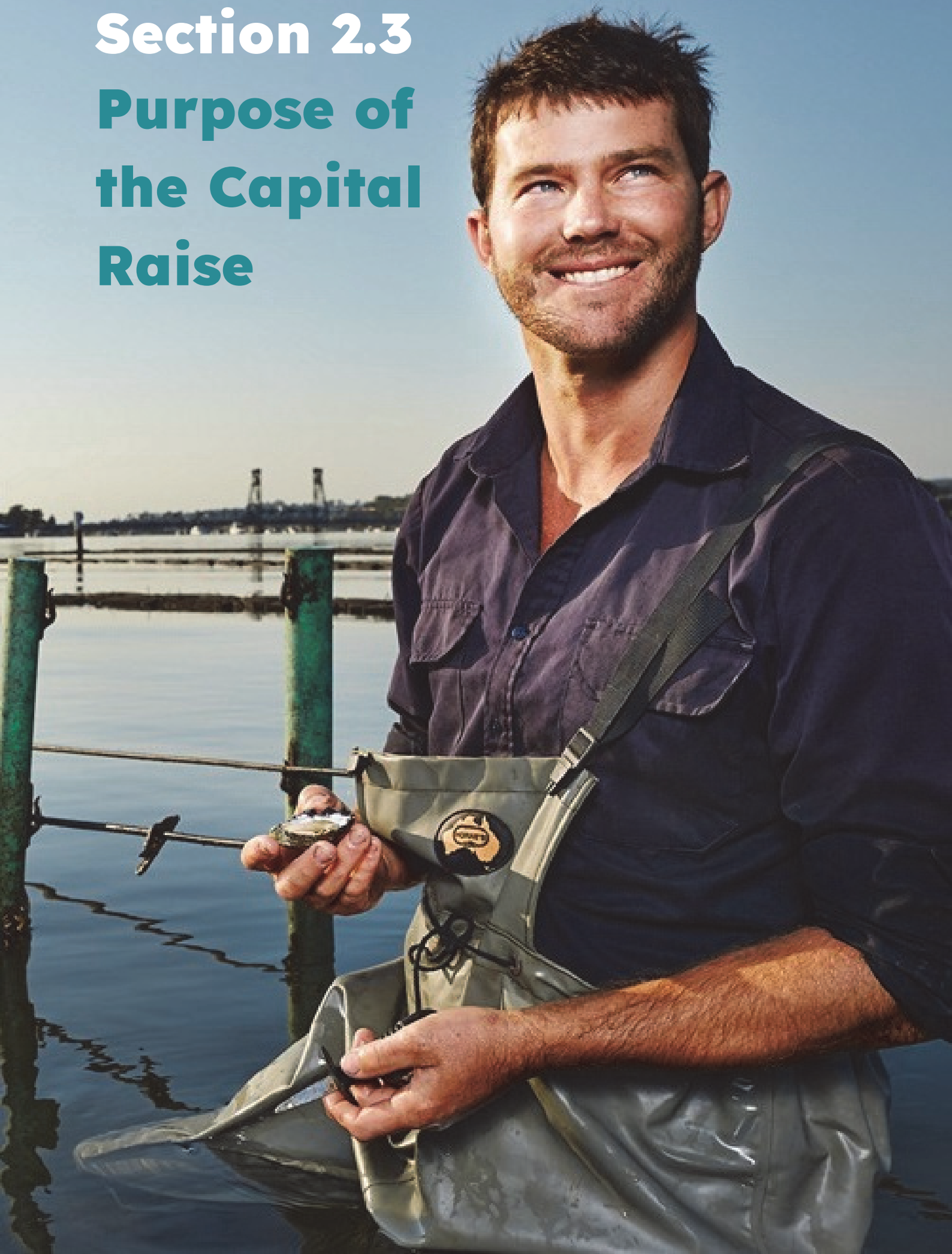
Realtime

Aquaculture farming operations are dynamic and need to be able to quickly react to changing conditions. The SmartOysters application enables activities to be scheduled, rescheduled and monitored remotely so that workers can undertake them in a timely manner on-farm.



Section 2.3

Purpose of the Capital Raise



2.3

Purpose of the Capital Raise

The capital raising will enable the company to grow its sales and marketing capability in order to accelerate customer acquisition and to capitalise on its first to market opportunity to establish a dominant brand profile.

Funds will be used to recruit new sales and customer support employees and to engage marketing services providers.

Software and infrastructure enhancement to support adaptation of its product for other aquaculture sectors will come from future capital raising and planned government grant assistance.



Business & Revenue Model

SmartOysters generates revenues by licencing its software as a service on a monthly subscription basis.

Subscription rates are based on the size and complexity of oyster farm operation.

The success of the company will primarily be based on the size of new customers farms and number of new customers.

We also intend to sell add-on functionality and services including:

- Sensor integration
- Data analytics
- Farm practice models
- Certification and provenance

Capital growth will also result from software development, data integration, and algorithmic processes.

SmartOysters has full beneficial ownership of its application. Its mobile application codebase is licenced from New Zealand company, SaferMe.

SaferMe has provided application development services since SmartOysters founding.

SmartOysters is currently co-funding the redevelopment of the SaferMe codebase, a copy of which and ownership will be transferred to SmartOysters. The company plans to undertake this transition over the next 12-18 months.

SmartOysters' dashboard and reporting functionality is based on Google's Data Studio. The company is developing an enhanced dashboard and reporting functionality using technology licenced from YellowfinBI.

Business Strategy

SmartOysters plans to grow the business by:

- Investing in sales, marketing and customer resources to accelerate sales and capitalising on its first-to-market advantage to establish a dominant corporate profile and brand awareness.
- Entering adjacent aquaculture farming markets by adapting its farm operations application.
- Developing new product functionality to grow average subscription rates.

In order to support these business strategies, we intend to invest in accelerating its product development as follows:

- Undertake collaborative development of minimum marketable products offerings for mussels, seaweed and finfish sectors with selected farming operations.
- Commence development of a multi-sector application platform capable of supporting solution offerings across a wide range of aquaculture sectors.

As the business expands across sectors, the company is likely to achieve scale efficiencies that may provide a path to profitability.

The company plans to use funds raised towards building its sales, marketing and customer support capabilities.

Section 2.6

Organisational Structure



2.6

Directors



Ewan McAsh

CEO Founder

Marine Biologist with 16 years oyster farming experience. Founder, Signature Oysters. Founder, Oyster Life Management. New South Wales Farmer of the Year 2015 (finalist). Nuffield Farming Scholar 2012



James Horton

CTO/COO Founder

Bachelor of Business and Marketing & MBA. 25 years corporate experience in management and analytics teams and business units. 10 years Asia-Pacific (inc Japan) sales and consulting management experience.



Philip Browning Non Executive Director

Philip holds an honours science degree (major environmental science/hydrogeology), post graduate degrees in HRM and IR and a master's degree in Management

Key Executives



Ewan McAsh

CEO Founder

Marine Biologist with 16 years oyster farming experience. Founder, Signature Oysters. Founder, Oyster Life Management. New South Wales Farmer of the Year 2015 (finalist). Nuffield Farming Scholar 2012

Role: Oversee day to day operations and implementation of Business Strategy.



James Horton

COO/CTO Founder

Bachelor of Business and Marketing & MBA. 25 years corporate experience in management and analytics teams and business units. 10 years Asia-Pacific (inc Japan) sales and consulting management experience.

Role: Oversee the development and implementation of Product and Technology Strategy



Matt Parry

SME Advisory Specialist

Master of Commerce in Finance and marketing, CPA. Matt has extensive experience working with start-ups and scale-ups with hardware and software including working with universities on patented technology.

Role: Financial management and planning.

Key Team Members



Col Bridges

Business Development Manager

Colin has more than 29 years' experience working in environmental sector. He holds a BSc Environmental Science & Technology. Colin builds key customer relationships, identifies business opportunities, negotiates and closes business deals.



James Rickard

Lead Developer & Tech Lead

James has 20 years' experience with developing, and deploying web applications. James will be developing SmartOysters further and driving the exciting development of SmartMussels, SmartFinfish and SmartSeaweed apps.



Claire McAsh

Customer Service Manager

Claire has experience with spatial mapping, data management, and oyster farming. Claire helps our farmers get their farm mapped in the app and onboarded to start using as soon as they can.



Dane Pidgeon

Training & Engagement Specialist

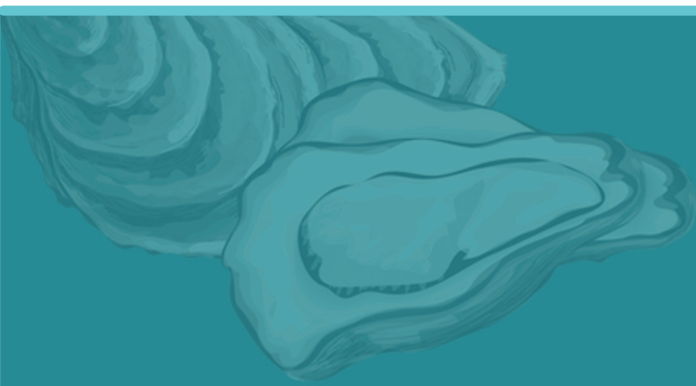
Dane has over 12 years' experience working in application management and support, training, and solutions management. Dane develops and drives our training marketing media tutorial videos.

Capital Structure

As at the date of this Offer Document, the Company has 6,277,284 ordinary shares on issue.

Table 1 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
McAsh Oysters Pty Ltd (Ewan McAsh)	Ordinary	1,820,377 (29%)	\$0
Double IQ Investments	Ordinary	1,537,939 (24.5%)	\$0
Elefantworks Pty Ltd (James Horton)	Ordinary	753,168 (12%)	\$0
Philip Browning	Ordinary	1,192,516 (19%)	\$0
Julie Mills	Ordinary	973,284 (15.5%)	\$0
Total		6,277,284 (100%)	\$0



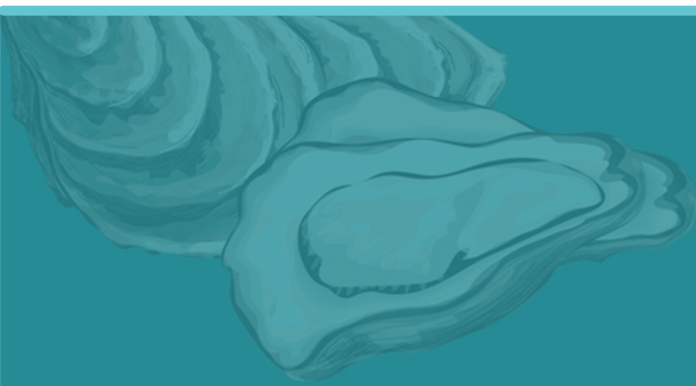
2.7.1

Capital Structure

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

Table 2: Issued capital of the Company following the Offer

Shares	Minimum Subscription	Qualifying Amount *Convertible Notes	Maximum Subscription
Existing Shares	6,277,284 (96.91%)	6,277,284 (85.74%)	6,277,284 (82.64%)
Convertible Notes Issued	0 (0%)	718,634 (9.82%)	718,634 (9.46%)
Offer Shares	AUD 200,000 (3.09%)	AUD 325,000 (4.44%)	AUD 600,000 (7.90%)
Total Shares	6,477,284 (100%)	7,320,918 (100%)	7,595,918 (100%)



2.7.2



Debt Funding and Other Sources of Funding

Convertible Notes: As of the date of this offer SmartOysters has \$583,784.80 in convertible notes issued. Terms of the note are as follows; 2 year term, 6% interest and 20% discount at a valuation cap of USD\$3.95 million. These notes will automatically convert to equity at a capital raise value above USD\$250,000.

Convertible Notes with a combined value of \$225,000 were issued to: Aotearoa Fisheries Limited, Julie Mills, Ozymandias Investments and Pinery Capital Pty Ltd between the preparation date of the Financial Information ending 30 April 2021 and issuing this document. These Convertible Notes are included in Table 2 above and not in the Balance Sheet in section 2.9.1.

Start Up Loan: As of the date of this offer SmartOysters has a Start-up loan Epicorp Pty Ltd. This unsecured loan to the value of AUD\$250,000 is payable on the 30th of September 2022 with interest of 15% per annum.



Rights and Liabilities Associated with Securities

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

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

Ordinary Shares

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

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

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

Options

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

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

Rights and Liabilities Associated with Securities

the Board to implement the contemplated ESOP in the future.

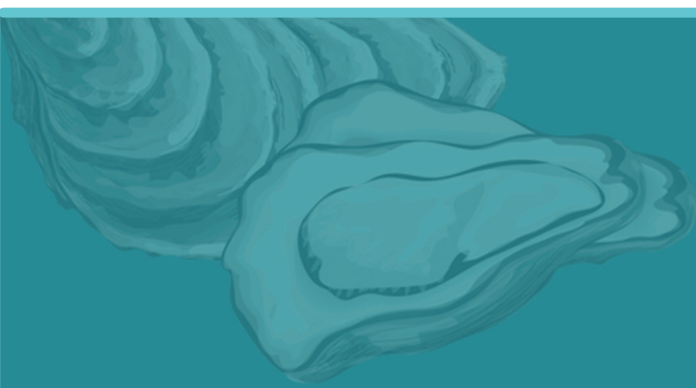
Shareholders Agreement

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

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

Other Rights

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



Risks Facing the Business

An investment in Smart Oysters Pty Ltd should be seen as high-risk and speculative. A non-exhaustive list and 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).

Limited trading history

The Company was incorporated in 2016 and has a limited operating history. Accordingly, the Company intends to build the business with the funds raised through this crowd-sourced funding offer.

Cash flow risk

The Company's operating activities involve a series of cash inflows and outflows. Although the Company seeks to manage its cash flow efficiently, there is a risk that the Company may not have sufficient cash or working capital, at times, to fund both its operations and its expansion plans. This could affect the Company's profitability, future prospects, and its ability to meet its business objectives.

The financial viability of its customers due to adverse weather and severe environmental conditions may impact their ability to pay licence fees. These factors may also impact the company's ability to acquire new customers.

Funding risk

The Company is in the process of raising funds to achieve its strategic business objectives and to cover its projected operating expenses. The Company may not raise all of the required funding and therefore not achieve all of its business objectives.

Risks Facing the Business

This means that, the current cash reserves (plus any proceeds of the Offer) may not provide the Company with sufficient cash or working capital. Accordingly, the Company may need to obtain additional funding in the future.

There is no assurance that the Company will be able to obtain additional rounds of funding on substantially the same terms as outlined in this Offer Document or at all. The Company's value may be materially affected if the required additional funding is not available.

Finally, where funding activities occur, a shareholder's interest may be diluted (if they do not participate in future fundraising).

Competition risk

The market demand for the Company's software solution is relatively unproven as the Company operates in new and emerging markets. The Company is aware that there are moderate barriers to entry in its chosen market and that this could give rise to new and unknown competitors. If the Company is unable to successfully compete with existing and/or new competitors, this would have a negative impact on the revenue, profitability and future prospects of the business.

Insolvency risk

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

Key-person risk

As an early-stage technology business, the business is susceptible to the untimely loss of key personnel who are considered critical to the success of the Company.

Risks Facing the Business

If key personnel were to leave the organisation, they would need to be replaced in a timely fashion in order for the Company to achieve its business objectives.

Additionally, the Company may fail to attract key personnel that are critical to the Company's growth and performance. Any delay in recruiting key personnel may have a significant adverse impact on the management of the Company, and may, in turn, have adverse impacts on financial performance.

Technology risk

The Company uses a number of sales, marketing and member communication technology solutions. Despite the Company's measures to effectively manage these systems and risks, if any of these technologies were to fail without notice, it could interrupt the Company's ability to sell or communicate with customers, which could have a direct impact on revenue and profitability.

Additionally, as a technology business, the Company collects a significant amount of customer data including inventory and operating asset data. There is a risk that a data breach may occur. If such an event was to occur, the Company's business and its reputation may be adversely impacted.

Startup risk

As an early-stage business, the Company is subject to all of the risks associated with early-stage companies, including uncertainty around the volume and origin of revenue streams and the size and existence of the Company's target market. In particular, the Company is not yet profitable and is yet to generate revenue through certain anticipated revenue streams.

Risks Facing the Business

The Company has developed a business plan to mitigate this risk. That being said no assurance can be given that the Company will achieve commercial viability through the implementation of its business plan.

Brand risk

If the Company does not maintain consistent levels of quality and service in its offering, the Company's brand and reputation could be damaged. In an increasingly connected world, damage to a company's brand and reputation can be catastrophic. The Company is acutely aware of this risk and is vigilant to ensure that it maintains a consistently high level of product quality and customer service.

Regulatory risk

If the legislative or regulatory regime changes, the Company's platform and business model may require alteration. There will be cost and time implications to alter designs to comply with any revised standards. The Company's value may be materially affected by such regulatory changes.

Intellectual property risk

The protection of the Company's intellectual property is critical to our business and commercial success. If we are unable to transfer, 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.

New intellectual property risk in relation to the protection of data assets and associated algorithmic processes. The company intends to address these risks through the data protection and governance agreements

Risks Facing the Business

and, where applicable, via patents.

Market

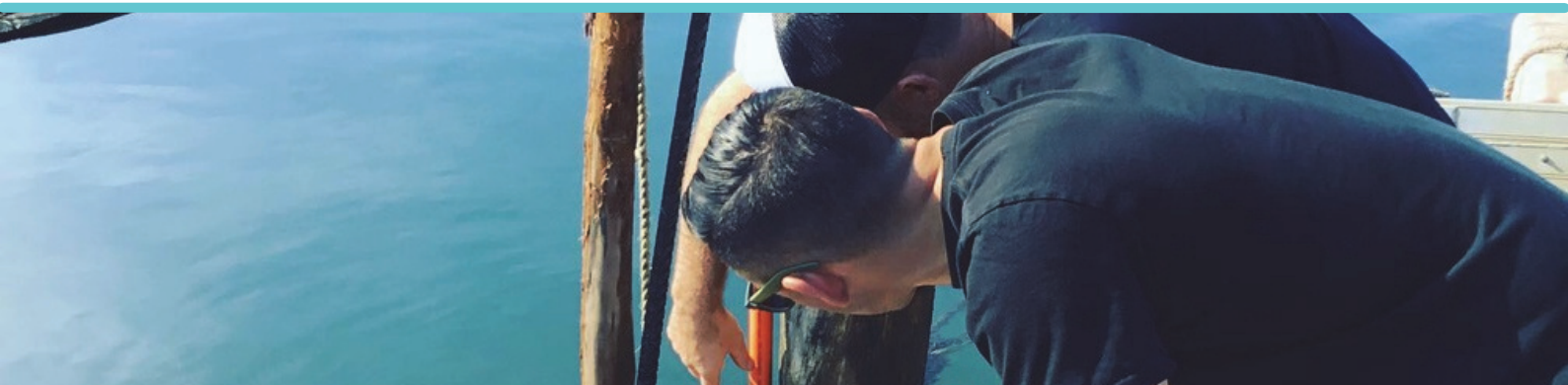
As the Company operates in a new market with few alternate software solution providers, the cost of customer acquisition and the value proposition of the software adoption rates are difficult to assess or predict. The Company's ability to meet its objectives may require the Company to be agile and respond quickly to shifts in demand or customer feedback. The Company is aware of the risk that failure or delay to adapt to changing circumstances or customer demands may negatively impact its performance.

Third-Party Software

The Company licences software from Third Parties to provide some application functionality. If the Company is unable to secure the continued use of these software solutions on commercial terms acceptable to the Company (or find and secure alternate software solutions), the development of the product may be disrupted, and the Company may not be able to provide the intended functionality to users.

Financial Information

Below are the financial statements of the Company for the financial year ended 30 June 2020, which have been prepared in accordance with the Accounting Standards. Financial information for the 10 months ended 30 April 2021 have also been included, based on management accounts, and accordingly may be subject to change.



2.9.1

Balance Sheet

Balance Sheet

Smart Oysters Pty Ltd

Account	30 Apr 2021	30 Jun 2020
Assets		
Bank	9,734	11,402
Current Assets		
Accounts Receivable	0	3,100
Payments Clearing Accounts	1,116	(35)
Prepayments	12,295	0
Other Current Assets	3,750	0
Total Current Assets	17,161	3,065
Fixed Assets		
Computer Equipment	134	0
Software Pool	174,017	35,417
Total Fixed Assets	174,151	35,417
Non-current Assets		
Tangible Assets - Patents & Trade & Marks Research	318	318
Total Non-current Assets	318	318
Total Assets	201,364	50,202
Liabilities		
Current Liabilities		
Accounts Payable	200,446	160,926
Tax Payable	(25,273)	(13,861)
Other Current Liabilities	4,516	99
Employee Benefit Provisions	10,469	1,202
Total Current Liabilities	190,158	148,366
Non-current Liabilities		
Loans	255,454	0
Issued Convertible Notes	288,731	0
Total Non-current Liabilities	544,184	0
Total Liabilities	734,343	148,366
Net Assets	(532,979)	(98,163)
Equity		
Current Year Earnings	(434,816)	(223,249)
Issued Capital	164,120	164,120
Retained Earnings	(262,284)	(39,035)
Total Equity	(532,979)	(98,163)

Note to the Financials: Convertible Notes with a combined value of \$175,000 were issued to: Aotearoa Fisheries Limited, Julie Mills, Ozymandias Investments and Pinery Capital Pty Ltd between the preparation date of the Financial Information ending 30 April 2021 and issuing this document.

These Convertible Notes are included in Table 2 of section 2.7.2 and not in the Balance Sheet.

Profit and Loss Statement

Profit and Loss

Smart Oysters Pty Ltd

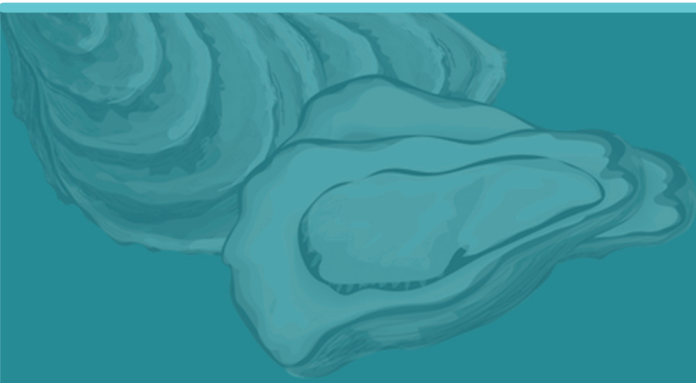
Account	Jul 2020-Apr 2021	2020
Trading Income		
Subscription Revenue	31,617	18,556
Establishment Fees	20,000	89,227
Total Trading Income	51,617	107,782
Cost of Sales		
Software Licence Fees	30,533	(573)
Total Cost of Sales	30,533	(573)
Gross Profit	21,084	108,355
Other Income		
Government Payments	40,500	24,500
Grant Income	22,462	32,352
Non-operating Income	0	44,179
Total Other Income	62,962	101,031
Operating Expenses		
Accounting and Legal	22,267	10,070
Capital Raising Expenses	2,915	0
Consulting Services General	18,600	6,258
Contractor Expenses	103,985	30,480
General and Administration	38,359	51,122
Travel and Accommodation	147	58,087
Marketing and Advertising	25,534	44,314
Software Application & Support Services	77,777	109,892
Employment Expenses	229,278	122,413
Total Operating Expenses	518,861	432,634
Net Profit	(434,816)	(223,249)

Statement of Cash Flows

Statement of Cash Flows

Smart Oysters Pty Ltd

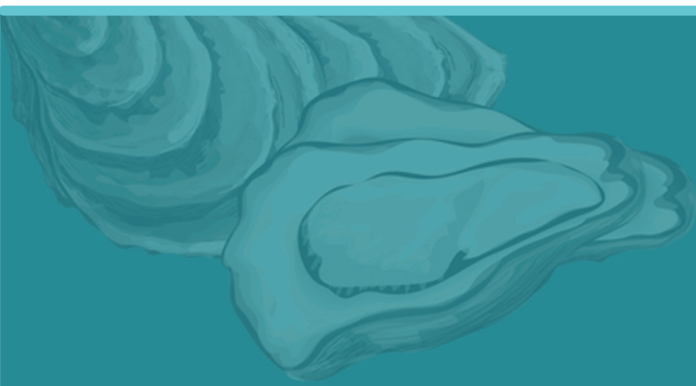
Account	Jul 2020-Apr 2021	2020
Operating Activities		
Receipts from customers	\$54,411	\$109,233
Payments to suppliers and employees	-\$555,954	-\$287,103
Cash receipts from other operating activities	\$83,443	\$107,746
Cash payments from other operating activities	-\$624	-\$12,311
Net Cash Flows from Operating Activities	-\$418,724	-\$82,435
Investing Activities		
Payment for property, plant and equipment	-\$138,734	\$1,476
Other cash items from investing activities	-\$17,196	\$319
Net Cash Flows from Investing Activities	-\$155,930	\$1,795
Financing Activities		
Other cash items from financing activities	\$572,986	\$2,635
Net Cash Flows from Financing Activities	\$572,986	\$2,635
Net Cash Flows	-\$1,668	-\$78,005
Cash and Cash Equivalents		
Cash and cash equivalents at beginning of period	\$11,402	\$89,408
Net change in cash for period	-\$1,668	-\$78,005
Cash and cash equivalents at end of period	\$9,734	\$11,402



2.9.4

Statement of Changes in Equity

Movements in Equity		
Smart Oysters Pty Ltd		
Account	Jul 2020-Apr 2021	2020
Equity		
Opening Balance	(98,163)	125,085
Current Year Earnings	(434,816)	(223,249)
Total Equity	(532,979)	(98,163)



Management Comments on Historical Performance and Outlook

Subscription revenue more than doubled over the past 12 months but was weaker than expected likely as a result of external factors including: COVID-19's impact on the Gulf States in the USA, the 2020 bushfires on the east coast of NSW, and more recently the floods in NSW. Scalability of sales, onboarding and technical capability substantially improved over this time to cater for international expansion and a substantial increase in customers more generally. The discovery phase of the pilot mussel application of SmartOysters was completed over this time validating the future use for mussels and seaweed applications.

The company's goal is to attract a substantive position in the 18,000 oyster farm addressable market*. The revenue model will continue to be subscription based and billed monthly providing: certainty of cash flows, better understanding and management of client retention, and greater ease of expense management. Planned product development will include more efficient customer on-boarding and management to support of a much larger number of clients. The result of this is expected to be improved efficiency, scalability and increased profitability. The company intends to leverage product development to acquire customers in other aquaculture sectors.

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

*Estimate based on average farm output of 44 tons per oyster farm and 126 tonnes per mussel farm.

Section 3

Information about the Offer



3.1

Terms of the Offer

Smart Oysters Pty Ltd is offering up to 600,000 shares at an issue price of \$1 per share to raise up to \$600,000. The key terms and conditions of the Offer are set out below.

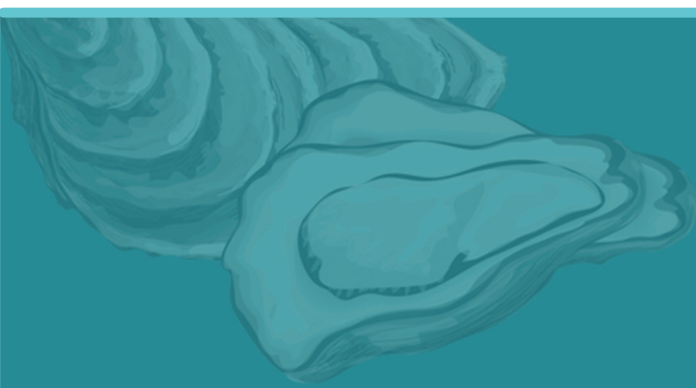
A description of the rights associated with the shares is set out in Section 3.3.

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.

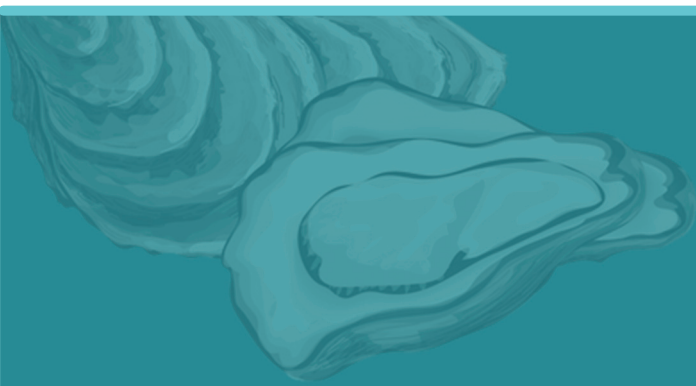
Investors may withdraw their application during the Cooling-off Period. Further information on investor cooling-off rights can be found in Section 4 of this CSF offer document.

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



3.1

Term	Details
Shares	Fully-paid ordinary shares
Price	\$1 per share
Minimum Subscription	\$200,000
Maximum Subscription	\$600,000
Minimum parcel size	\$100
Opening date	1/06/2021
Closing Date	17/06/2021

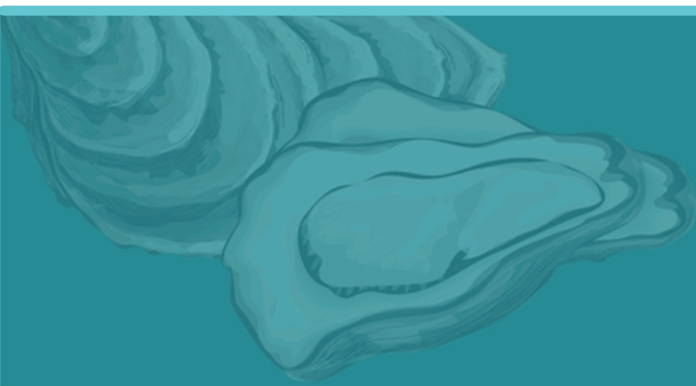


3.2

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	2022FY Minimum Subscription \$200,000	2022FY Maximum Subscription \$600,000
Sales, customer services and support personnel including overheads	\$100,000	\$300,000
Digital marketing and communication personnel and or services including overheads	\$85,200	\$100,000
Global industry relations and partner development personnel and/or services including overheads		\$161,200
Offer Costs	\$14,800	\$38,800
Total	\$200,000	\$600,000



Use of Funds

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 costs including legal and accountancy advice, specifically for this raise, are to be paid.

No payments will be made to directors or senior executives.

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

We expect that the Maximum Subscription amount will be sufficient to meet the Company's short-term objectives over the next 18-24 months.

If only the Minimum Subscription amount is raised, the Company will require further funding to be able to carry out our intended activities over the next 12-18 months. In such circumstances, the Company may consider undertaking a further CSF offer under the CSF regime. Until additional funding is obtained, we will scale back sales, marketing and partner development in relation to non-oyster farming sectors and continue to focus our cash resources on growing market share in the oyster farming market.

3.3



Rights Associated with the Shares

Immediately after issue, the shares will be fully-paid shares. There will be no liability on the part of shareholders and the shares will rank equally with the shares currently on issue.

The rights associated with the shares are set out in the Company's constitution. 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 under clause 18 of the Company's Constitution and may resolve to pay dividends, subject to their obligations under the Corporations Act (for example, they cannot pay dividends unless the Company's assets are sufficiently in excess of its liabilities immediately before the dividend is declared and where it may materially prejudice the Company's ability to pay its creditors).

3.3.3

General Meetings and Notices

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

- Directors have the power to call meetings of all shareholders or meetings of only those shareholders who hold a particular class of shares.
- Shareholders may requisition the holding of a general meeting in accordance with the Corporations Act 2001 (and the Directors must call that general meeting as soon as practicable after receiving that requisition).

3.3.4

Election and Removal of Directors

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

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

3.3.5

Winding Up

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

3.3.6

Pre-emptive Rights on Issue of Shares

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

3.3.7

Disposal of Shares

PRE-EMPTIVE RIGHTS ON THE SALE OF EXISTING SHARES

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

Permitted Transfers include, a transfer of shares:

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

Restrictions on sale or transfer under the Corporations Act and Constitution

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

The Company's Constitution also outlines certain rules and processes pursuant to which you may dispose of your CSF Shares.

Drag Along

Pursuant to clause 11.6 of the Constitution, where Members holding more than 70% of the Shares in the Company receive an offer from a third party to acquire all of the issued shares in the Company, those Members may require all other Members of the Company to sell their Shares to that third party.

Tag Along

Similarly, where parties holding at least 70% of the issued Share capital in the Company intend to sell their Shares to a third party, then any Members (other than those who intend to sell) will have the right to tag along pursuant to clause 11.5 of the Constitution.

What Can I Do With My Shares?

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

- A trade purchase of the Company
- A listing on a registered stock exchange (e.g. the ASX)
- A private equity investment in the Company
- A share buy-back by the Company

While the above options may eventuate, no such transactions have been proposed and there is no guarantee that any of these exit options will eventuate.



Early Stage Innovation Company

From 1 July 2016, if you invest in a qualifying early stage innovation company (ESIC), you may be eligible for tax incentives. The incentives provide eligible investors, who purchase new shares, with:

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

More information about the ESIC regime is available from the ATO website here:

<https://www.ato.gov.au/Business/Tax-incentives-for-innovation/In-detail/Tax-incentives-for-early-stage-investors/>

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

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

3.6

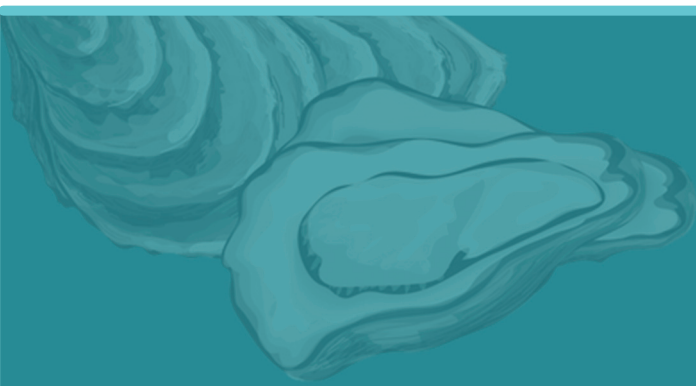
Investor Rewards

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

The table below sets out the investor rewards based on the amount invested.



Investment	Reward
\$0 - 2,500	5% off one order at www.signatureoysters.com.au (delivered to your door)
\$2,501 - 5,000	10% off one order at www.signatureoysters.com.au (delivered to your door)
\$5000 - 10,000	SmartOysters cap + 10% off one order at www.signatureoysters.com.au (delivered to your door)
\$10,001 +	SmartOysters cap + 5 dozen Signature Oysters with oyster knife (delivered to your door)



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.

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

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.

4.2



The Company and/or the Intermediary will also be able to respond to questions and comments posted by investors.

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

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

4.3

Proprietary Company Corporate Governance Obligations

4.3.1

Annual Report

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

Our financial reports are currently not required to be audited as we are a small proprietary company.

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

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

4.3.2

Distribution of Annual Report

The Company is not required to notify shareholders in writing of the options to receive or access the annual report. Shareholders will not be able to elect to receive a copy of the annual report by way of email or post. However, shareholders can access the annual report on the Company's website at the following address <https://smartoysters.com/> 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

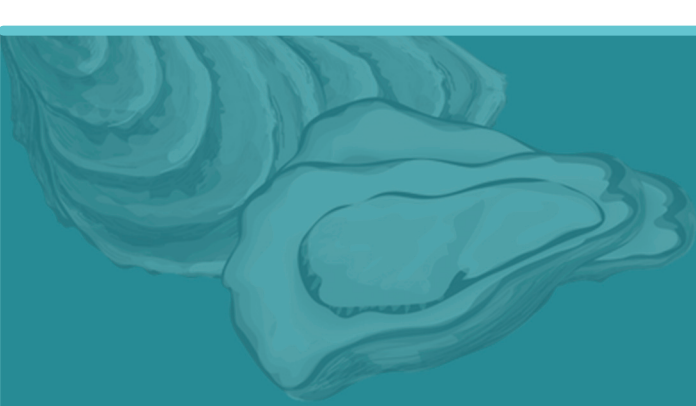
If we successfully complete this Offer and have more than 50 shareholders, the takeover rules in the Corporations Act will only apply to the Company in a very limited way. If someone wants to buy more than 20% of the voting shares in the Company, they will be able to do so without complying with the 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.smartoysters.com via the Company's share registry website at the following address www.cakeequity.com and via the Intermediary's platform.



Glossary

Company means Smart Oysters Pty Ltd ACN 616145683.

Cooling-off Period means the period ending five business days after an application is made under this Offer, during which an investor has a right to withdraw their application and be repaid their application money.

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

Intermediary means Birchal Financial Services Pty Ltd AFSL 502618.

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

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

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

Retail Investor has the meaning given to the term “retail client” under the Corporations Act.

