

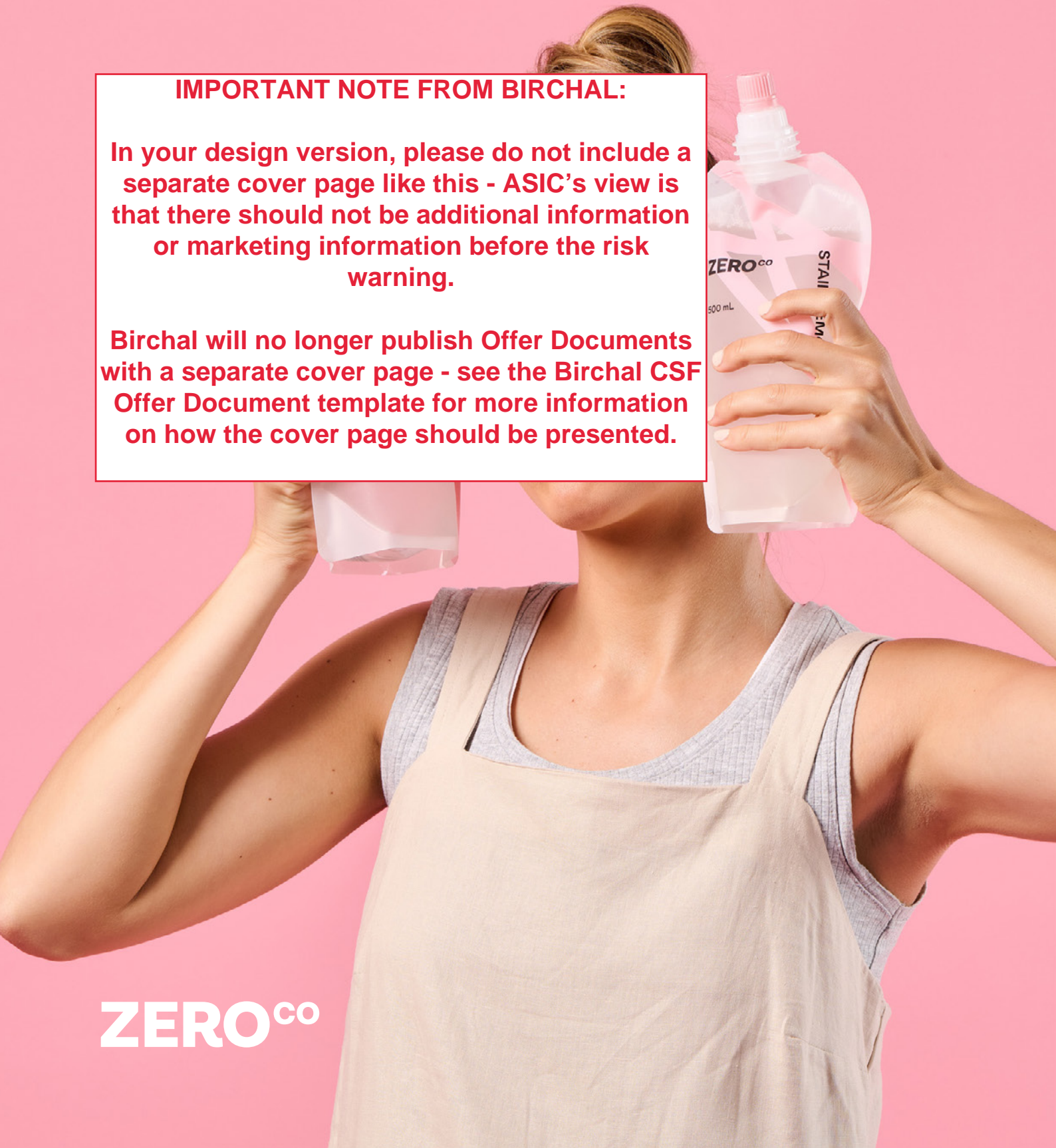
CROWD-SOURCED FUNDING OFFER DOCUMENT

IMPORTANT NOTE FROM BIRCHAL:

In your design version, please do not include a separate cover page like this - ASIC's view is that there should not be additional information or marketing information before the risk warning.

Birchal will no longer publish Offer Documents with a separate cover page - see the Birchal CSF Offer Document template for more information on how the cover page should be presented.

ZERO^{co}



Dated 19th Oct 2021

Offer of fully-paid ordinary shares in ZERO.CO.COM.AU PTY LTD at \$8.65 per share to raise a maximum of \$5,000,000.

This crowd-sourced funding (CSF) offer document relates to the Offer of fully-paid ordinary shares in ZERO.CO.COM.AU PTY LTD.

This Offer is made under the CSF regime in Part 6D.3A of the Corporations Act 2001 (Corporations Act).

Issuer:

ZERO.CO.COM.AU PTY LTD | ACN 633 757 954

Intermediary:

Birchal Financial Services Pty Ltd AFSL 502618

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

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SECTION 1

Risk Warning



IMPORTANT NOTE FROM BIRCHAL:

See the Birchal CSF Offer Document template for information on how the Section 1: Risk Warning page should be presented.



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.

**“Zero Co is probably
the fastest growing
e-commerce personal-
care and home-cleaning
brand in Australian
history”**

— Rob Chapman, ex St. George Bank CEO



Individual has provided consent to inclusion of this statement.

SECTION 2

Information about the Company





A people powered solution to a global problem

Hi there,

My name's Mike and I'm the Founder of Zero Co. I'm building a people-powered solution to one of the world's biggest environmental challenges - single-use plastic. I'd like to invite you to join me and **40,041+** other legendary Aussies who've already joined our audacious mission to rid the planet of single-use plastic.

You should know upfront that I'm not an environmental warrior. I've no axes to grind. You won't find any protest slogans here. I'm just a regular bloke who loves the outdoors. I'm a surfer and an adventurer. The greatest moments of my life have taken place in nature. Whether that's in the ocean, trekking deep into wilderness or hiking up mountains. In fact that's where the inspiration for Zero Co came from.

In 2017 I sold my previous business and convinced (my now wife) Alyssa to pack up our lives into backpacks and head off on the adventure of a lifetime. We spent the better part of 18mths living in a tent, visiting some of the most remote and far-flung

corners of the planet. We stayed in Kurdish villages along the Iraq-Iran border. We camped along the border of Afghanistan and Tajikistan. We even went to North Korea. Seriously.

Travelling to some of the most remote corners of the planet was an eye opener. No matter how far from civilisation we got, there was one thing we couldn't escape. Plastic waste. It was literally everywhere we went. Seeing, with my own eyes, how pervasive this problem is had a profound effect on me.

So upon returning to Australia in 2019 I decided that I was going to spend the next chapter of my life trying to solve this problem. That's exactly what I've been doing with virtually every single waking moment since.

My vision is for Zero Co to become a global brand that does 3 things:

01

Educates people about the single-use plastic problem



02

Provides people with an alternative to single-use plastic



03

Funds and conducts large-scale ocean cleanups



The goal is to do these 3 things at scale, globally. That's the mission. That's the journey. That's what I've committed to making my life's work.

But the truth is, I can't do it by myself.

We all need to work together if we're going to solve the global plastic problem and that's exactly why I'm inviting you to join me on this audacious journey by becoming a shareholder of ZERO.CO.COM.AU PTY LTD.

Sure, there's lots of risks that lay ahead for our young business. There's lots of unknowns too. The road ahead will be winding and full of pot-holes. We're going to make mistakes and get lots of things wrong along the way. That's the nature of fast-growth companies doing things never done before.

But the prize, if we get this thing right, has the potential to change the world. If we can execute

our global growth strategy we will build a scalable, profitable solution to the single-use plastic problem. And if we can do that, then we have the potential to change the behaviour of every large single-use plastic producing company on the planet. We just might become the wave that turns the tide.

That's what I get excited about. That's what gets me out of bed every morning - the thought that we've got a real shot at redefining an entire global industry and leaving the planet a better place than we found it.

I'd love you to be part of this audacious journey.

Cheers,



Zero Co Founder + Used Pouch Salesman

2.1

Company Details

This offer of shares is made by
ZERO.CO.COM.AU PTY LTD
ACN 633 757 954 (Company).

Company name	ZERO.CO.COM.AU PTY LTD
ACN	633 757 954
Date of incorporation	28th May 2019
Registered office	5/71 Centennial Circuit Byron Bay NSW 2481
Principal place of business	5/71 Centennial Circuit Byron Bay NSW 2481

2.2

Description of the Business

Our Mission

We're on a mission to solve the global single-use plastic problem by:

01

Stopping single-use plastic (SUP).

By preventing single-use plastic (SUP) being made, used once and thrown away we're turning off the plastic tap, stopping the problem at its source and preventing more plastic piling up in landfill, or worse, our oceans.

02

Funding ocean cleanups.

It's estimated that there may be more plastic in the ocean (by weight) than fish by 2050*. That's not cool. We're building a scalable, global solution to this problem by removing plastic from the ocean and using it to make our "forever-use" packaging.

* Source: World Economic Forum Report, Ellen MaCarthur Foundation.

What We Do

We make eco-friendly personal-care and home cleaning products and deliver them direct to your door (carbon negative), minus all the single-use plastic.

Here's how it works:



Reusable pouches made using recycled plastic diverted from landfill



Forever Bottles™ made from ocean, beach and landfill bound plastic

With your first Zero Co order you receive:



01

Forever Bottles™ made from ocean, beach and landfill bound (OBL) plastic. You keep these at your place and refill them forever!



02

Re-usable refill pouches made with the inclusion of plastic diverted from landfill. Fill up your Forever Bottles, then send your empty pouches back to us (reply paid) so we can clean, sanitise and reuse them.



03

A reply-paid envelope, making it free for you to return your empty pouches!

Highlights



40,041

customers acquired¹



\$8.2M

in sales since
inception²



\$1M/month

in sales generated
10mth after launch³



706%

growth⁴



66%

customer retention⁵



989,400

water bottles worth
of waste pulled from
the ocean⁶

Monthly Sales Growth



¹ As at 31st August 2021

² Total sales, inclusive of GST, from inception through to 31 August 2021

³ \$1,191,029 in sales (inc. GST) August 2021, began shipping November 2020

⁴ Past 12mths. Sept 2020 (\$168,580), August 2021 (\$1,191,029)

⁵ 66% of pre-order customers have placed a re-order as at August 2021

⁶ 9,894,000g of waste has been pulled from the ocean and beaches by Zero Co and partners since inception

The Journey so Far



April 2019

Mike moves back in with his parents (at age 36) to save money on rent so he can invest his life's savings into launching Zero Co. He sets up a makeshift office in his sister's childhood bedroom and gets to work building a solution to the global plastic problem.



August 2019

Investors led by Rob Chapman (ex St. George Bank CEO), Tina and Raymond Spencer and family (Raymond founded NASDAQ listed Kanbay International) and Jennifer Ma (ex KPMG Director) invest \$675,000 in our first private funding round.



November 2019

We pull off one of Australia's largest Kickstarter campaigns of all time, generating \$742,427 in pre-orders from almost 7,000 Aussies.



December 2019

We head to Indonesia and do our first ocean cleanup, pulling almost 5,000kgs (approx 500,000 water bottles) of plastic from the Java Sea off the coast of Jakarta.





August 2020

We close our 2nd investment round, raising a further \$2,000,000 from sophisticated investors - led by Skip Capital, the private investment vehicle of Kim Jackson and Atlassian Co-Founder Scott Farquhar.



April 2021

We do our second ocean cleanup, setting a world record for the longest solo underwater ocean cleanup, pulling approximately 250kg of rubbish off the bottom of Sydney Harbour over 24hrs.



July 2021

Zero Co secures approximately \$450,000 via a Federal Government Grant to build our world-first automated pouch cleaning and sanitising machine.



November 2020

12mths after our Kickstarter campaign we officially begin shipping our single-use plastic-busting products to Aussie homes with almost 11,000 pre-orders to ship on day one.



June 2021

We do our 3rd ocean and beach cleanup, pulling approximately 550kgs of rubbish from K'Gari (Fraser Island) over 3 days.



August 2021

We launch our body-care range and surpass \$1M in monthly sales for the first time (only 10mths after we began shipping).



Exceptional Humans

We're building a team  of exceptional  humans to help us achieve our global  ambitions.



K'Gari (Fraser Island) cleanup 2021

Executive Team



Sandy Morrow

Vice Captain (COO), Board Observer, Shareholder

Sandy is a seasoned startup executive who most recently was the Global Head of Operations at Koala. Sandy was one of the first employees at Koala and was instrumental in scaling the business to circa \$170M+. As Chief Operating Officer at Zero Co Sandy's role is to oversee all operational elements of the business including production, suppliers, supply chain, ocean cleanups and customer service.



Alana Burton

Numbers Wizard (CFO), Director, Shareholder

Alana is the ex CFO of QBE Insurance's Reinsurance Division, overseeing annual revenues of US\$2.5B and being responsible for preparing the public financial statements for ASX listed QBE Insurance. As CFO of Zero Co Alana is ultimately responsible for all aspects of financial planning and capital management, as well as the preparation and lodgement of all financial statements and reports.



Mike Smith

Used-Pouch Salesman (Founder), Director

Mike is a serial entrepreneur and 3 times Founder. Over the past 15yrs he's had some near misses, almost successes and outright failures. He's also been listed in the AFR Fastest 100 Companies list, won a Bronze Medal at the Cannes International Advertising Awards, founded a registered charity that built 2 schools in Myanmar and scaled a multi-million dollar business. Mike is the Founder and CEO of Zero Co and is responsible for creating and nurturing the mission, vision and global strategy for the business.



Kate Stapleton

The Marketing Lady, Shareholder

Kate has 25+ years marketing experience across start-up, entertainment & consumer businesses. Kate joined Zero Co in 2019 and is responsible for driving acquisition, retention and building the brand. Before joining Zero Co, she started her own marketing consulting business servicing a variety of SaaS, tech & financial clients. Prior to that, Kate held various marketing roles in entertainment including Head of Marketing for Dendy & Icon Films and held senior marketing roles with Paramount Home Entertainment & Allen & Unwin.

Board of Directors



Mike Smith

Used-Pouch Salesman (Founder), Director



Alana Burton

Numbers Wizard (CFO), Director, Shareholder



Rob Chapman

Chairman, Director, Shareholder

Rob's extensive executive career includes previous roles as CEO of St. George Banking Group and Managing Director of BankSA. Rob currently serves as a Director/Chairman for several prominent Boards, including Coopers Brewery Limited, Export Finance Australia and Adelaide Airport Limited.



Adam Cook (Skip Capital)

Director

Skip Capital is the private investment fund of Kim Jackson and Atlassian Co-Founder Scott Farquhar. The fund invests in high growth companies and "backs phenomenal teams with unique experience, and a passion for solving a big problem". Adam Cook is Skip Capital's Director on the Zero Co Board.



Raymond Spencer

Director, Shareholder

Raymond is a distinguished entrepreneur, investor and businessman. He founded NASDAQ listed global IT services company KanBay International and serves on several prominent Boards.

Board Observers and Advisers



Jennifer Ma

**Board Observer,
Shareholder, Adviser**

Jenni has 20 years' experience advising corporates, SMEs, government and not-for-profits across a range of sectors and was previously a Partner at KPMG and Head of KPMG's South Australian Corporate Finance practice, advising clients on private treaty divestments and acquisitions, business valuations and capital raisings.



David Spencer

Board Observer

David is inspired by the roles Australian companies are playing in solving the world's most challenging problems. Building a career in the Australian innovation and venture capital landscapes, David is an Observer on the Zero Co Board and actively engaged across a number of venture capital initiatives.



Dr Kate Forbes

**Master Experimenter
(Product Innovation),
Shareholder**

Kate holds a PhD in Chemistry and is the former Global Director of Innovation at Aesop, where she was involved in the development of Aesop's product portfolio across 20 years in R&D, product, marketing and sustainability leadership roles. Kate is responsible for overseeing new product development and product improvements at Zero Co, ensuring we continue to produce world-leading products across personal-care and home-cleaning.

Other Significant Investors

**Dany Milham
& Mitch Taylor**
Koala Founders

Sam McKay
ex Global
CEO Jurlique

Ari Klinger
Technology
Entrepreneur

Alex Cornish
Professional
Investor

SUP-Smashing Products

We make eco-friendly personal-care and home cleaning products that work as well, if not better than the big name supermarket brands, guaranteed or we'll refund your hard-earned cash.



Our current product portfolio includes:



Body Care

Shampoo, Conditioner, Deodorant, Body Lotion, Bodywash, Handwash



Home Cleaning

Laundry Liquid, Stain Remover, Multi-Purpose Spray, Dishwash, Dishwasher Tablets, Air Freshener, Bathroom & Shower Cleaner, Toilet Cleaner

**Our products  have received
4.8/5 star  reviews from
over 2,500 reviews**



**“LOVE LOVE LOVE
THIS PRODUCT!!!**

**Fantastic product leaves
your clothes clean and fresh”**



**“The hand wash smells beautiful
and feels nice on your hands.
No stickiness afterward. I have one
in all the bathrooms, the laundry and
the kitchen. Definitely recommend
this product to others.”**





“I was hesitant to try this because I usually don’t like the smell of multipurpose cleaners, but this smells AMAZING. I actually look forward to cleaning so I can smell it!

Works great too - I use it on the bench tops, wooden dining table and stainless steel oven top and it cleans well, and doesn’t leave any streaks or residue. I am super happy with this and will definitely be ordering more!”



The Nitty Gritty of SUP Busting



59kg
of plastic
consumed per
person, per year

59kg = The Minderoo Foundation



Only **15%**
of plastic
is recycled

15% = The Federal Government's
Waste Report (2019)



1B bottles/yr
of personal-care &
cleaning products
purchased in Aus

1B = Big Picture Grocery Data from 2019

The Problem

According to a global research study conducted by The Minderoo Foundation, Australians are the world's largest consumers of plastic per capita.

Aussies consume a whopping 59kgs of plastic, per person, per year.

The Federal Government's Waste Report (2019) showed that only 15% of all the plastic we use in Australia gets recycled. The remaining 85% goes to landfill, or worse, the ocean.

Big Picture Grocery Data from 2019 shows that Australians purchase almost ONE BILLION personal-care and home-cleaning products from the supermarkets each year. The vast majority of these products come packaged in single-use plastic.

Putting all of these data points together suggests that hundreds of millions (potentially upwards of 750M+) single-use plastic bottles of personal-care and home cleaning products are making their way into landfill (or our natural environment) each year in Australia.

That's not cool.

The Market

Aussie households purchased approximately \$9.5B worth of home-cleaning and personal-care items from supermarkets in FY19 (Big Picture Grocery Data).

Increasingly this weekly shopping experience is migrating online, with online grocery shopping growing 39.7% in FY19 (pre COVID).

COVID-19 has further accelerated the growth of online grocery shopping, making more Australians familiar with the online shopping format than ever before. This represents a huge market opportunity for Zero Co.



\$110B+

Total Australian grocery market size

All sales via grocery stores nationally FY19



\$9.5B+

Home-cleaning & personal-care market

Purchased through grocery channels FY19



\$4.2B+

Australia's online grocery market

Total online grocery sales FY19



39.7%

Online grocery market growth

% growth Australian online grocery sales FY19

Data sources: Ibis World, Big Picture Grocery Data.

Distribution Channels

Zero Co currently operates as a “pure-play”, direct-to-customer, e-commerce business, meaning that 100% of revenue is derived from sales direct to the public via zeroco.com.au.

We plan to scale our direct-to-customer business model internationally.

OBL (Ocean, Beach & Landfill) Plastic

Zero Co is pioneering the use of Ocean, Beach and Landfill (OBL) bound plastics as a raw material feedstock for our Forever Bottles.

We've built, what we believe is an Australian-first supply chain that enables us to:

01



Collect plastic waste from Australian oceans and beaches.

02



Combine ocean and beach plastic with landfill bound plastic, forming OBL (Ocean, Beach & Landfill) plastic.

03



Clean and process OBL, turning it into recycled plastic pellets.

04



Turn OBL pellets into "forever-use" bottles, manufactured here in Australia.

A trademark application for "Ocean, Beach, Landfill (OBL) Plastic" has been lodged in Australia.

This unique supply chain directly aligns the interests of our company with the interests of the planet. The bigger our business gets, the more plastic we remove from the ocean.

Pouch Recovery Technology

Zero Co has designed, engineered and manufactured what we believe to be world first technology that allows us to clean and sanitise used pouches.

All intellectual property associated with our “Pouch Recovery Technology” is owned by ZERO.CO.COM.AU PTY LTD. Our strategy for protecting this IP is to keep it as a “trade secret” rather than making the designs for the machine public via a patent application.

The vision for our cleaning and sanitising technology is to clean and sanitise up to:



10,000

pouches per day



1,000,000

pouches per year using less water than the average 4 person Aussie household

We aim to hit these milestones within the next 12-18mths as a result of further operational improvements and efficiencies being achieved across our pouch cleaning and sanitising supply chain.

We recently received a Federal Government grant for circa \$450,000 via the Advanced Manufacturing Growth Centre to help fund the costs of building and scaling our Pouch Recovery Technology.

Pouch Cleaning Update

As at the date of Offer, the Company is still refining its pouch cleaning technology, processes and systems.

To date, we have achieved the following milestones:

50,000

Approximately 50,000 pouches returned to Zero Co.

10,000

Approximately 10,000 pouches have been through our “pouch recovery process”.


Random samples from the first 10,000 cleaned pouches have been tested at an independent microbial laboratory to ensure they are safe for refilling.

Samples of tested pouches have been **refilled** with Zero Co product and **re-sent** to the independent microbial laboratory for secondary (after-filling) tests.

Samples of refilled pouches have been sent to a select group of customers for **final customer feedback** and approval.



Further operational efficiencies, optimisations and testing will take place over the months ahead before full operational scale of pouch cleaning and refilling is achieved.



“We aim to clean and sanitise 1,000,000 pouches per year using less water than the average Aussie household”

— Jack Aubort, Zero Co Engineer

Individual has provided consent to inclusion of this statement.

Intellectual Property

ZEROCO.COM.AU PTY LTD owns the “Zero Co” trademark in Australia, UK and EU.

A trademark application has been lodged in the US market. ZEROCO.COM.AU PTY LTD also owns the “Trace Your Cleanups” trademark in Australia. A trademark application has been lodged in Australia for “Ocean, Beach, Landfill Plastic (OBL)”.

All intellectual property relating to our pouch cleaning technology is also owned by ZEROCO.COM.AU PTY LTD.

ZEROCO.COM.AU PTY LTD also owns 15+ domain names.



K'Gari (Fraser Island) beach cleanup 2021

The Future

**Our vision is to become
the world's  leading
zero-waste  brand.**

To do this we're focused on 3 strategic priorities:

01



Customer Acquisition

Our immediate goal is to become Australia's largest zero-waste personal-care and home-cleaning brand. We want to inspire 100,000+ Aussie households to ditch SUP (as soon as possible) by becoming Zero Co customers. A significant portion of the funds raised from the Crowd-Sourced Funding campaign will be used to accelerate our already rapid customer acquisition tactics here in Australia.

02



Product Diversification

Our vision is to become the leading "one-stop" destination servicing all your personal-care and home-cleaning product needs... minus the single-use plastic. At the date of this offer Zero Co has 10 products currently in market, 4 products actively being "pre-sold" and a number of additional products in development.

03



International Growth

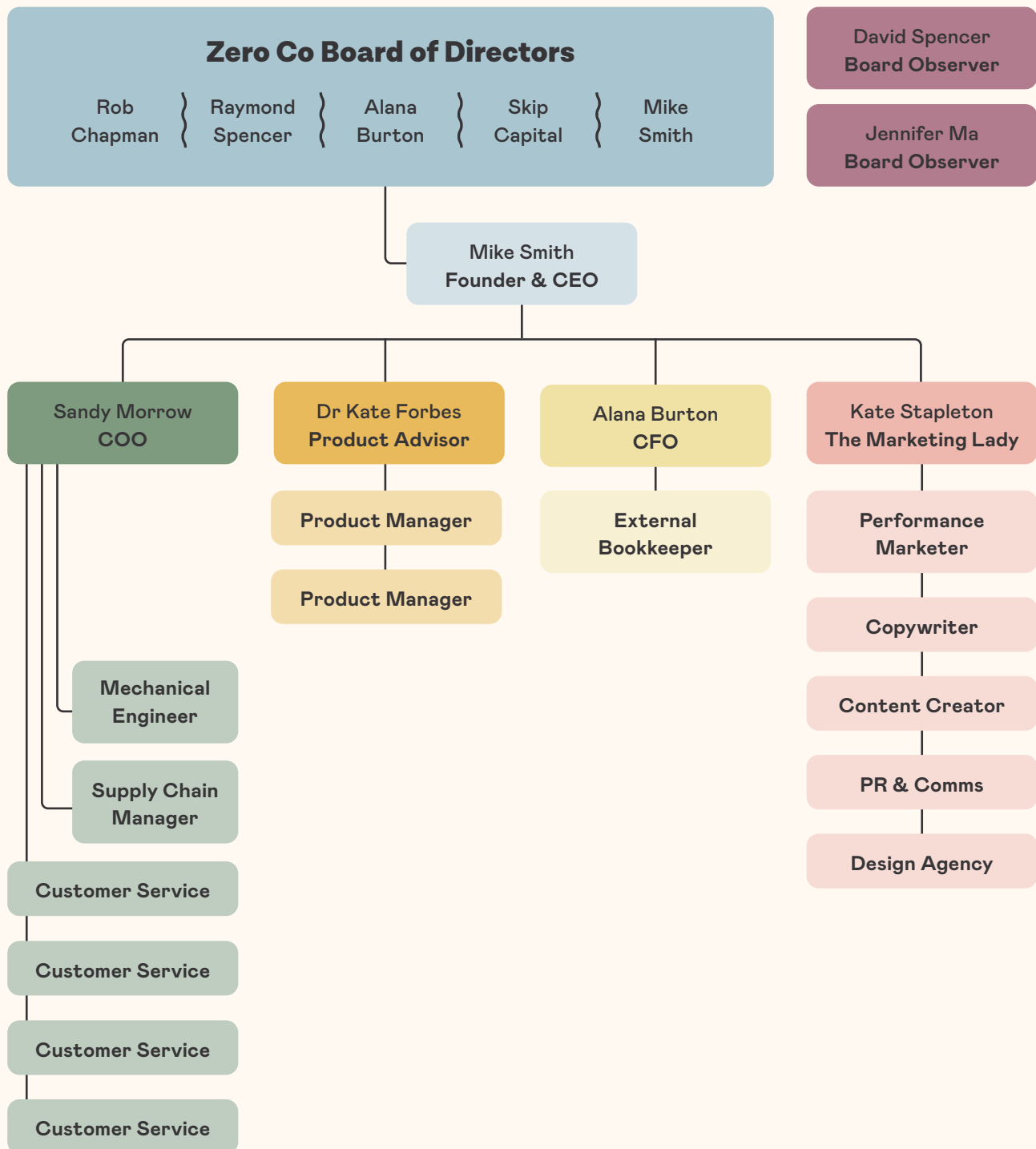
The single-use plastic problem is a global problem. We believe that our solution is globally unique and therefore has global potential. In line with that global vision we intend to launch into our first international market in 2022. Our goal is to be operational in at least 3 international markets by 2023.

Due to competitive confidentiality we have decided not to disclose the exact date of our proposed international launches or the markets we're proposing to enter.

2.3

Organisational Structure

The below chart represents the organisation structure as at October 2021.



2.4

Capital Structure

Corporate Structure

The current corporate structure and capitalisation of ZERO.CO.COM.AU PTY LTD is as follows:

Entity	ZERO.CO.COM.AU PTY LTD
ACN	633 757 954
Directors	Rob Chapman (Chairman), Raymond Spencer, Adam Cook (Skip Capital), Alana Burton, Mike Smith.
Secretary	Alana Burton
Share Structure	3,967,217 Ordinary Shares 1,418,440 Seed Preference Shares 163,947 SAFE shares 616,623 Employee share option plan pool (partially allocated)

As per the pre-emptive rights offered to existing shareholders under the Company's Constitution, following the CSF Offer, the company may issue up to an additional \$2,000,000 worth of shares to existing shareholders on the same terms as the CSF Offer. The pool of securities available for the employee share and option plan will increase by one ninth of the number of additional shares issued.

2.4.1

Issued Capital

As at the date of this Offer Document, the Company has 3,967,217 ordinary shares, 1,418,440 Seed preference shares and a total of 780,570 employee share and options plan and SAFE shares available for issue.

The majority of shares are held by the Company's Founder and directors, through their shareholding entities.

The table below outlines the current shareholders of the Company, with percentages calculated on the assumption that all options or rights (including ESOP and SAFE) that may be convertible to shares will vest and are converted into shares. Square Peg has entered into a legally binding agreement with the Company relating to their investment, but the transaction has not yet completed. The Company expects the transaction to complete contemporaneously with the completion of the offer under this Offer Document.

Shareholder	Ordinary Shares	Preference Shares	Options & SAFE shares	Total	% of total Shares & Options
Mike Smith Pty Ltd	2,355,495	-	-	2,355,459	38.2%
Skip Enterprises Pty Ltd	49,020	946,809	-	995,829	16.1%
Square Peg 2020 LP*	658,180	35,461	-	693,641	11.2%
Kirkwood Ventures Pty Ltd	214,432	141,844	-	356,276	5.8%
SP Retirement Fund Pty Ltd	106,764	70,922	-	177,686	2.9%
Chapman Capital Partners	-	-	163,947	163,947	2.7%
Cornish Group Investments Pty Ltd	37,546	70,922	-	108,468	1.8%
R I and L A Chapman Pty Ltd	54,425	35,461	-	89,886	1.5%
Rory Atkins Enterprises Pty Ltd	43,540	28,369	-	71,909	1.2%
Dropbear Fund Pty Ltd	-	70,922	-	70,922	1.2%
No Brand Holdings Pty Ltd	64,831	-	-	64,831	1.1%
Others 13 shareholders (each less than 1% ownership)	383,020	17,730	-	400,750	6.5%
Total ESOP allocated and unallocated	-	-	616,623	616,623	10.0%
Total	3,967,217	1,418,440	780,570	6,166,227	100%

* Subject to completion under the transaction documents.

The table below sets out the issued capital of the Company following the Offer on a fully diluted basis (i.e. presuming all options or rights (such as ESOP and SAFE) are exercised and converted to shares.)

Shares	Minimum Subscription	Maximum Subscription
Existing Ordinary Shares	3,967,217 61.6%	3,967,217 56.2%
Existing Seed Preference Shares	1,418,440 22.0%	1,418,440 20.1%
SAFE Shares	163,947 2.5%	163,947 2.3%
Offer Shares	115,606 1.8%	578,034 8.2%
Pre-emptive Shares (issued after CSF)	127,340 2.0%	227,213 3.2%
ESOP Shares	643,616 10.0%	706,094 10.0%
Total Shares and Options*	6,436,166 100.0%	7,060,945 100.0%

* Subject to Square Peg transaction closing and existing shareholders exercising their pre-emptive rights.

As part of the Company's arrangement with existing shareholders and how their pre-emptive rights under the Constitution are dealt with, as part of the CSF Offer, the Company may issue up to an additional 227,213 shares to raise up to a further \$1,965,392 from existing shareholders on the same terms as the CSF Offer. These preemptive shares are included in the table above but will vary in quantum in relation to the total amount raised. ESOP shares will also vary with the total funds raised, such that the total pool will comprise 10% of the fully diluted share capital post closing.

2.4.2

Rights and Liabilities Associated with Securities

As at the date of this Offer, the only classes of shares on issue are Ordinary shares and Seed Preference shares. The rights and obligations associated with these share classes are set out in the constitution, which is available on the Intermediary's platform. While the summary is set out below, we recommend that you read and consider the full constitution.

Transfers

Transfers of shares to a third party (e.g. sale) are not permitted unless the parcel of shares being transferred represents at least 0.5% of the share capital of the company, and where the seller became a shareholder of the company prior to 1 October 2021. All other transfers are at the discretion of the directors. When shares are offered for sale, they must first be offered to existing shareholders who own more than 1% of the shares in the company.

Ordinary Shares

- Right to receive notice of any general meeting of the company.
- Rights to dividends as determined by the board of directors. The directors may carry forward any profits rather than distributing them through dividends.
- Right to participate in distribution of surplus assets on winding up.
- Voting rights. May attend a meeting of the Company and may vote personally or by proxy or attorney. A more detailed description of the rights and liabilities associated with the ordinary shares is set out in Section 3 below and in the Company's Constitution.



Plastic picked up during K'Gari (Fraser Island) beach cleanup 2021

Seed Preference Shares

The specific terms attaching to the Seed Preference Shares (SPS) are outlined in the Company's constitution, with material items of note including:

01

SPSs rank senior to all other shares in the Company.

02

Each SPS is convertible into ordinary shares at terms outlined in the constitution (generally 1 to 1 in most cases).

03

A holder of a SPS can, at any time, request conversion of any portion of their SPS holding with 10 business days written notice.

04

Each SPS confers on the holder all of the rights attaching to one fully paid ordinary share in the Company.

05

SPS entitle the holder to vote on an 'as converted basis', meaning that the number of votes attaching to a SPS is equal to the number of ordinary shares into which it would convert at the current date.

06

Each SPS is entitled to any dividend declared on ordinary shares equal to the dividend that would be payable on the number of ordinary shares into which such SPS would convert on the dividend record date.

07

The rights attaching to SPS cannot be changed without the approval of holders of at least 75% of the SPS on issue.

08

If a liquidation event occurs, the SPS holders are entitled to receive the greater of (a) the amount paid up on the SPS plus declared unpaid dividends or (b) the amount that would be payable if all SPS were converted to ordinary shares immediately prior to the liquidation event. This payment takes precedence over payments to holders of any other shares or securities in the capital of the Company.

Special Rights

Special Majority

The Company's constitution outlines a series of scenarios which require approval by a Special Majority, being at least 66% of the votes that are entitled to be cast by either Directors or Shareholders, as the case may be. These conditions relate to material changes in the nature of the business's ongoing operations and its capital

structure such as appointment of administrators, disposal of major assets and changes to the terms and composition of its debt and capital structure. Refer to the constitution for full details. Certain board decisions further require that one of the two Investor Directors are part of the 66% majority vote. Refer to the constitution for full details.

Material Investor Special Rights

Skip Enterprises Pty Ltd ("Skip") and Square Peg 2020 LP* ("Square Peg") are the second and third largest shareholders of the company respectively, exceeded only by the Founder.

The constitution affords special rights to both parties, which continue to apply while the relevant investor holds at least 7.5% of the shares, including:

- Both organisation are permitted to appoint a director. For ease of reference, their appointed directors are referred to as Investor Directors.
- Specific scenarios which require an Investor Director Special Majority of the Board, which is defined as a Special Majority (66% of the votes) including one of the two Investor Directors. The items covered include expenditure that exceeds budget by greater than 25%, related party transactions, material changes to the nature of the business, the creation of securities with rights superior to those of the Seed Preference shares and alterations to the structure of the board.
- If a third party wishes to purchase all of the shares in the company, the transaction will need to be approved by either Skip or Square Peg in certain circumstances.
- Skip and Square Peg may choose to appoint a board observer (in lieu of a director). The observer will be permitted to vote on any Board resolution that relates to Founder vesting and resignation, as if the observer held a seat on the Board.

Rights that apply so long as Skip or Square Peg hold any shares in the Company include:

- They are permitted to appoint a board observer in lieu of appointment of a director.
- They have the right to view the books and records of the Company.
- They are excluded from the Events of Default provisions that apply to all other shareholders as defined within the Constitution.

* Subject to closing of the sale and subscription agreement with Square Peg.

Restrictions on Issue or Transfer of Shares

Pre-emptive Rights

The constitution provides that, for any new issue of securities, the Company must first offer certain existing Shareholders their respective portion of the total number of securities to be issued. More details around the application of these rights can be found in the constitution.

Similar provisions apply to the disposal of shares whereby certain existing shareholders are entitled to purchase shares from a shareholder who wishes to sell, provided the Board has approved the sale. A sale can only be made to a third party if the demand from existing shareholders is less than the number of shares on offer. Further details can be found in the constitution.

Tag and Drag Along Clauses

Tag and drag along clauses deal with scenarios where a majority of issued share capital is proposed to be sold to a third party. It allows for other shareholders to require their shares also be acquired as part of the deal (tag along) or forces the shareholder to sell their shares to the acquirer (drag along).

Where a shareholder is permitted to transfer their shares to a third party, and those shares represent 51% or more of the total issued shares, the seller must advise all other shareholders of their intent to sell. The notice will give each other shareholder the right to (tag along) require the proposed

purchaser to also purchase their shares at the same terms.

Where the company receives an offer from a third party to purchase all of the securities in the Company, and the holder(s) of at least 66% of the shares accepts the offer (including Skip or Square Peg in certain circumstances), then that special majority of shareholders are permitted to issue a Drag Along Notice to the remaining shareholders. This Notice will require the remaining shareholders to sell the specified number of shares as part of the acquisition by the third party.



Founder Specific Clauses

A number of restrictions on the Founder's activities have been embedded within the constitution.

Some key provisions include:

- 1,250,000 of the Founder's Shares were unvested at 15 September 2021 and are subject to a 3 year vesting schedule whereby each month, 1/36th of the original unvested amount vests. Should an exit event occur prior to the conclusion of the 3 year vesting period, or the Founder becomes a good leaver (as defined by the constitution), the unvested shares will automatically vest.
- Notwithstanding the above, at all times, the Founder's entitlement to vote is calculated on the basis that all shares have vested. More specific details of the Founders vesting conditions, including good and bad leaver provisions, can be found in the constitution.
- The Founder requires Board approval to dispose of his shares under certain circumstances as outlined in the constitution.
- The constitution also imposes restraint of trade restrictions on the Founder that would reasonably be expected to preserve the competitive advantage of the Company.
- The Founder is permitted to appoint 2 directors while he is employed by the Company and owns greater than 5% of the shares on issue. This will reduce to 1 director if either of those conditions no longer applies.

Options

The Company has created an Employee Share Option Plan ("ESOP") to attract, retain and incentivise key employees.

The ESOP provides selected employees with options to purchase a specified number of ordinary shares in the Company, at a future date, at the price determined by the board at the time of grant, which may be the market price as of the date the options are granted. The options vest over a 4 year period

and are subject to various terms and conditions, the primary one being ongoing employment with the Company.

Prior to the launch of this capital raise, the ESOP pool contained 616,623 allocated and unallocated options.

SAFE Shares

A Simple Agreement for Future Equity (also known as SAFE) is a relatively new type of funding agreement which is becoming popular for early stage funding.

The Company has signed a SAFE agreement with Chapman Capital Partners ("CCP") as compensation for the advisory services provided in relation to the management of previous capital raises. The SAFE agreement provides that 163,947 shares in the

Company will be issued to Chapman Capital Partners immediately prior to an Exit Event or, at CCP's discretion, immediately prior to the payment of a dividend or return of capital.

2.4.3

Sources of Funding



Funds to Date

As at the date of this offer, the Company has no debt. The business has been funded through a combination of operating income, equity and grants.

- Operating Income - from inception through to 31 Aug 2021, the business has generated income of \$8,227,528.
- Equity - over the course of 3 funding rounds the Company has raised approximately \$4.3M from Venture Capitalists, professional investors, high-net-worth individuals/ family offices.
- Grants - the Company has secured approximately \$500,000 in Federal and State Government grants to scale its operations.

2.5

Risks Facing the Business

An investment in ZERO.CO.COM.AU 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).

Startup Risk

ZERO.CO.COM.AU PTY LTD is an early stage startup. 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, and risks associated with evolving technology. In particular, the Company is currently generating an operating loss. The cost of acquiring customers may also increase in the future.

Complexity of Global Scale

Our vision is to become a global brand operating in multiple international markets. This will result in increased operational complexity across the business, especially within manufacturing, logistics, supply chain, brand building, financial and corporate affairs. Managing this ever-increasing complexity is a key risk.

Attracting and Retaining Talent

Scaling Zero Co into a global force for good will require us to attract and retain exceptional humans with specialist skills (including operations, marketing and technology). Whilst we've had phenomenal success inspiring experienced talent to join our ranks so far, past performance is not a guarantee of future performance. Failure to attract and retain certain key employees may adversely impact our ability to execute our growth strategy or effectively manage the operating and financial risks associated with rapid scaling. This has the potential to adversely impact our business and financial performance.

Additional Capital

It's highly likely that Zero Co will require additional capital in order to achieve our global growth objectives over the medium term. Our ability to source capital through either debt and/or equity markets will be crucial to our ongoing success. Capital markets can be fickle and responsive to global economic conditions outside the control of Zero Co.

Competition

The market for “plastic-free personal-care and cleaning products” is becoming increasingly cluttered and competitive. We expect this trend to continue. Whilst we have access to first-mover advantages in Australia and certain opportunities due to our unique refill business model and pouch cleaning technology, past performance is not a guarantee of future performance. As the market becomes more competitive we will need to continue to innovate to stay ahead of competition. This carries inherent risks.

Supply Chain Partners

Zero Co operates an outsourced supply chain model, with external partners responsible for recycling our oceans and beach plastic, manufacturing our packaging, making our liquids/tablets, storing our finished goods and packing and sending orders to our customers. Whilst it's common for ecommerce businesses to operate a highly outsourced supply chain, there are inherent risks involved with dependency on external suppliers. There are many operational factors that take place inside our partner organisations which are outside the control of Zero Co.

Speed of Growth

Growing a company quickly carries inherent risks. Fast-growth companies typically de-prioritise profitability in the short-term to focus on acquiring market share as quickly as possible. This is especially true with new-market opportunities like the one Zero Co is pursuing. Fast growth companies are typically comfortable paying more to acquire customers and carry larger stock-on-hand positions to facilitate rapid growth. All of these risks are inherent in Zero Co's approach to scaling quickly.

Scaling Pouch Cleaning

The ability of the Company to grow internationally will be subject to successfully scaling its pouch cleaning technology and systems. As at the date of this Offer, the Company is still in the process of refining and optimising these systems and technology and inherent risks remain in fully scaling out these processes and technology.



2.6

Financial Information

Financial Milestones

Some key financial milestones achieved by ZEROCO.COM.AU PTY LTD include:

Highlights



40,041

customers
acquired¹



\$8.2M

in sales since
inception²



\$1M/month

in sales generated
10mth after launch³



706%

growth⁴



66%

customer
retention⁵



989,400

water bottles worth
of waste pulled
from the ocean⁶

¹ As at 31st August 2021

² Total sales, inclusive of GST, from inception through to 31 August 2021

³ \$1,191,029 in sales (inc. GST) August 2021, began shipping November 2020

⁴ Past 12mths. Sept 2020 (\$168,580), August 2021 (\$1,191,029)

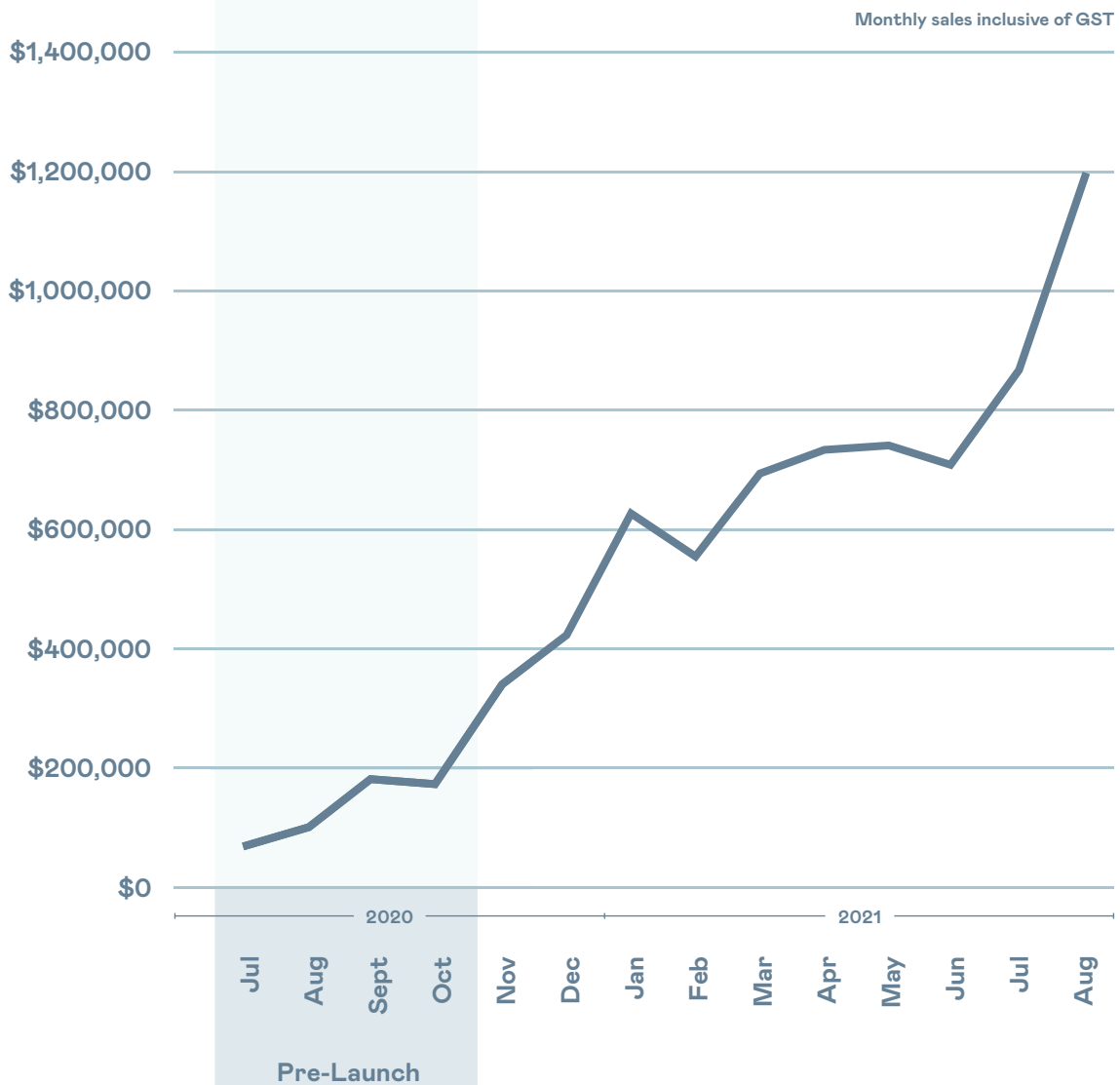
⁵ 66% of pre-order customers have placed a re-order as at August 2021

⁶ 9,894,000g of waste has been pulled from the ocean and beaches by Zero Co and partners since inception

The Company has also experienced strong growth across the following key metrics within the first 10 months since we began deliveries:

- Monthly Sales
- Customer Retention
- Repeat Customer Revenue

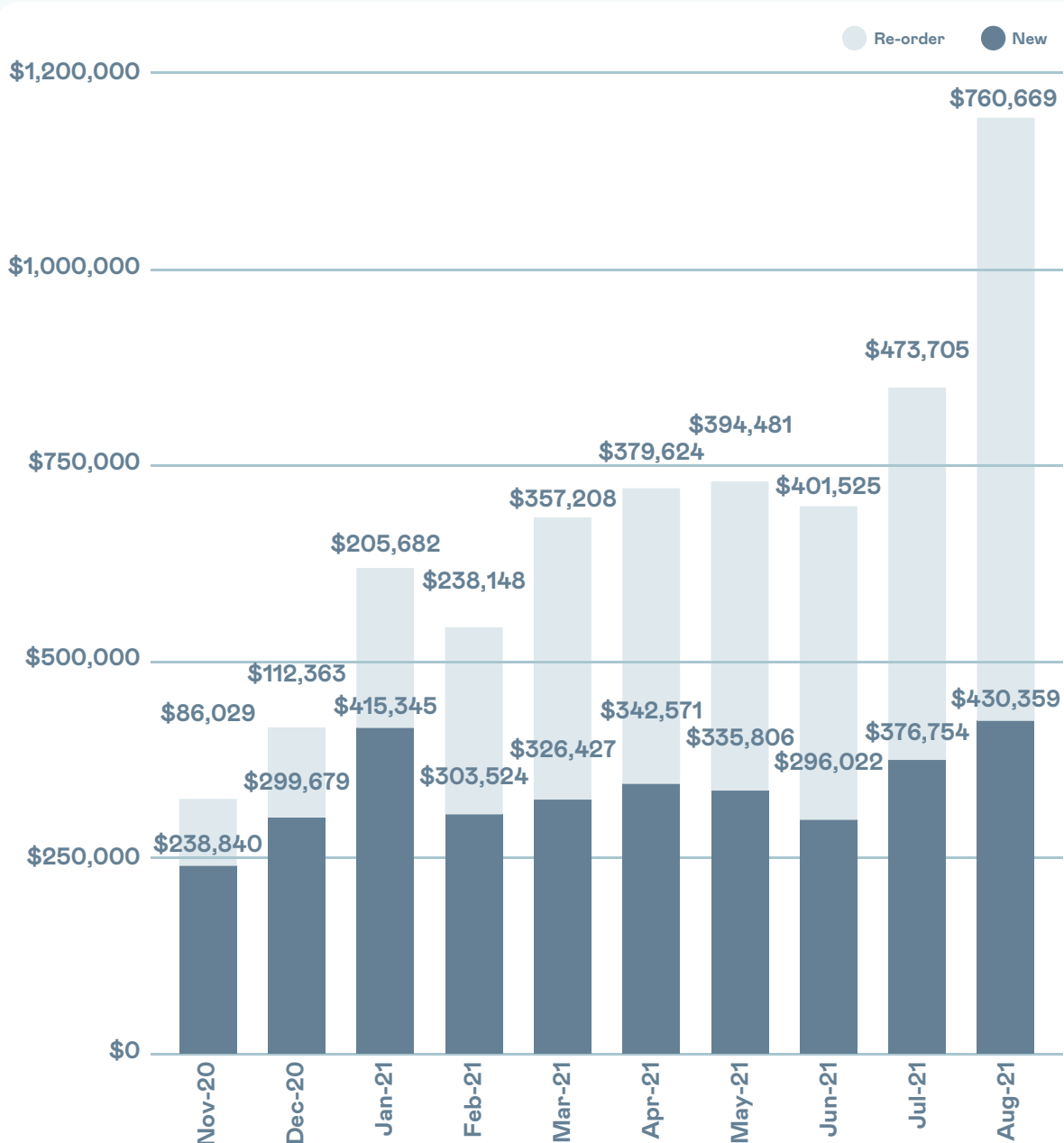
Monthly Sales Growth



Repeat Customer Revenue Growth

The strong customer retention rates the Company has experienced has translated into steady growth in the total value of reorders placed by returning customers each month:

Sales (\$) by Month



2.6.1

Balance Sheet

Below are the financial statements of the Company for the financial year ended 30 June 2021. They have been prepared in accordance with Australian accounting standards by appropriately qualified accountants. They have not been audited. All figures, unless otherwise stated, are denominated in whole Australian dollars.

As at 30 June 2021

CURRENT ASSETS	
Cash	1,820,923
Trade and other receivables	630,938
Inventory	1,568,262
Total current assets	4,020,122
NON CURRENT ASSETS	
Fixed Assets and Intangibles	28,035
Total non current assets	28,035
Total assets	4,048,157
CURRENT LIABILITIES	
Trade and other payables	761,476
Total liabilities	761,476
Net assets	3,286,681
EQUITY	
Share capital	4,294,598
Reserves	94,908
Retained profit (loss)	(1,102,825)
Total equity	3,286,681

Commentary

As at 30 June 2021, we had raised approximately \$4.3 million in capital across three funding rounds. \$1.8 million of this capital remained in the bank as at the end of the financial year, with another \$1.6 million being invested in stock on hand. Our policy in relation to inventory, given our ambitious growth targets, is to have at least 8 weeks of stock on hand to mitigate any potential delays in our supply chain and to ensure our customers never have to go back to SUP because we are out of stock!

Trade and other payables include balances due to our suppliers within regular trading terms, superannuation accrued but not yet transferred (this is done quarterly) and deferred revenue where we have received cash but not yet recognised the revenue in the P&L as we haven't yet earned it (e.g. revenue from the sale of gift cards is deferred until the card is actually used).

The retained loss relates to the costs of getting the business off the ground in the previous financial year, prior to generating revenue, in addition to the loss made in this financial year. The majority of the 2 years since inception has been pre-revenue, where we have incurred costs to build our products and service offering. We expect to recoup these initial outlays in coming financial years.

2.6.2

Profit and Loss Statement

Figures in the table below are presented in whole Australian dollars; income is represented by positive numbers and expenses as negative.

For the 12 months ending 30 June 2021

Sales Revenue	5,474,352
Direct Costs	(3,306,139)
Gross profit	2,168,213
Other Revenue	93,887
OPERATING EXPENSES	
Exceptional Humans	(1,058,395)
Marketing & Customer Delight	(1,475,910)
Operations, Administration and Other	(380,006)
Total Operating Costs	(2,914,310)
OPERATING LOSS	(652,210)
Interest and FX gains	6,238
Product Development Expenditure	(342,247)
Research & Development Tax Incentive	309,844
Net Loss Before Tax	(678,376)
Income tax benefit (current & prior year)	173,383
Net Loss After Tax	(504,993)

Commentary

Sales revenue of \$5.47 million represents revenue generated on all orders placed up to and including 30 June 2021. It includes the revenue generated from our Kickstarter campaign in November 2019 and all subsequent pre-orders. The revenue generated from orders placed in the prior financial year is recognised in this year's P&L because we hadn't 'earned' the revenue until we had fulfilled our promise to those pre-order customers by shipping their goods to them in November 2020.

Direct costs include the cost of goods sold, costs incurred to pick and pack orders, the shipping costs of sending orders to customers and receiving returned pouches back, and transaction fees. It also includes the cost we have incurred to purchase carbon offsets equivalent to 200% of the carbon emitted from our deliveries to customers. These direct costs generated a gross profit margin of 40% which is in line with our budget projections.

As with all start-up businesses, initial investments must be made in people, processes and products to facilitate rapid and efficient scaling. This investment will generally exceed gross profit generated in the early months (and sometimes years) of operations. Much of our operating expense base is not directly related to sales volumes and therefore will not increase proportionally with sales revenue. The impact on the expected timeframe for meeting monthly break-even revenue is a key decision factor when considering additional headcount or other operating spend.

Product development expenditure relates to the research and development of new products, refinements to existing ones and the build of our unique pouch cleaning technology. Under the Federal Government's AusIndustry Research and Development Tax Incentive program, we are entitled to a refundable tax offset in relation to some of our R&D programs of work.

The income tax benefit recognised in the P&L represents the deduction that we will be eligible to claim against income in future years, in relation to the loss generated in the current and prior financial year.

2.6.3

Cash Flow Statement

Cash Flow Statement	
Receipts from customers	4,954,46
Payments to suppliers	(4,376,748)
Other operating cashflows	(2,823,534)
Operating cash flow	(2,245,815)
Net payments for investing activities	(25,865)
Funds from financing activities	3,972,039
Foreign currency revaluation	19,886
Net increase in cash in period	1,720,245
Opening cash	100,678
Closing cash	1,820,923

Commentary

Receipts from customers is less than revenue recognised in the period because some of the current year revenue was received in the prior financial year as noted above (pre-orders). Payments to suppliers includes the net cash outflow for direct costs including the purchase of inventory which remains on the balance sheet at 30 June 2021. Other operating cashflows includes operating expenses, payments to tax authorities, wages etc. It differs from the P&L due to timing of settling invoices and prepayments of annual subscription costs where the expense is incurred over the current and future financial years.

Net payments for investing activities relates to the purchase of fixed assets and intangibles purchases. Financing activities largely represents capital raised but also includes the maturity of a fixed term deposit.

2.6.4

Statement of Changes in Equity

	Share capital	Reserves	Retained earnings	Total
Opening: 1 July 2020	710,000	-	(597,832)	112,168
Total comprehensive income	-	-	(504,993)	(504,993)
Share based payment expense	-	94,908	-	94,908
Shares issued during year	3,584,598	-	-	3,584,598
Closing: 30 June 2021	4,294,598	94,908	(1,102,825)	3,286,681

SECTION 3

Information about the Offer



3.1

Terms of the Offer

ZEROCO.COM.AU PTY LTD is offering up to 578,034 shares at an issue price of \$8.65 per share to raise up to \$5,000,000. The key terms and conditions of the Offer are set out below.

Term	Details
Shares	Fully-paid ordinary shares
Price	\$8.65 per share
Minimum Subscription	\$1,000,000
Maximum Subscription	\$5,000,000
Opening date	Tuesday 19th October 2021
Closing date	Thursday 4th November 2021

A description of the rights associated with the shares is set out later in this document.

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.

3.2

Use of Funds

The table below sets out the intended use of funds raised under this Offer based on the minimum and maximum subscription amounts.

Intended use	Minimum Subscription (\$1,000,000)	Maximum Subscription (\$5,000,000)
Domestic Expansion (Marketing)	\$300,000	\$500,000
Domestic Expansion (New Team Members)	\$300,000	\$500,000
Domestic Expansion (Inventory)	\$100,000	\$300,000
International Expansion (Marketing)	\$0	\$700,000
International Expansion (New Team Members)	\$0	\$700,000
International Expansion (Inventory)	\$0	\$1,000,000
Product Development	\$125,000	\$583,800
Technology	\$112,200	\$413,400
Offer costs	\$62,800	\$302,800
Total	\$1,000,000	\$5,000,000

The Offer costs include the Intermediary's fees under the hosting agreement between the Company and the Intermediary. These fees are up to 6% of all funds raised by the Company through Birchall Financial Services Pty Ltd (Intermediary), plus \$2,800 for administration and setup costs.

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

We expect that the Maximum Subscription amount will be sufficient to meet the Company's short-term objectives over the next 12–18 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 the event that the maximum funding amount is not achieved the Company will significantly scale back its growth plans. Where less than the Maximum Subscription amount is raised, the Company may consider undertaking a further CSF offer under the CSF regime. If investor demand is greater than the maximum funding amount the Company may consider undertaking an additional investment round.

3.3

Rights Associated with the Shares

The shares subject to this Offer are fully paid shares. There will be no liability to contribute further funds on the part of shareholders and the shares will rank equally with the ordinary shares currently on issue. The rights associated with the shares are set out in the Company's constitution and Corporations Act. These rights are summarised below. A copy of the constitution is available on the Intermediary's platform. We recommend that you read and consider the constitution in full.

Voting Rights

An individual shareholder may vote personally or via proxy or attorney.

Where a vote at a general meeting is taken via a show of hands, each shareholder present (including via proxy, attorney, guardian or representative) has one vote. Joint shareholders are only entitled to one vote in the aggregate. Where a vote is taken via poll, each shareholder will have the number of votes equivalent to the number of shares owned. Voting rights are only bestowed upon shareholders whose shares are fully paid.

Dividends

The directors have 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).

The constitution allows the directors to declare and pay dividends on Seed preference shares to the exclusion of, or at a higher rate from that on ordinary shares. Directors have the discretion to direct that any part of a dividend be paid by the issue of shares.

It is worth noting that companies with high growth aspirations generally do not pay dividends, but rather reinvest profits to fund future growth.

General Meetings and Notices

Directors have the power to call meetings of all shareholders.

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.

At least 21 days' notice must be given of a general meeting and can be held digitally. The quorum required for the meeting to proceed is such shareholders representing at least 50% of the voting rights and must include one representative from the Founder.

Election and Removal of Directors

The Company must have at least two directors and no more than seven. The Constitution provides for material shareholders (holding 15% of the shares in the company) to appoint a director for every 15% held.

Where only one director is appointed, the right of appointment remains while the shareholder holds above 7.5% of the shares in the Company. Square Peg are entitled to appoint a director so long as it holds no less than 7.5% of the Shares.

The Founder is permitted to appoint two directors as long as he holds not less than 5% of the shares and is employed by the company. If he ceases employment or engagement with the company or his shareholding drops below 5%, then he can only appoint one director.

The Founder is permitted to continue to appoint one director while ever he holds shares in the company.

The directors may appoint and remove a director, by passing a board resolution. A director appointed by the board must have their appointment ratified by a simple majority of the shareholders at the next general meeting.

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 holders of Seed Preference shares will be entitled to receive payment in preference to the holders of any other shares of an amount that is the greater of:

- a) The amount paid up on the Seed Preference shares plus any declared but unpaid dividends in respect of a Seed Preference Share (ie they get their money back); or
- b) The amount that would be payable to the holder in respect of each Seed Preference shares if all the Seed Preference shares were converted to ordinary shares immediately prior to the liquidation event.

The terms and conditions outlining the conversion mechanism of Seed Preference shares are outlined in section 2 above.

Once the greater of the above is allocated to Seed Preference shares holders, the remaining proceeds of liquidation will be divided amongst the ordinary members.

Restrictions on Sale and Transfer

A shareholder wishing to dispose of all or some securities must give the Board written notice that sets out the number and class of shares it proposes to dispose of, the price and a third party buyer (if any).

As outlined previously, where the board approves the transfer, certain existing shareholders are given first right of refusal to purchase these shares.

A sale to a third party will only occur to the extent that the quantity of shares offered for sale exceeds the demand by existing shareholders.

The directors may refuse to register a transfer of shares under certain conditions and must notify the person who lodged the transfer, in writing.

Refer to section 2 for details of restrictions on the sale and transfer of shares relating to drag and tag rights, dealing with the sale of 51% and 66% of the company's shares respectively.

Pre-emptive Rights on Issue of Shares

Section 2 above explains that where shares are to be issued, the company must first allow certain existing shareholders, being those that own 1% of the existing share and any other shareholder(s) as the directors so decide, the right to purchase new shares in proportion to their existing ownership share.

3.4

What can I do with my Shares?

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

However, there are numerous possible circumstances that may create an opportunity for shareholders to exit their investment in the Company. These include, but are not limited to:

- A trade sale of the Company
- A listing on a registered stock exchange (eg the ASX)
- A private equity acquisition of the Company
- A share buy-back by the Company

There is no guarantee that any of the exit options will eventuate. Therefore potential shareholders should consider this investment as illiquid and be prepared to hold it until there is an exit event as set out above.



SECTION 4

Information about Investor Rights



4.1

Cooling-off Rights

If you are a retail investor, you have the right to withdraw your application under this Offer and to be repaid your application money.

If you wish to withdraw your application for any reason (including if you change your mind about investing in the Company), you must do so within five business days of making your application (Cooling-off Period).

You must withdraw your application via the Intermediary's platform. You will be able to withdraw your application within the Cooling-off Period by following the link and the instructions within your portfolio on the Intermediary's platform.

After your withdrawal has been processed, the Intermediary will refund the application money to your nominated account as soon as practicable.



4.2

Communication Facility for the Offer

You can ask questions about the Offer on the communication facility available on the Intermediary's platform.

You can also use the communication facility to communicate with other investors, with the Company and with the Intermediary about this Offer.

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

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

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



4.3

Proprietary Company Corporate Governance Obligations



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.

Related Party Transactions

If we successfully complete this Offer, the rules on related party transactions in Chapter 2E of the Corporations Act will apply to the Company (for so long as we continue to have CSF shareholders).

This means that the Company is required to obtain shareholder approval before giving financial benefits to related parties of the company (e.g. directors and their spouses, children or parents), subject to certain exceptions (such as reasonable remuneration provided to directors).

Takeovers

If we successfully complete this Offer and have more than 50 shareholders, the takeover rules in the Corporations Act will only apply to the Company in a very limited way.

If someone wants to buy more than 20% of the voting shares in the Company, they will be able to do so without complying with the takeover rules. This means a person may be able to get control of the Company without making a formal takeover bid to all shareholders or without seeking shareholder approval.

Shareholders will not have the benefit of the full protections under the takeover rules, which means you may not have the right to vote on or participate in a change of control of the company. However, the general principles of ensuring shareholders have sufficient information and time to consider a change of control, and all have a reasonable and equal opportunity to participate in any benefits, will apply to the Company. In addition, the Takeovers Panel has jurisdiction to hear disputes relating to control of the Company.

Distribution of Annual Report

The Company is not required to notify shareholders in writing of the options to receive or access the annual report.

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

Glossary

Company means ZERO.CO.COM.AU PTY LTD ACN 633 757 954

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

It has to start somewhere.
It has to start sometime.
What better place than here?
What better time than now?

— Rage Against the Machine

