



# CROWD-SOURCED FUNDING OFFER DOCUMENT

9 November 2021



Offer of fully-paid ordinary shares in NudeHerbs 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 NudeHerbs Pty. Ltd. This Offer is made under the CSF regime in Part 6D.3A of the Corporations Act 2001 (Corporations Act).

**ISSUER:**

NudeHerbs Pty. Ltd.

ACN 622754554

**INTERMEDIARY:**

Birchal Financial Services  
Pty. Ltd.

AFSL 502618





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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 Founder

My name is Dr. Ali Karami, and I am a Research and Development Scientist. I have dedicated my entire life to helping people improve their physical, mental, and emotional health and live their best lives by making wise choices that empower their health.

On behalf of the entire team, we are incredibly excited to share with you the opportunity to become a shareholder in NudeHerbs and be part of our success in revolutionizing the food and beverage industry.

Academics say our food system is broken. Their proposed solution includes valuing nutritious food over cheap food (InterAcademy Partnership Report 2018)<sup>1</sup>. As a Research and Development scientist with years of experience in the food and beverage industry, I am deeply bothered to see how people waste their money on foods and beverages that have no positive impact on their health and wellness. Because of this, and having secret recipes passed on to me through generations, I decided to combine the wisdom of ancient civilizations and modern science to create genuinely healthy and tasty products.

NudeHerbs tonics tick all the boxes of genuinely healthy products. This includes using freshly brewed herbs and flowers, effective concentrations of herbs and flowers, no added sugar or artificial additives, fully plant-based products, and being primarily made of certified organic herbs and flowers. NudeHerbs has gone through an extensive R&D program. Over 3000 respondents and 90 sensory testing sessions resulted in at least 2 viable products within 30 months of product development and market research to create one of the finest quality health beverages in the market.

We are just getting started. We have a massive expansion plan to bring more healthy and tasty food and beverages to the global market.

Now it's time to take things to the next level, but we need your help! Your investment will allow us to ramp up our production, which enables us to place our tonics in at least 1000 stores Australia-wide within the next 18 months, increase our marketing initiatives, and hire more team members.

This is a golden opportunity for those who want to own a piece of an authentic health food and beverage brand. So, be wise! Be a part of our fast-growing brand as a shareholder.

### Dr. Ali Karami

Founder & CEO

<sup>1</sup><https://bit.ly/3CxbZfl>

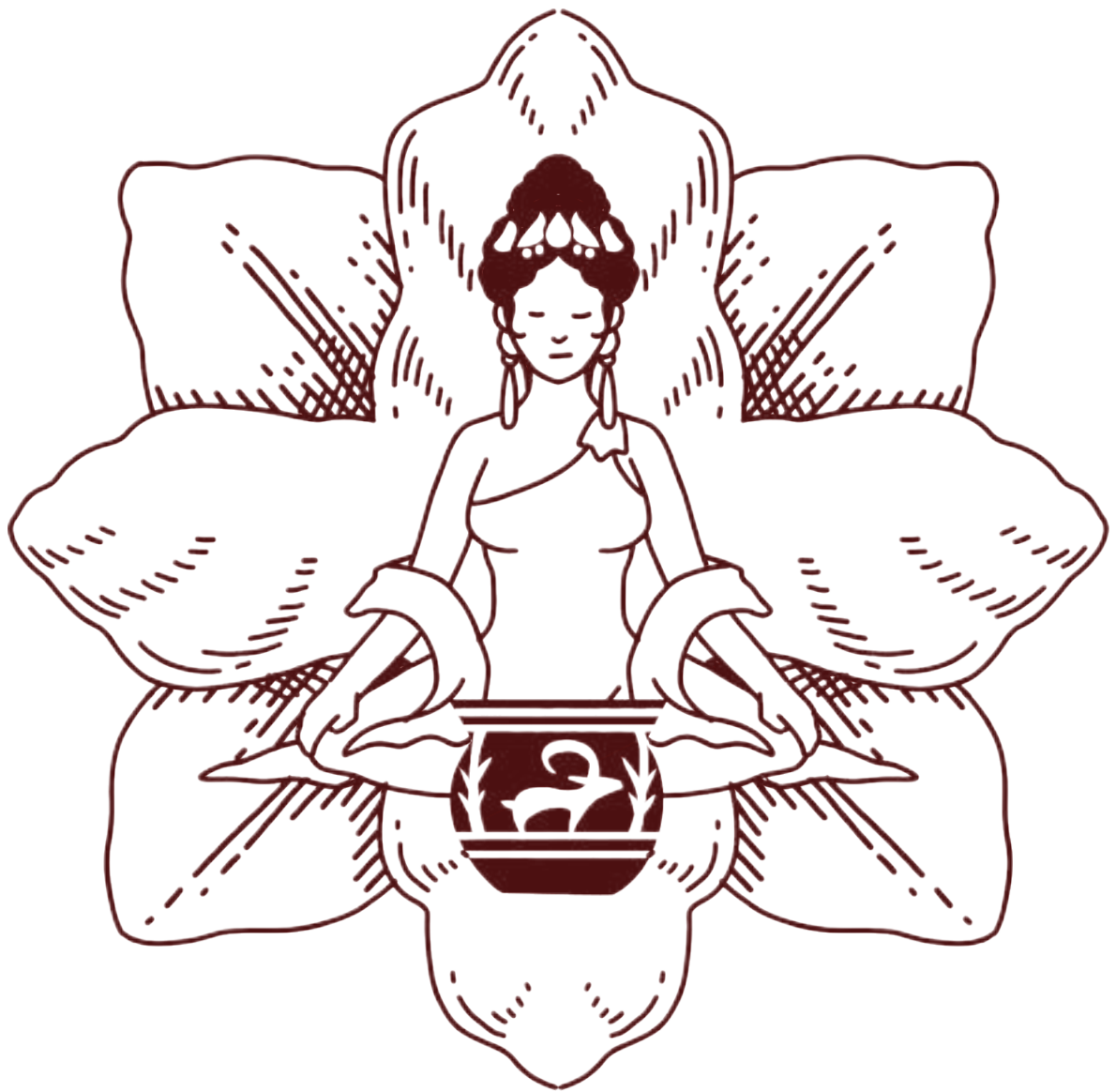


## Mission

To bring ancient wisdom and medicine to modern societies by disrupting the food and beverage market with naturally delicious and ethically produced products that create powerful results for wellbeing.







## 2.1 COMPANY DETAILS

### Company name

NudeHerbs Pty. Ltd.  
ACN 622754554

### Registered office

9/9 Melaleuca Drive, Cheltenham,  
VIC 3192, Australia

### Date of incorporation

15.11.2017

### Place of business

9/9 Melaleuca Drive, Cheltenham,  
VIC 3192, Australia

### Trademarks (Australia)

1897059 (Name)  
2049638 (Logo)





## NUDEHERBS VALUES<sup>1</sup>



### 1 Tradition and Science

At NudeHerbs, we take pride in our ancient recipes while employing the advanced science to adjust them for the modern lifestyle.

### 2 Clarity and Respect

At NudeHerbs, we believe you have the right to know what you are putting in your body. We believe in respecting the consumer by being 100% transparent about the ingredients we use.



### 3 Environment and Sustainability

Nudeherbs can only be consumed in 100% recyclable glass bottles. Additionally, our ingredients (herbs and flowers) are only produced through sustainable farming.



<sup>1</sup>More info: <https://nudeherbs.com.au/nudeherbs-logo-and-values/#values>



## 2.2 DESCRIPTION OF THE BUSINESS

### 2.2.1 ABOUT THE COMPANY

#### Ancient wisdom for modern societies

The global food system is broken and the way to fix it is to focus on nutritious food rather than cheap food (InterAcademy Partnership Report 2018)<sup>1</sup>. To make production quick and less costly, almost all herbal-based beverages in the market are a mix of commercialized herbal extracts, water, and other additives. We believe healthy foods were made by the ancient civilizations who thrived and prospered for centuries without the intervention of artificial chemicals. NudeHerbs is an Australian company bringing together tradition and science, creating the first naturally brewed herbal and floral tonics. This results in more nutritious and delicious products. NudeHerbs tonics were first developed and used in 3200-2350 BCE by an advanced civilization inhabiting the Burnt City. Each bottle of NudeHerbs contains high concentrations of real herbs and flowers (between 5000 and 5500 milligrams), making them effective in producing health benefits.

#### NudeHerbs delivers on the promise that functional beverages have been making, but failing to live up to

The existing marketed herbal-based beverages have two main weaknesses. First, they are made from commercialized herbal extracts which are not fully natural. Second, they contain insufficient amounts of herbs. The combination of these two factors means that in most cases the promised health benefits are not experienced by the consumers.

<sup>1</sup><https://bit.ly/3CxbZfl>



To solve these problems, NudeHerbs uses a four-step ancient brewing technique to freshly brew between 5000 and 5500 milligrams of herbs and flowers per bottle. These nutritious brews are then turned into smooth and low-sugar (and no-added sugar) fruity flavoured tonics by mixing them with premium quality natural ingredients. NudeHerbs tonics are naturally healthier and more flavourful than other herbal beverages in the market.

## 2.2.2 PRODUCTS

Currently, we have three functional tonics in our product range, with another to be added to the portfolio in mid-2022. However, since our vision is to become the world leader in functional food and beverages, we have plans to add more innovative categories of functional food and beverages into our portfolio.

### Shelf life

Our tonics currently have a 12-month shelf life. We expect a longer shelf life when we start using our contract manufacturer, who is equipped with a state-of-the-art production facility.

**Our existing range:**



### Cleanse tonic<sup>1</sup>

Undo the negative impacts of your lifestyle with 5500 mg of six primarily organic herbs (Dandelion root and leaf, Coriander, Nettle, Marjoram, and Ginger)<sup>2</sup>. Cleanse is a flavourful sweet and sour beverage with mild spicy notes of ginger and cayenne pepper combined with fresh lemon and lime. One bottle of Cleanse contains less than 0.1g sugar, and 31 Cal per bottle.

<sup>1&2</sup>Read more: <https://nudeherbs.com.au/cleanse/>







## Focus tonic<sup>3</sup>

We lead busy lives and sometimes there are days when we need to sharpen our senses. We have combined 5000 mg of six primarily organic herbs (Ginkgo biloba, Turmeric, Siberian ginseng, Sage, Rosemary, and Green tea), each traditionally known to improve focus and cognitive function<sup>4</sup>, into this flavoursome beverage. Focus has a refreshing pineapple flavour, is low in natural sugar and contains no-added sugar. Its distinct orange colour is from the brewed turmeric.

## Relax tonic<sup>5</sup>

Unwind and kick back with a beverage formulated from a bouquet of 5000 mg of six primarily organic herbs flowers (Lemon balm, Passionflower, Holy basil, Damiana, Hops, and Hibiscus). Relax has a very unique flavour, layers of flowers finished with tropical mango, is low in natural sugar and has no-added sugar. The colour of the Relax tonic is mainly due to the presence of brewed pink hibiscus flowers.



<sup>3&4</sup>Read more: <https://nudeherbs.com.au/focus/>

<sup>5</sup>Read more: <https://nudeherbs.com.au/relax/>



### 2.2.2.1 KEY PRODUCT ATTRIBUTES<sup>1</sup>

#### ● Brewed herbs and flowers/NO Herbal extracts

NudeHerbs is the first Australian company producing beverages from brewed herbs and flowers, and we're proud to say we're following our secret family recipes handed down from generation to generation. Brewing herbs naturally brings a wide range of nutrients out of the herbs and creates beverages with a premium flavour profile.

There are many stories in the media of individuals who have taken so-called “natural” products while in fact they were made of herbal extracts. Of course, certain compounds can benefit our body if taken at a moderate dosage. However, many of these stories involve an extreme dosage (i.e. herbal extracts) which would never appear in the actual herb. Moreover, the extraction process can bring certain compounds out of the herb tissue while leaving others behind, turning something which should be beneficial for you to consume into a product which can create a health issue.




#### ● Primarily organic herbs and flowers

At least 70% of the herbs and flowers used in NudeHerbs tonics are Certified Organic. At this stage, we cannot make our products with 100% organic herbs and flowers because currently their supply is extremely inconsistent.

<sup>1</sup><https://nudeherbs.com.au/nudeherbs-logo-and-values/#features>







## ● Effective concentration of herbs & flowers

There is a minimum dosage level from everything we consume to have a positive impact on our body. For example, you won't benefit from the nutrients in a carrot if you only eat a single bite!

Currently, there isn't a legal threshold level in law to allow products to be claimed as herbal foods/drinks. This creates a problem for consumers who want to purchase food and drink which have a positive benefit for their health. Therefore, at NudeHerbs, we take pride in adding a high level of herbs to our beverages. A 350mL bottle of NudeHerbs tonic contains between 5000 and 5500 milligrams of real herbs and flowers.





## ● Natural fruity flavours

We use the highest quality natural fruit flavours, creating tonics that appeal to a wide range of consumers.



## ● NO added sugar

Although consumers have a significant tendency to drink sweet beverages, the adverse impacts of sugar on our body are widely known. Since consumers still desire sweet tasting beverages, NudeHerbs has created a low-sugar, sweet taste which is free from any processed sugar or artificial sweeteners.

We employ a multi-step, natural, state-of-the-art production process, which adds a delicious sweet and appetizing taste for consumers while keeping the sugar contents in our beverages low. The total sugar content in NudeHerbs beverages is less than 2.5g per 100mL of beverage. The small sugar content is natural sugar and is from the added fruit juice. We use the low-calorie natural sweetener Monk fruit (*Siraitia grosvenorii*), which is a rich source of antioxidant mogrosides. Finally, two other natural sweeteners (steviol glycosides and erythritol) are added to our beverages to balance the flavour.





## ● No artificial additives

Despite the proven negative health impacts of different artificial ingredients<sup>1</sup>, they can be found in many of the food and beverages widely consumed across the population. Our ancestors, without the modern-day manufacturing process we take for granted, used natural ingredients to create appetizing beverages. By looking back to our history and traditions, we're committed to following the same path of not incorporating any synthetic ingredients into our beverages.

We do not use any artificial preservatives. Our only preservatives are natural lime juice and vitamin C (a natural antioxidant). Moreover, we stay away from processed sugar or any artificial sweeteners!



## ● Plant-based

our tonics are 100%  
vegan-friendly.

## ● More than 90% Australian ingredients

We are proud of using  
over 90% Australian  
ingredients. This attribute  
would further help us to  
sell our products in other  
countries.



<sup>1</sup>Linke, B. G., Casagrande, T. A., & Cardoso, L. I. A. (2018). Food additives and their health effects: A review on preservative sodium benzoate. *African Journal of Biotechnology*, 17(10), 306-310.





## 2.2.2.2 KEY DIFFERENTIATORS

- **Compelling Story:** NudeHerbs has been created based on the 5000-year-old Secret Recipes from the Burnt City.
- **Director's qualification and experience:** Dr. Ali Karami is an R&D scientist with a focus on environmental study and food science.
- **First-mover advantage:** The first Australian beverages made from brewed herbs and flowers.
- **Consumed either cold or warm:** For most marketed beverages “taste/thirst quenching” is the main sales driver, which declines during the cold seasons. That’s said, NudeHerbs tonics can be consumed chilled or warm, an attribute no other functional beverages in the market possess. Moreover, besides the “taste/thirst quenching” factor, “health benefits” is another main factor that encourages the consumption of NudeHerbs and staying healthy is not season or climate dependent. Therefore, decline in NudeHerbs consumption has not been significant during the past two cold seasons.



## 2.3 KEY MILESTONES (PAST, PRESENT, AND FUTURE)

NudeHerbs is an early-stage company with a great offering. We feel we have reached an important point in our company's lifecycle where we have a viable business model.

We have working products, paying customers, and a clear path to revenue. Our growth has been proven with numerous customers' and consumers' testimonials, running out of stock at most of our stockists, and a waiting list of stores requesting to range our products.

<b>First minimum viable product (MVP) launched</b>	<b>2017</b>	<ul style="list-style-type: none"> <li>☑ Pre-Market research</li> <li>☑ B2C Sales (Farmers Market)</li> <li>☑ Market Research &amp; Product Development</li> </ul>
<b>NudeHerbs Founded</b>	<b>2017</b>	NudeHerbs Pty Ltd was founded in Sydney in November 2017
<b>Trademarks Registered</b>	<b>2018</b>	Trademark on the name (1897059) and logo (2049638) were registered
<b>Second minimum viable product (MVP) launched</b>	<b>2018</b> - <b>2019</b>	<ul style="list-style-type: none"> <li>☑ B2C (online store and Farmers Market)</li> <li>☑ B2B Sales: 38 stores</li> <li>☑ Market Research &amp; Product Development</li> <li>☑ Further brand development</li> </ul>
<b>Final products launched (3 Products)</b>	<b>2020</b>	B2C & B2B Sales
<b>New tonic launch</b>	<b>2022</b>	B2C & B2B Sales
<b>Australia-wide expansion</b>	<b>2022</b> - <b>2023</b>	B2C & B2B Sales Distributing our products Australia-wide into all states
<b>International expansion</b>	<b>2023</b>	We will start with two selected countries (B2C & B2B Sales)

## 2.4 MARKETING & DISTRIBUTION

NudeHerbs' marketing relies on various pedestals. Some examples of these are listed below:

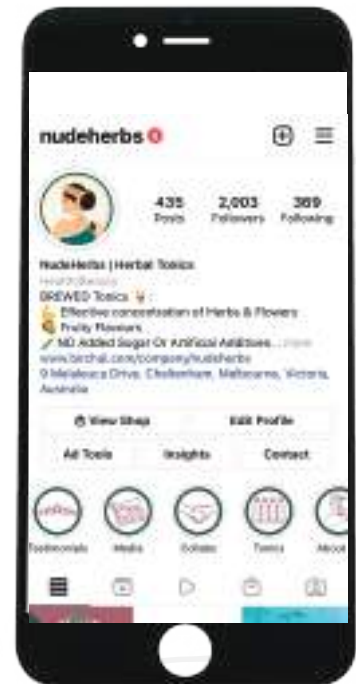
- **Social media (Facebook, Instagram, Twitter, TikTok, YouTube, LinkedIn) content shares:**

We have been sharing content on our Instagram and Facebook pages since the launch and more recently on Twitter at least 4-5 times a week.

- **In-store point of sales and promotions:**

Labels, posters, and flyers; planned promotions; in-store taste testing for selected stores.

- **Media releases (Public Relation):** We have recently attracted the attention of the media and are getting early interest signals from the mainstream media outlets.



### It's good to be nude

Most "functional" beverages don't contain nearly enough herbs or herbal extracts to make them truly effective. Research and development scientist Dr Ali Karami has drawn on his scientific expertise and the ancient recipes of his Iranian ancestors to create NudeHerbs, Australia's first range of brewed herbal and floral tonics, all of which contain between 5 and 5.5 grams of fresh herbal and floral ingredients in each bottle. Ingredients are all ethically and sustainably produced, the bottles are 100 percent recyclable and the drinks contain no extracts, artificial colours, flavours, preservatives or sweeteners.

For more on Nude Herbs, stockist info or to buy online, head to [nudeherbs.com.au](http://nudeherbs.com.au)



### Review: Tonics from NudeHerbs Bring Nature Back to the Urban World

Submitted: 7, 2021 | Category: Food & Drink | Release: What to Buy's readers' mailbox



**THE ZINE**

**"NudeHerbs" Is The All-Natural Beverage Proven To Purify Your Body**

It's not just the natural ingredients that make these drinks so special, it's the way they're brewed. The company's founder, Dr. Ali Karami, has spent years perfecting the art of brewing these tonics, using traditional Iranian recipes and modern scientific techniques. The result is a range of delicious, healthy beverages that are perfect for anyone looking to improve their health and wellbeing.

**All About NudeHerbs**

NudeHerbs is a range of natural, healthy beverages that are perfect for anyone looking to improve their health and wellbeing. The range includes three main products: CLEANSE, RELAX, and FOCUS. Each product is brewed using traditional Iranian recipes and modern scientific techniques, resulting in a range of delicious, healthy beverages that are perfect for anyone looking to improve their health and wellbeing.





- **Influencer marketing:** Collaborating with Social Media influencers and running giveaways has been one of our main strategies to increase NudeHerbs brand awareness.



- **Promoting customers' and consumers' word of mouth (testimonials):** The flavour, health benefits, and overall brand experience means customers love sharing NudeHerbs online. Since launching, we've had numerous NudeHerbs lovers tag us on Instagram stories sharing their testimonials and our products.
- **Email Marketing:** We have recently started to send monthly newsletters to our 2000+ email list and will keep sending that on a regular basis.
- **SEO and paid digital advertising:** We did not run any paid advertising during the initial expansion phase. However, paid digital advertising will be one of the main marketing focuses after the CSF campaign.
- **Expert's knowledge and awareness videos:** Dr. Ali Karami has been sharing a series of awareness and educational videos on NudeHerbs' YouTube Channel on various topics including Health and Wellness and Entrepreneurship. This is one of the other key differentiators that gives our brand an edge over other competitors in long run.





## 2.5 MARKET AND COMPETITION

NudeHerbs has a unique first mover advantage as the first company in Australia producing health beverages from brewed herbs and flowers. The Total Addressable Market (Australia) for NudeHerbs is \$104 million<sup>1</sup>.

Our wide social media presence, brand credibility, and social proof has allowed NudeHerbs to reach an international audience and generate demand from various countries. Our data indicates that from 1st July 2021 to 31 October 2021, approximately 12% of the traffic to our website came from the United States, Canada, the UK, and Singapore. We also regularly receive emails and direct messages on our social media accounts inquiring about shipment to their countries.

Indirect competitors: Other categories of health beverages such as kombucha and kefir, most of which focus on the gut health, a health function that is not our target focus at this stage.

Direct Competitors: NudeHerbs is quickly becoming a trailblazer for natural functional beverages in Australia. There are a few entrants in the functional beverage market in Australia: Mrs Toddy's Tonic, No Ugly, and the more established brand Shine+. Their products, however, possess at least two or more of the following disadvantages: made of herbal extracts, made with insufficient concentration of herbs (for example, the concentration of Ginkgo biloba in NudeHerbs Focus is 13 times higher than the amount in one of the products of the above brands), contains artificial preservatives, lack of diversity of health functions, not using organic ingredients, and lack a diverse range of herbs in each beverage. NudeHerbs, however, has addressed all these gaps, is backed by a compelling story, and is managed by the knowledgeable and experienced founder and team members to create the products that will lead the functional food and beverage category both nationally and internationally for the years to come.



<sup>1</sup>Total addressable market is calculated according to the data presented by Nielsen (2016) and Euromonitor (2016).





## 2.6 BUSINESS AND REVENUE MODEL

So far, we have produced our tonics in our production facility and used our e-commerce platform (Direct to Consumers) and wholesalers to distribute our products across the stockists. However, to upscale our production while minimizing overhead, we have communicated with a reliable contract manufacture in Australia who will run our production. As such, NudeHerbs' core business model will be contract manufacturing, online e-commerce, and wholesale distribution across retailers. With a completely outsourced production model, NudeHerbs keeps overhead low. For the first 12 months, required staff will be hired on a contract basis, enabling us to select the best talent and offer them a part-time/full-time opportunity as we grow. By having vertical integration from the contract manufacture to wholesale distribution and e-commerce, we can control our margins and bring more food and beverages to market in a cost effective manner. With the push to introduce our products Australia-wide and overseas, NudeHerbs will increase its sales and marketing spend to grow its brand awareness for these new and larger markets.

Thanks to high demand for our tonics, we completely sold out in many of the existing stockists and have a waiting list of the stores requested to range NudeHerbs. Besides the increasing demand, we have plans and connections to bring NudeHerbs into many more stores. For example, our products have recently been approved by the Australian United Retailers (AUR) with over 530 stores in Australia.

As one of Australia's most authentic health beverage brands, we aim to take this to the next step and get our increasingly popular tonics into the hands of more consumers. Our vision is to combine the wisdom of traditional knowledge and modern science in order to elevate the health, peace, and harmony of body and mind through becoming the world leader in functional food and beverages. As such, as the first step of our international expansion in 2023, we have identified demands for our products in Singapore and UAE, and will keep exploring new opportunities while solidifying our presence in Australia.

**Our sales are through two different channels: wholesalers and an online store (direct to consumers):**

### Sales through wholesalers

Our existing stores buy in average 3 boxes (12 bottles per box) per month. We sell them to distributors for \$2.71 per bottle (\$32.52 per box; 3 boxes = \$97.56 per month;  $12 \times 97.42 = \$1170.7$  per year). This has been reflected in our 20/21 financial year revenue (55 stores gradually added to the list over a one-year period created \$55,300 revenue). The demand has been rapidly increasing, with our stockists requesting more product. However, we have kept the basic demand in the below models.

Number of stores	Average order value (per year)	Revenue (per year)
100	\$1170.7	\$117,070
500	\$1170.7	\$585,350
1000	\$1170.7	\$1,170,700

## Direct to consumers (Online store)

The average order value for the direct to consumer (online store) is \$45.

Number of orders	Average order value	Revenue
100	\$45	\$4,500
1000	\$45	\$45,000
10000	\$45	\$450,000

A larger consumer base will give us greater purchasing power, reducing the cost per unit (CPU) and increasing profit margins. As part of our marketing and sales strategy, we intend to increase our average order value. Moreover, with the planned expanded marketing activities, NudeHerbs will increase its sales and will reinvest in the business to target larger markets.



## 2.7 BUSINESS STRATEGY

### 2.7.1 Business expansion

The functional beverage market is experiencing rapid growth at a CAGR of 8.07%, reaching \$158.3 billion in 2023 (Research and Markets, 2021)<sup>1</sup>. We are positioning NudeHerbs as a premium (while affordable) brand to take a portion of that market share by executing a 4-phase growth strategy. In keeping with our company vision, innovation and constant improvement in all aspects of business are an inherent part of NudeHerbs' business, applied to all expansion phases.

#### Phase 1: Product Development, Minimum Viable Products, Market Research

The secret to our perfectly optimized (nutrition- and flavour-wise) products is the extensive product development and testing phase. Over 3000 respondents and 90 sensory testing sessions resulted in at least 2 minimum viable products (Figure 1) within 30 months of development and market research to create one of the finest quality health beverages in the market.



Figure 1: NudeHerbs' minimum viable products (MVPs)

This phase was started in September 2017 and ended in May 2020 and was comprised of B2B and B2C sales, numerous trial and error sessions with labels, brand optimization, and many conversations with the customers (store owners/managers) and consumers to make the most effective adjustments.

<sup>1</sup><https://bit.ly/3bhQGCH>





## Phase 2: Domestic Expansion & Innovation

Since May 2020, we gradually targeted 55 mainstream stores (wholefoods, convenience stores, Cafes & Restaurants), mainly in Victoria, over 90% of which have been placing orders for over a year now. We have a waitlist of stores waiting for us to start supplying our products to them.

Our products have recently been approved by a few national buyers including the Australian United Retailers (AUR) with over 530 stores in Australia. We will be actively approaching other buyers and distributor through our connections.

This crowdfunder funding will the opportunity to get our products Australia-wide within the next 18 months. NudeHerbs plans to re-invest profits in marketing campaigns and collaborations, generating further awareness of the brand and increased sales. We will bring a new tonic to the market in mid-2022. This product has been fully tested and optimized and is ready for production. We have identified and started to work with advisors and business consultants who have decades of experience in the FMCG market and they are critical elements of our success.

This crowdfunder funding will the opportunity to get our products Australia-wide within the next 18 months. NudeHerbs plans to re-invest profits in marketing campaigns and collaborations, generating further awareness of the brand and increased sales. We will bring a new tonic to the market in mid-2022. This product has been fully tested and optimized and is ready for production. We have identified and started to work with advisors and business consultants who have decades of experience in the FMCG market and they are critical Another aspect that we will be working on is creating new markets for our products through developing a recipe book of cocktails, mocktails, smoothies, etc. This strategy enables us to target a wider range of consumers. We have recently created a few recipes (see <https://nudeherbs.com.au/recipes/>) and will keep developing more by collaborating with professional recipe developers.





### Phase 3: International Scale

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Australia is relatively a small market. Our goal is to get our products into other countries by mid-late 2023. NudeHerbs has been looking into building on the solidified team, increase marketing, and optimise supply chain as the business is growing and scaling. We will use creative strategies to market our products to our international audience.

Our aim is to build a recognised and respected national and international brand by continuing to grow ahead of market demand, offering something unique to the market and entering overseas markets. So far, we have identified demands for our products in Singapore and UAE, and will keep exploring new opportunities.

### Phase 4: Leading the market

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NudeHerbs is not a typical beverage brand. Our vision is to become the leader in the functional food and beverage industry by relying on the power of our believers, rather than to be acquired by multi-national businesses who could potentially change our business' genuine direction. We have a few revolutionary product ideas which we will market under the umbrella of the NudeHerbs brand within the next 5 years.

## 2.7.2 PRICING STRATEGY

The recommended retail price for NudeHerbs tonics is between \$5.30 and \$5.95. The average price per bottle on our Online Store is between \$5.50 and \$6.00, depending on the package chosen. NudeHerbs' pricing strategy is based on the combination of the following three strategies:

- Value-based pricing: Interviewed over 3000 customers over the course of 30 months and taking their comments on how much they are willing to pay for our products into account.
- Cost-based pricing: Allocating sufficient profit margin for our business and all the segments of the supply chain. Our cost of ingredients is higher than other competitors given the fact that we use between 5000 and 5500 milligrams of real herbs and flowers in every bottle of our tonics. However, we still have a good profit margin.
- Competition-based pricing: Other two competitors who use only a small concentration of herbal extracts, selling their 250mL bottles between \$5.00 and \$6.00 while we sell 350mL of our significantly more premium tonics for between \$5.30 and \$5.95.



## 2.8 OUR TEAM

### 2.8.1 KEY EXECUTIVES



#### **DR. ALI KARAMI VARNAMKHASTI**

##### **Founder & Director**

#### **Skills and Experience**

Dr. Ali Karami is a self-made entrepreneur, a growth hacker and start-up mentor<sup>1</sup> who started dabbling in the business world from the tender age of eight. He didn't attend a fancy business school where he could get access to all the right networks. Instead, Dr. Karami did the research into what makes businesses succeed, turned himself into a self-taught businessman and business expert.

#### **Description of Duties:**

- Production and dealing with key suppliers and distributors
- Optimise revenue growth and profitability
- Build and maintain brand universe around NudeHerbs
- Working closely with the team members to ensure cross collaboration to grow the business
- Oversee national and international growth and expansion

<sup>1</sup> More information: [www.alikaramiv.com](http://www.alikaramiv.com)







## STUART STERLING

### Non-executive Director

#### Skills and Experience

Stuart Sterling is a senior Sales and Marketing Leader with more than 20 years' experience delivering revenue, profit, and market share growth for some of the world's most iconic consumer brands.

Stuart's expertise includes brand and business strategy, consumer and shopper insights, new product development, brand communications, integrated business planning, portfolio management, customer marketing, and category development and is now managing his own marketing consultancy where he consults to industry.

#### Description of Duties:

- Bringing skills in business strategy and corporate development
- Exploring new market potential and new distribution channels



## 2.8.2 ADVISORS

### EBRAHIM KARAMI

After passionately serving the Banking and Financial Services Industry for 35 years, Ebrahim Karami retired as a top-performing manager in one of his home country's most lauded banks.

Now at 69 years old, Karami has since founded several businesses throughout his life and still plays a significant role in NudeHerbs, providing unwavering support, advice, and guidance to his son, NudeHerbs Founder and Director Dr. Ali Karami.



### JAMES ARNOLD

James Arnold is an experienced sales professional and advisor to Nudeherbs. Recently appointed National Sales Manager at Sitetech Safety, James has over 5 years of experience managing and developing sales channels for site solutions products predominantly in the construction industry. Adept in e-commerce and new product development, James has worked across numerous brands and helped launch and sell new products in all major cities across Australia.



## 2.8.3 CONSULTANTS



### CARLA HORVATH

#### Marketing

Carla Horvath is a publicist with over 10 years of experience in the health, lifestyle and fitness industry.

### NICOLE SEGAL

#### Legal

Nicole Segal has been in the legal industry for 20 years working in large and boutique law firms. Nicole applies both legal and industry knowledge to ensure that NudeHerbs achieves excellent commercial results



### TAHLIA MORRIS

#### Social Media

Tahlia Morris is a social media mentor and marketer who is passionate about helping innovative businesses that strive to help to improve people's overall wellbeing and health.



## 2.9 CAPITAL STRUCTURE

### 2.9.1 ISSUED CAPITAL (BEFORE AND AFTER THE OFFER)

As at the date of this Offer Document, the Company has 2,050,000 ordinary shares on issue.

Table 1: Issued capital of the Company before the Offer


SHAREHOLDERS	SHARE TYPE	SHARES
Ali Karami Varnamkhasti	Ordinary	2,004,900 (97.8%)
Stuart Sterling	Ordinary	20,500 (1%)
Advisors	Ordinary	24,600 (1.2%)
Total		2,050,000 (100%)

Table 2: Issued capital of the Company following the Offer on a fully diluted basis

SHARES	MINIMUM SUBSCRIPTION	MAXIMUM SUBSCRIPTION
Existing Shares	2,050,000 (95.35%)	2,050,000 (77.36%)
Offer Shares	100,000 (4.65%)	600,000 (22.64%)
Total	2,150,000 (100%)	2,650,000 (100%)

### 2.9.2 RIGHTS AND LIABILITIES ASSOCIATED WITH SECURITIES

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



Under the Constitution, the Board has the power to refuse a transfer of shares to a third party. A more detailed description of the rights and liabilities associated with the shares is set out in Section 3.3 below. A copy of the Company's Constitution is available on the Intermediary's platform.

### **2.9.3 SOURCES OF FINANCING, INCLUDING DEBT FINANCING AND OTHER FINANCING**

To date, the Company has been fully funded by the Company's Founder. There is a loan balance of \$5,992, which will be paid back in installments. No funds raised under the offer will be used to repay the loan. These may be repaid from operating cashflow when the business is in a financial position to do so.

### **2.9.4 EMPLOYEE SHARE OPTION PLAN (ESOP)**

Within the next 12 to 18 months, the Company has plans to implement an Employee Share Option Plan (ESOP) to retain and attract the best talent to NudeHerbs. The ESOP allocation pool will be between 5 to 10% and will dilute all shareholders accordingly.

## **2.10 RISKS FACING THE BUSINESS**

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

<b>RISK</b>	<b>DESCRIPTION</b>
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.
Startup risk	<p>The Company has a limited operating history and will build the business with the funds raised through this crowd-sourced funding offer.</p> <p>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, size and existence of repeat customers. The commercial success of the business will depend on many factors including the Company's ability to attract and retain quality staff and loyal customers.</p>



RISK	DESCRIPTION
Key person risk	As an early stage business, the Company is susceptible to the loss of key team members as they are considered critical to the continued success of the Company. If a key team member was lost, due to illness for example, this could significantly affect the Company's ability to continue its operations or achieve its business objectives as the case may be.
Intellectual property risk	The protection of the Company's intellectual property is critical to our business and commercial success. We have two Australian trademarks on NudeHerbs, one on the name (1897059) and logo (2049638). We have plans to get the trademarks approved in other countries. We also hold a suite of trade secrets that make copying our products very difficult.
Supply Chain	<p>Risks posed by the supply chain to the business include:</p> <ul style="list-style-type: none"> <li>● International Trade Wars, COVID-19, oil prices and reliance on stable freight conditions.</li> <li>● Long-term shortages due to the disease outbreaks are unlikely. That's said, we have been employing the below mitigation strategies:</li> <li>● We source the herbs/flowers through different suppliers/farmers.</li> <li>● We purchase the herbs/ flowers on a 12-18 months basis while shortages are transient.</li> </ul>
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.

## 2.11 FINANCIAL INFORMATION

Below are the financial statements of the Company for the financial year ended 30 June 2021, which have been prepared in accordance with the Accounting Standards.





# BALANCE SHEET

	NOTES	1 JUL 20 - 30 JUN 21
<b>Assets</b>		
<b>Current Assets</b>		
<b>Cash and Cash Equivalents</b>		
Bank Accounts		670
Total Cash and Cash Equivalents		670
Inventories		4,000
GST		-
Total Current Assets		4,670
<b>Non-Current Assets</b>		
<b>Property, Plant and Equipment</b>		
Plant & Equipment		9,565
Less Accumulated Depreciation on Plant & Equipment		(9,565)
Total Property, Plant and Equipment		-
Security Deposits		5,600
Total Non-Current Assets		5,600
Total Assets		10,270
<b>Liabilities</b>		
<b>Current Liabilities</b>		
<b>GST</b>		
GST		1,905
Total GST		1,905
Total Current Liabilities		1,905
<b>Non-Current Liabilities</b>		
<b>Financial Liabilities</b>		
<b>Unsecured Loans</b>		
Unsecured loan		8,346
Unexpired Interest Charges on Unsecured loan		(846)
Total Unsecured Loans		7,500
Total Financial Liabilities		7,500
Total Non-Current Liabilities		7,500
Total Liabilities		9,405
<b>Net Assets</b>		<b>864</b>
<b>Equity</b>		
<b>Shareholder Capital</b>		
Director Loan		86,587
Total Shareholder Capital		86,587

	NOTES	1 JUL 20 - 30 JUN 21
<b>Retained Earnings (Accumulated Losses)</b>		
Current Year Earnings		6,008
Retained Earnings		(91,740)
Total Retained Earnings (Accumulated Losses)		(85,733)
Share Capital		10
Total Equity		864



## CASH FLOW STATEMENT

<b>Operating Activities</b>	<b>1 JUL 20 - 30 JUN 21</b>
Receipts from customers	55,358.00
Payments to suppliers and employees	(56,715.00)
Cash receipts from other operating activities	5,767.00
<b>Net Cash Flows from Operating Activities</b>	<b>4,410.00</b>
<b>Investing Activities</b>	
Payment for property, plant and equipment	(3,637.00)
<b>Net Cash Flows from Investing Activities</b>	<b>(3,637.00)</b>
<b>Financing Activities</b>	
Other cash items from financing activities	(254.00)
<b>Net Cash Flows from Financing Activities</b>	<b>(254.00)</b>
<b>Net Cash Flows</b>	<b>519.00</b>
<b>Cash and Cash Equivalents</b>	
Cash and cash equivalents at beginning of period	151.00
Cash and cash equivalents at end of period	670.00

## STATEMENT OF CHANGES IN EQUITY

	<b>1 JUL 20 - 30 JUN 21</b>
<b>Equity</b>	
Opening Balance	(91,730.46)
Current Year Earnings	6,007.70
<b>Total Equity</b>	<b>(85,722.76)</b>



# PROFIT AND LOSS STATEMENT

	NOTES	1 JUL 20 - 30 JUN 21
<b>Income</b>		
<b>Trading Gross Profit (Loss)</b>		
<b>Sale of Goods</b>		
Sales		55,358
Total Sale of Goods		55,358
<b>Cost of Sales</b>		
Cost of Sales (Materials & Consumable)		21,778
Total Cost of Sales		21,778
Total Trading Gross Profit (Loss)		33,580
Total Income		33,580
<b>Other Income</b>		
Grants - R&D Refundable Tax Offset		-
Grants - Business Support Fund		7,000
Total Other Income		7,000
Total Income		40,580
<b>Expenses</b>		
Accounting & Tax Consultancy		1,270
Advertising & Marketing		1,768
Bank Fees		541
Cleaning		85
Depreciation - SBE Immediate Write Off		3,636
Filing (ASIC) Fee		310
Freight & Courier		2,331
Insurance		1,393
Interest Expense		282
Light, Power, Heating		603
Motor Vehicle		747
Office Expenses		118
Permit & Licences		106
Printing & Stationery		1,156
Professional & Consulting fees		-
Rent & Outgoings		13,640
Repairs and Maintenance		-
Service Charges		59
Staff Amenity		56
Subscriptions		646
Telephone & Internet		1,212
Tools		1,504
Trademark - IP Australia		-
	NOTES	1 JUL 20 - 30 JUN 21
Travel and Accommodation		1,388
Training & Education		-
Website & Technologies		1,721
Total Expenses		34,573
Profit/(Loss) before Taxation		6,008





## 2.12 MANAGEMENT COMMENTS ON HISTORICAL PERFORMANCE AND OUTLOOK

The main reason for the poor expansion of many food and beverage brands lies either in their poorly optimized products or brand. Our vision is to be the world leader in functional food and beverages, and that needs a strong brand and highly-optimized products to support that vision. Our brand and products have gone through 30 months of optimization. Over 90 taste testing sessions with more than 3000 respondents have been employed to create 2 minimum viable products (MVPs) and develop a profound brand. However, all the hard work paid off when the final products were introduced into the market right at the beginning of the COVID-19 pandemic, at the time when retailers were very reluctant to take any new products on board.

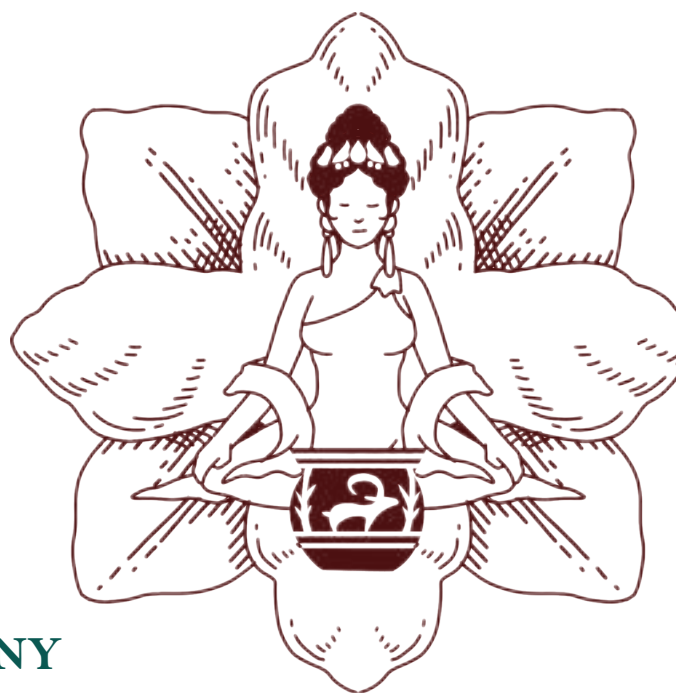
Despite not having the luxury of running paid ads or in-store promotional activities, they became the mainstream health beverages, receiving continuous re-orders since then. As a result of the unanticipated level of demand, we sold out of stock. In order to continue growth into new domains, it is important to hire experts and advisors who have industry experience and have been involved in international expansion. As such, we engaged some of the most experienced advisors and business consultants and have spent significant time forecasting and addressing logistical and supply chain issues, to ensure we can plan for consistent growth. We have also developed a go-to market plan based on our understanding of the previous 18 months. Within the first year of having the final products in the market, we reached the break-even point and expect profit on this financial year.

We are now at an inflection point. In order for us to continue our high growth trajectory, expanding Australia-wide and internationally, we need more funds to reinvest into stock and processes. Therefore, we want to invest more into inventory in order to be able to fulfill national exponential expansion, invest into marketing and staff, and profit from our investments from 2023 onwards.

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 NudeHerbs Pty Ltd and has not been validated by an independent third party.

## 2.13 LEGAL OR DISCIPLINARY ACTIONS AGAINST THE COMPANY

There are no legal or disciplinary actions against the company.



## SECTION 3. INFORMATION ABOUT THE OFFER

### 3.1 TERMS OF THE OFFER

NudeHerbs 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](http://www.birchal.com).

The Intermediary must close the Offer early in certain circumstances. For example, if the Maximum Subscription is reached, the Offer must be closed. If the Minimum Subscription is not reached or the Offer is closed but not completed, you will be refunded your application money.

Investors may withdraw their application during the Cooling-off Period. Further information on investor cooling-off rights can be found in Section 4 of this CSF offer document. The Offer is not underwritten and there is no guarantee that these funds will be raised.

TERM	DETAILS
Shares	Fully-paid ordinary shares
Price	\$1 per share
Minimum Subscription	\$100,000
Maximum Subscription	\$600,000
Minimum parcel size	\$100
Opening date	9/11/2021
Closing Date	30/11/2021



## 3.2 USE OF FUND

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: \$100,000	Maximum Subscription: \$600,000
Inventory	\$25,000	\$199,000
Marketing	\$12,000	\$120,000
Director, Business consultants, and Operational staff	\$36,000	\$149,600
Rent & Freight	\$11,200	\$62,400
R&D	\$3,000	\$15,200
Intellectual Property	-	\$15,000*
Offer costs	\$12,800	\$38,800
Total	\$100,000	\$600,000

\*Trademark registration in selected countries

Offer costs 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.

Details of payments to be made to the Director as follows:

Director's remuneration \$18,000 (Min Subscription) / \$40,000 (Max Subscription)

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 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 on marketing and hiring and continue to focus our cash resources on buying stock to meet demands.







## 3.3 PURPOSE OF THE CAPITAL RAISE

We have kept new store product range applications on hold and have told our distributors to set a limit on the number of boxes they sell to the stockists. This CSF will help us to effectively address this problem.

The fund will be used to:

- Ramp up production (larger inventory) using our reliable Australian contract manufacture. With a completely outsourced staff and production model, NudeHerbs keeps overhead low, which enables us to expand our business internationally. We have carefully considered different models, including establishing a larger production facility which brings a set of additional costs including rental, licensing, staff, electricity, etc. Putting all the scenarios next to each other and comparing their advantages and disadvantages resulted in selecting the contract manufacturer option.
- Expanding our marketing activities: We need to support our higher production volume with a higher level of marketing activities.
- Hiring new team members to support the expansion.

## 3.4 RIGHTS ASSOCIATED WITH THE SHARES

Immediately after issue, the ordinary 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.

### 3.4.1 VOTING RIGHTS

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

### 3.4.2 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).

### 3.4.3 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.



#### 3.4.4 ELECTION AND REMOVAL OF DIRECTORS

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

#### 3.4.5 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.

#### 3.4.6 RESTRICTIONS ON SALE AND TRANSFER

The Constitution includes pre-emption rights that provide that if the Company wishes to issue additional shares of a particular class, the board of the Company must first offer those shares to all Shareholders who hold 13% or more of the total issued Shares of that class. Exceptions to the pre-emption rights above apply to:

- Shares issued as a result of one or more conversions of equity securities (such as under the Convertible Note);
- Shares issued to fund a buy-back, cancellation, purchase or redemption of any equity securities by the Company;
- Shares issued under an approved employee share option agreement. The Shares may be sold or disposed of in accordance with the Company's Constitution.

#### 3.4.7 RESTRAINTS

To protect the interests of the Company, the Constitution also sets out certain shareholder Restraints in Clause 24. Namely, for a maximum period of two years from when a shareholder ceases to be a shareholder of the Company and within Australia, each shareholder must ensure that it does not undertake any of the actions set out in Clause 24.1(a) - (e).

#### 3.4.8 OTHER SHAREHOLDER TERMS

The Company Constitution also sets out the following Shareholder terms:

- Drag and tag along rights

Drag along rights at 50% - meaning that if 50% of the ordinary shares on a fully diluted basis are offered to an unrelated buyer or to a shareholder, then the buyer may also buy your shares as well.

- Tag along

Tag along rights at 50% - meaning that if shareholders holding 50% or more of the share capital seek to sell their portion – you have the right to sell at the same price to the buyer at the same time.

### 3.5 WHAT CAN I DO WITH MY SHARES?

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

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

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

### 3.6 INVESTOR REWARDS

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

These include:

- Exclusive NudeHerbs Investor Keychain
- Full box of NudeHerbs tonics
- Discount Codes

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

Investment	Exclusive NudeHerbs Investors Keychain	50% off your first Online Shopping <sup>1&amp;2</sup>	One Pack of 6-bottle NudeHerbs	Become a member of our Product Testing & Feedback team	NudeHerbs Discount available online at nudeherbs.com.au
>\$250	✓	✓	✗	✗	✗
>\$1000	✓	✗	✓	✗	✗
>\$2000	✓	✗	✓	✓	✓ 10%, 12 months
>\$5000	✓	✗	✓	✓	✓ 15%, 18 months
>\$10000	✓	✗	✓	✓	✓ 20%, 24 months

<sup>1</sup>Shop at [www.nudeherbs.com.au/shop/](http://www.nudeherbs.com.au/shop/)

<sup>2</sup>Maximum purchase value: \$100





## 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 (5) business days of making your application (Cooling-off Period). You must withdraw your application via the Intermediary's platform 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 at [cakequity.com](http://cakequity.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.



## GLOSSARY

Company means NudeHerbs Pty Ltd ACN 622754554

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

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

Intermediary means Birchall Financial Services Pty Ltd AFSL 502618.

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

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

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

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

