



Pure Australian Flavour



Investment Report

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1. The Purpose

1.1 Investing in Go Garlic Group Pty Ltd.

Go Garlic Group Pty Ltd (hereafter referred to as Go Garlic Group) is an Australian business in the premium garlic market. It is developing a paddock-to-plate business model, which will grow, process and brand garlic product with 100% Australian ingredients, for local & export markets.

It intends to buy the producer of Australia's widest range of garlic products - *Harmony Garlic*.

1.2 Three-Stage Plan:

- **Expand Production** *through Joint Venture with farmers growing garlic*
- **Add Value to Brand** *processing garlic with least intrusion to taste & health*
- **Scale Distribution** *via supply chain contracts to end-user & distributors*

Go Garlic Group is a farm-based agronomy - they are in the business of forming Joint Ventures (JV) with Garlic Growers. Their contracts will enable Garlic Growers to produce profitable crop whilst increasing the soil health & fertility of their farmland. This is paramount for the sustenance of a profitable Garlic Growing Industry – both grower and Go Garlic Group must profit.

Objectives:

- Buy Australia's leading Garlic Brand - *Harmony Garlic*
- Build on five years research into garlic farm production
- Mechanisation of processing & production
- Winning contracts from Retailers, Distributors & Exporters
- Launch new products (e.g. Black Garlic) to meet demand



2. The Problem

2.1 Competing with Inferior Imports

Australia once had a thriving garlic industry, but since deregulation it has been flooded with cheap garlic imports, increasing 8.5% from 2007 - 2014.

Today 80% of garlic consumed in Australia is imported. Three-quarters come from China. Garlic is also imported from Spain, Mexico, Argentina, USA, Chile, Peru, NZ and South Korea.

Imported garlic may be bleached to enhance whiteness, and grown using chemicals and pesticides not allowed in Australia. Imported garlic suffers from production and transport processes that reduce taste, nutrition and active medicinal property.

- Asia-Pacific consumes 91% of global garlic
- Chinese garlic hit by “root” disease
- Opportunity for Australian Exports.

China had exported 26.3% of its garlic exports to Indonesia, and 14.2% and 7.6% to Vietnam and Malaysia respectively. After upheaval in its garlic industry that is changing. This presents opportunity for the Australian Garlic Industry.

As of 1st September 2019 the Australian government banned the import of fresh garlic bulbs, from any party (including China) without an Import Permit. This was both an act of bio-security and an aid to Australian garlic growers.

Boutique production in the Australian garlic industry relies on small scale growers, who process their garlic on-farm. While consumers are prepared to pay higher prices for reliable quality garlic, over inferior imported product, this system lacks economy of scale. Consumers pay for this inefficiency.

Small scale garlic growers are vulnerable to fluctuations in production quality and quantity.

Go Garlic Group has the solution.



3. The Solution

3.1 More flavour, less cost

The Go Garlic Group solution will be to reduce the cost of production whilst creating a dependable quantity of reliable quality Australian grown garlic: more flavour, less cost.

The starting point of this is Joint Venture (JV) with garlic growers.

Through JV Go Garlic Group will have access to high quality garlic, which they will process through centralised production, reducing production costs, (adding economies of scale) and raising profits and lowering prices to consumers for premium branded garlic product.

This will enable Go Garlic Group to form a reliable supply chain and win local and international markets. Success requires both both reliable supply and reliable quality.

Go Garlic Group will bring unique difference to the Australian garlic sector.

Own No Farmland	The business model does not require ownership of farmland for crop production. This lowers capital investment.
IP Technology Control	Go Garlic Group has a number of proprietary processes and agreements relating to equipment, crop varieties and internal operational systems. These form part of the QA processes being implemented.
Supply Chain Verification	A track and trace system will record which paddock, which farm, what process and what package has been delivered to which end food or retail outlet.
Retail Market Power	Go Garlic Group is not seeking to enter Australian supermarkets with its brands or products. Their focus will be on delivering to the quality food service sector and to high end retailers.
Import Competition	Go Garlic Group will not competing at the bottom end of the market. They supply to discerning consumers who value taste, health & innovation.



4. Why Now

4.1 A unique opportunity

Go Garlic Group has a unique opportunity to acquire *Harmony Garlic*. This will lay the foundation for future success. Here are some of the advantages of this opportunity:

Acquisition of Established Garlic Business ~ build an integrated garlic company designed to meet global demand for premium garlic products

Strong Agricultural Industry Benefits ~ Current production opportunities for farm businesses with the required attributes being sought, is limited to a narrow range of crops. Having the ability to offer farm businesses another option with margins above the alternatives underpins the value proposition.

Developing Intellectual and Associated IP ~ Existing processes and additional intellectual asset development and protection strategies will see further productivity and nutritional outcomes able to be added to the existing IP and systems processes.

International Growth Opportunities ~ The Directors and Management team have been working with specific end of chain players in targeted international markets. The team has extensive industry experience and networks both locally and internationally that are being utilised to explore additional opportunities for future growth.

Strong Earnings Potential ~ the current competition for quality Australian grown garlic is from inefficient “cottage industry”. Pent-up demand for premium grade produce, at affordable prices will drive profits for Go Garlic Group.

Competition Exiting the Market ~ Australian businesses who have been in direct competition with *Harmony Garlic* have exited the market, further underpinning the acquisition and model being adopted.

Highly Experienced Team ~ The Directors and Key personnel have the experience and expertise to implement the growth strategy for the business, execute the implementation plans and take the Company to international markets.

Growing into High Value Markets ~ The total garlic market in Australia is valued at \$27.5M. Imports are valued at \$15.6M and Australian production at \$11.9M. The major focus for the Australian garlic industry is to reduce imports. Go Garlic Group will be focused on meeting contracted demand for Export of premium garlic product.

Strong Environmental Benefits ~ The outcome for farm businesses investing into the *Harmony Garlic* Production System is increased profitability and improved soil health. This along with our biological QA systems, underpins the production to meet the market without needing to play a commodity game with the price driven retail system.

5. The Market

5.1 The \$16 Billion Garlic Economy

China dominates the global market for garlic. It is responsible for more than 70% of garlic exports worldwide. Chinese production is mass-market and commodity focused. It provides cheap, low-quality garlic. It is inferior in quality to that grown and produced by *Harmony Garlic*. Nevertheless their operations affect the mass market.

NB: As of 1st September 2019 the Australian government banned the import of fresh garlic bulbs, from any party (including China) without an Import Permit. This was both an act of bio-security and an aid to Australian garlic growers.

World Market

Top Producers China	22 million tons	82% world production
India	1.6 million tons	6.3% world production
Top Exporters China	2,744 tons	71% market share
Spain	426 tons	11% market share
Top Importers Indonesia	673 tons	17.6 % share of world imports
Brazil	344 tons	9% share of world imports

Australian Garlic Market

Australia consumes an estimated 15,000 tons of garlic per annum, with annual growth running at approximately 5%. To year end June 2018, Australian garlic production totalled 2,246 tons, a rise of 26% on the year previous and worth \$15.6 million. Only 5% of this (118 tons) was exported, with 90% being sold to the fresh market and the remaining 5% to food and beverage industry. In the same year Australia imported 12,224 tons of garlic from China and Spain alone.

Australia is a globally recognised exporter of trusted high quality food produce exporting \$1.8 billion worth of fruit and vegetables in 2017/18, being 3 times more than it imported.

Drivers of the Garlic Market

The garlic market is driven by fresh garlic in whole clove form. Under or over production has significant influence upon price.

- Over supply in the garlic market produces falling prices, yet quantity demanded remains the same
- Falling prices do not increase sales, buyers do not change recipes for cheap garlic
- The quality of garlic crop effects selling price
- Rainfall and drought can damage supply and impact price
- Labour and logistics costs are key components of price



Quality

The quality of garlic is measured by the following aspects: appearance, colour, shape, blemish, and size.

Extra" Class 1: 85 grams plus

Garlic must be large garlic, plump + firm and well-rounded bulbs with large plump cloves. Visually appalling and in colour Better quality and characteristic of the variety and/or commercial type.

Class I: 60-80 grams

Plump and firm, well-rounded bulbs with large plump cloves. Visually appalling and of acceptable colour.

Class II: 35 – 60 grams

Not plump and firm and not well-rounded bulbs with large plump cloves. Visually unappealing. Shape and colour must be acceptable quality for processing.

Class III: below 35 grams

Small and not well-rounded bulbs with no large plump cloves. Not visually appalling, in shape or colour. Need only be acceptable for processing, being garlic that does not meet the standards for higher class.

The *Harmony Garlic* statistics

~80 t	Current Production
+8,000 t	Target over the next 5 years
\$35-\$150	Average Sale Price / kg
\$14	Average Growing Costs / kg
\$20	Processing & Selling Costs / kg
23	Current Product Offering
2	Specific Export Products
4	New products in development
7	Export Markets – current and planned



6. Products

6.1 The *Harmony Garlic* product range

	Food Service	Providore	Export
Black Garlic and Black Garlic Products		✓	✓
Confit Garlic Products / Smoked Garlic Confit	✓	✓	
Crushed Garlic	✓	✓	
Crushed Garlic and Chili Mix	✓	✓	
Crushed Garlic Infused	✓	✓	
Dehydrated Garlic Products	✓	✓	
Fresh Garlic	✓	✓	
Garlic Granules	✓	✓	✓
Garlic Infused Oil	✓	✓	
Garlic Powder	✓	✓	
Garlic Salts	✓	✓	
Garlic Seasonings	✓	✓	
Peeled Garlic	✓	✓	
Pickled Garlic Products	✓	✓	
Shallot Relish	✓	✓	
Smoked Garlic Crush	✓	✓	
Smoked Garlic Granules		✓	
Smoked Garlic in Oil		✓	
Smoked Garlic Powder		✓	
Smoked Garlic Salt		✓	

A number of new products to meet specific eating experiences are undergoing development for both local and international markets.

This is a key differential that sets the Go Garlic Group processes and products apart from the rest, both locally and internationally.

White Garlic



Garlic is native to Central Asia and North Eastern Iran, and has been used worldwide in cooking and as a seasoning for thousands of years.

Go Garlic Group will produce varieties of white garlic, grown in specific geographic locations under specific agronomic circumstances. The resultant crop will be tested and graded before it goes through the transformation process.

A key component of the **Go Garlic Group** business model relates to the growing, handling and value adding IP that is applied to that process. The outcome has so impressed international distributors in key premium markets that they are seeking to sign exclusive agreements for specific geographic and end use markets.

Black Garlic

The true origins of black garlic are unknown. Some say that it originates from Korea more than 4,000 years ago, other claim that it originates from Japan. Black garlic is very popular in East Asian cuisine, especially in Japan.

Black garlic is white garlic that has been temperature treated over a prolonged time: several weeks. Its production is a delicate process best left to complex machinery, which few Black Garlic producers have.

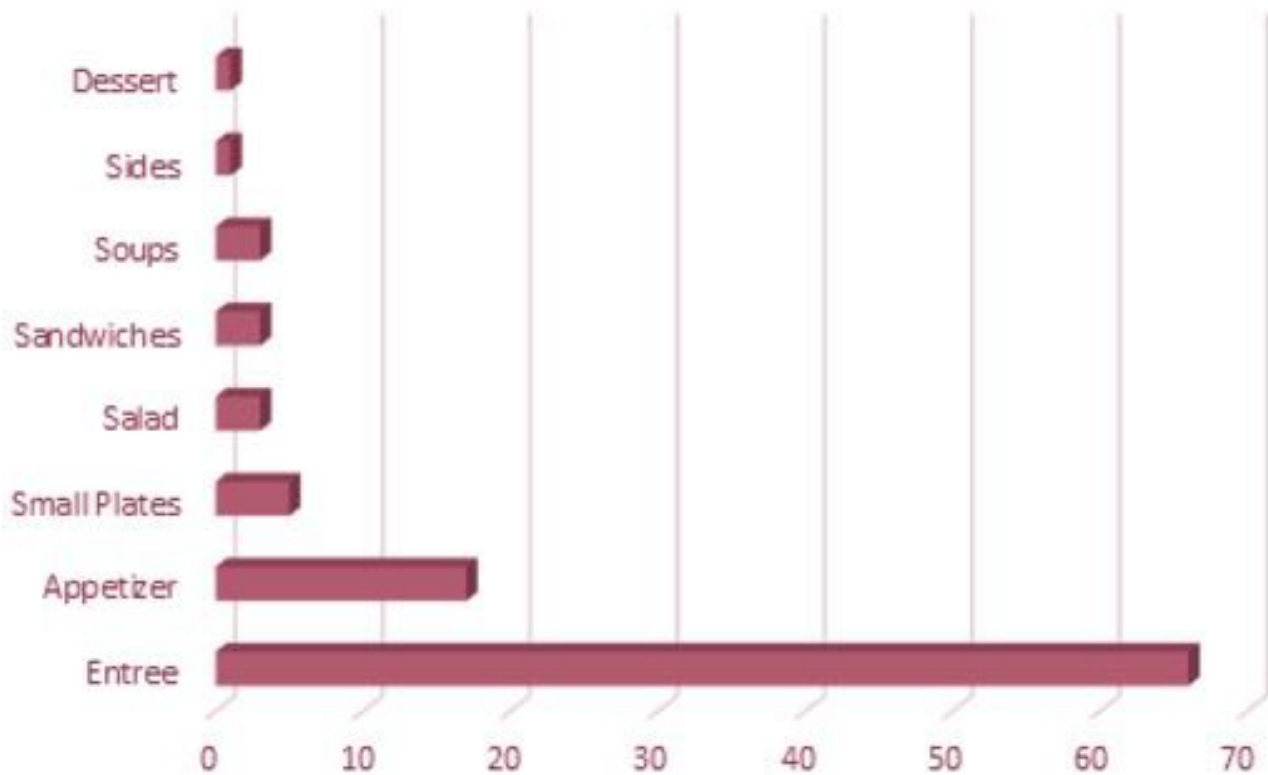
Traditionally used in savoury dishes, black garlic is also good for dessert, adding a unique and complex flavour.

It does not leave the same taste of garlic, but has a quince-like, date-like, mushroomy taste. Delicious with cheese and crackers, or as an accompaniment to a sauce or a meat dish. Black Garlic is in demand around the world as a new and exciting products.

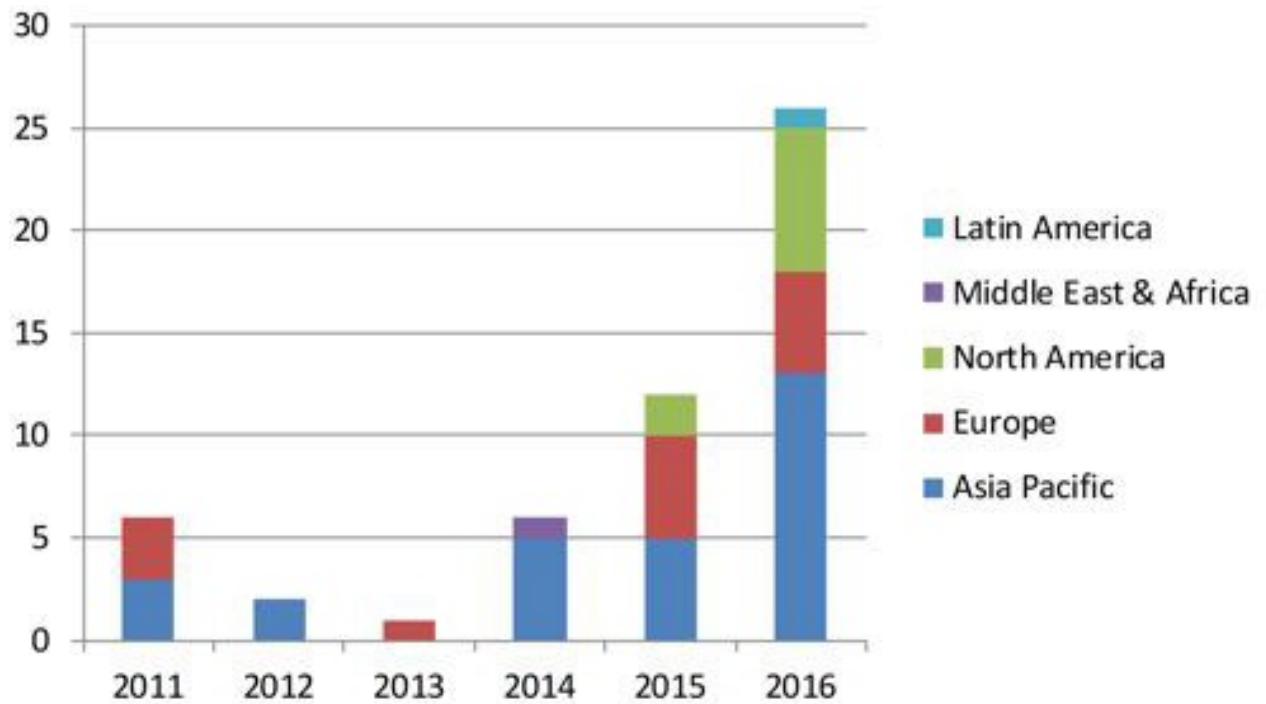
Go Garlic Group is set to launch its own brand of black garlic, for local and international export markets.



Black Garlic – on the menu



Black Garlic - New Product Introductions, Global 2011-2016



Selling the Brand not the Commodity

Food manufacturers, both local and international, have attempted to brand garlic. But garlic by itself is not a brand, and not a path to success. A number of Australian competitors have recently exited the market due to this strategy and second grade value adding processes. This can disrupted the market.

Harmony Garlic has proved that mixing 100% Australian grown garlic as its base ingredient, with other ingredients, in a range of relishes, sauces and condiment mixes is a more successful formula.

Consequently *Harmony Garlic* now has one of the widest range of garlic based products in Australia.

Form	Application
Fresh	Culinary
Dried / Dehydrated	Soups, Sauces, and Dressings
Frozen	Snacks & Convenience Food
Preserved/Canned	Bakery Products
Fast Food Restaurant Chains	Meat & Poultry Products
Other Applications	
Fermenting	
Culinary	
Premium Dessert Gift Giving	

Varietal Properties

Each variety has unique properties and planting location influences quality and selected attributes for markets and processing outcomes

Go Garlic Group variety Turban or artichoke-Violet-Silver skins.

Printanor: Its Cloves have white or yellowish white skin and sometimes has violet stretch marks. It can belong to the group of common or noble kinds of garlic. They are semi-round garlic, they have good conservation, very good gastronomic value, and good nutraceutical properties. Very good pungency and very good aroma.

Australian purple garlic: Its cloves skin is light brown or similar tones, the bulb is white with soft violet striations. It belongs to the noble garlic family. They are semi-early garlic. They have poor conservation capacity, but very good gastronomic value. They accompany fish and seafood well.

Go Garlic Group's Red or Rocambole-purple-pink.

Australian Red garlic: Its cloves have red skin or similar tones, its bulb is white, and its neck is hard due to the presence of floral stem; it belongs to the noble garlic group. They are late harvest, have good conservation and good gastronomic and nutraceutical properties. Highly recommended for seasoning red meats, pasta and to make sauces. Very suitable for peeling.

Italian Purple garlic: Their cloves have light purple striped skin or similar tones; the bulb has strong purple striations and has a hard neck because it has a floral stem. It belongs to the noble garlic family. They are early harvest garlic, they have poor conservation capacity, regular gastronomic value, and regular nutraceutical properties. It is used in salad dressing mostly.

Rojo de Castro Garlic: With a white skin of the teeth, as well as the bulb, presents in pink or related tints, with a hard neck because it has a floral stem. It belongs to the group of strong flavoured garlic and has great storage properties. It is used in mostly for strong culinary dishes

Italian late Garlic: Italian Late in the USA is in the Silver skin Group. But the well-known and long grown Italian Late in Australia is in the Artichoke Group. This cultivar is very similar to Italian White, just planted a few weeks later. Hot and rich, aggressive flavour. Storage Medium to long, about 8 months.

7. The Team

7.1 The Founder and his Board

Go Garlic Group will be led by a board of three Directors and an Implementation Management Team. This strategy has been adopted in the interests of directing capital resources towards business establishment and developing operational and strategic relationships. Their collective qualifications, skills and experience qualify them to undertake these functions in association with operational staff.

As the business grows the Company intends to maintain a small Board, while adopting the implementation of a Strategic Council who will act as a “think tank” rather than the usual “advisory board” model.

Brian Woodstock – Founder & Managing Director

Brian's has over 22 years of knowledge of interstate distribution and fresh produce, of fertilisers and machinery suitable for farming in Australia. His extensive background in distribution and logistics, focusing on high risk liquid freight and driver training for 3 national logistics companies, specific to the Ballarat/Gordon region, are invaluable to the distribution of Go Garlic Group product.

Additional aspects of his research included varieties of garlic suitable for different storage methods and suitability for different value adding processes. Brian has built an extensive network of local and international distributors, chefs and food service specialists, all of whom seek premium quality garlic products.

Roger de Robillard – Director & Legal Team

Roger is a Mauritius-born Sydney-based Barrister. He speaks French and Créole fluently. He is a Foundation Member of the *Australia Africa Business Council* under Ian Kortlang's leadership. Among his achievements, Roger has been: the first representative of the *Mauritius Export and Development Investment Authority* (MEDIA) in Australia; Part of the team which achieved landing rights for *Air Mauritius* in Australia; Responsible for the creation of the first *Air Mauritius* corporate structure and offices in Australia; Olympic Attaché for the Republic of Benin at the 2000 Sydney Olympics; First Honorary Representative for the *Mauritius Board of Investment* in Australia; Ambassador for the first-ever *International Council for Commercial Arbitration Congress* to be held in the African Region (ICCA 2016)

Robert Salisbury – Director Marketing & Exports

Robert is a former Exports Manager for a Japanese manufacturer, covering markets for geo-textiles and agricultural nets in Western Europe and North America. He works for Food Port, focused on helping Australian Artisan food brands to market and export. He brings design and publishing experience, along with know-how for web, net and social media. He has 20 years experience running small growth businesses.

Norman Forster – Garlic Seed Production

Norman's knowledge in the rural sector for the past 40 years has grown fresh produce in irrigation areas of northern Victoria and southern New South Wales. Norman's property at Koraleigh just east of Nyah is situated and is irrigated from Murry Darling system, a very good location for the development of Go Garlic Group Pty Ltd Pty Ltd seed growing program; as the application of water and liquid fertilisers is very important to developing quality seed for contract growers. Norman has a great knowledge of fertilisers and farm machinery for over last 10years producing onions seed for the Japanese export market and diversifying into Growing garlic seed.

Ian Mott – Agronomist and R & D

Ian Mott has a Bachelor degree in Agricultural Science specialising in Sustainable Production and a Masters in Agricultural Science specialising in Crop Production. He was mentored in soil health and soil testing protocols. He developed his own business Vitals Soils Services.

8. Business Model

8.1 Business structure

Holding Company	Go Garlic Group	Holds 100% of the shares in all the entities below
Subsidiaries	Go Garlic IP	Holds the IP, recipes, process knowledge and associated IP 100% owned by Go Garlic Group
	Go Garlic Group Operations	Manages the value adding operations of the group, employs all staff, management and administration. 100% owned by Go Garlic Group
	Central Victoria Producers	Contracts the farm businesses to grow the garlic and supplies planting and harvesting services to those businesses 100% owned by Go Garlic Group
	Go Garlic Group Exports	Contracts to distributors and invests into any joint venture agreements with external entities 100% owned by Go Garlic Group
	Go Garlic Group Resources	The company that will hold all operating and associated capital assets of the group. 100% owned by Go Garlic Group
	<i>Harmony Garlic</i>	
Registered Office	Go Garlic Group 30 Rowan Street WANGARATTA VIC 3677	
Directors	Brian Woodstock Robert Salisbury	
Third director	TBC	
Accountants	Ovens Business and Taxation 30 Rowan Street WANGARATTA VIC 3677 Ph: (03) 5721 6766 Fax: 03) 5721 6584	
Lawyers	Roger de Robillard	

8.2 Growing Model (per year)

Soil Prep

Oct - Nov- Select require acreage

Conduct soil tests and analyses prepare growing needs plan for grower

Hay or silage cut follow by heavy graze Heavy concentrated graze sheep preferably

Organics- after sheep follow with chickens if possible

Cover the area by the use flail mower

Spray with burn of product i.e. slasher allow two weeks

Turn over with moldboard plow allow the roots to be burnt by the sun

Compost - fertiliser

Jan -Feb

Apply compost / fertilizes over fallow ground Compost approximately 1- inch thick

Apply 200 kgs of fertilizes per acre at the same time. Work fertilizer into ground with power harrows



If necessary, Applying approximately 15 mil via irrigation

Soil Prep

Feb – March

Natural -Work area again with power harrows at 15 /25 ml just to break up new weed growth preferred or

Spray with a very mild post emergent product allow two weeks

Organics -Work area again with power harrows at 15 /25 ml just to break up new weed growth. Lightly till not disturbing the sub soil if required or Spray with burn of product i.e. slasher allow two weeks.

Planting - Late March / early April

Bed form required area to Hight 100/150 ml

- Requirements to maintain well drained soil during growing phase.

Prepare seed, take from splitter, the large and better seed need to be 9-10 grams per clove.

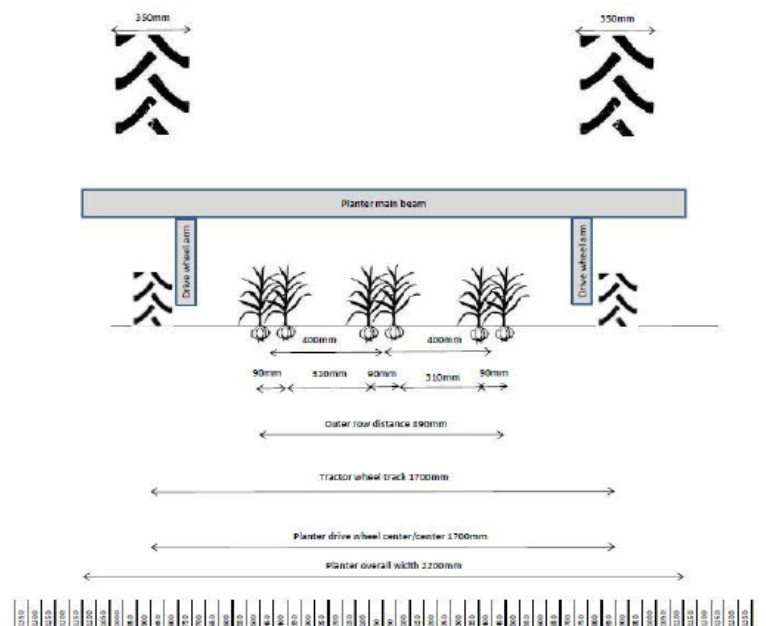
Dipping seed into an organic based soil conditioner allows a coating of soil coordinator over the clove up to 12 before planting

- Bio-ag seed and soil
- O.C.P Humic 18
- O.C.P Tick a soil

Commence planting at 420 kg per acre 40 Cloves per square metre
Planting using ERME 3 ROW DOUBLE LINE PNEUMATICAL GARLIC PLANTER

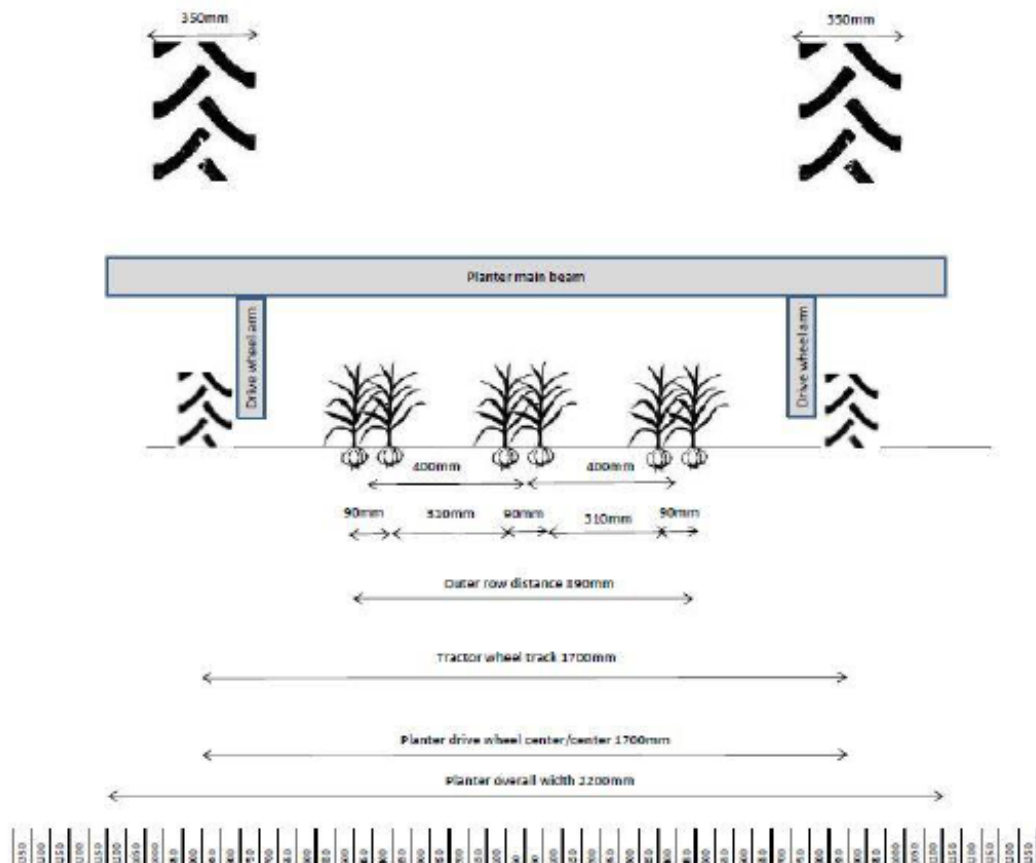
Apply 200kg per acre only on top of row no fertilizer

Organic growing - cover garlic with 2 inches of mulch, allow garlic to grow through mulch





- Type – PLPD3
- Tare Weight – 1000kg
- 3 double rows with a single hopper, fitted with an aluminum cover
- 400mm distance between each double row,
- Reinforced frame with multipoint tractor hitch.
- Fan is driven by flat belt and multiplier from PTO 540 RPM
- Includes 3 sets of planting discs according to grade of cloves (These can be nominated at time of order) – Standard is 10/12/14mm
- The machine is provided with sprockets allowing adjustments of the density for 7 to 16 cloves per meter.
- Nominal planting speed is 3kph





Apply approximately 25 mil of water via irrigation to settle straw

Growing Period (May / Mid November)

1. Monitor growth and pre-determine possible yields for part payment program
2. Top dress with 100 kg fertilizer every 10 weeks during growing season
3. Monitor moisture apply water when required and keep moisture level approximately 5-6.
4. Soil moisture too wet, is not good for latter in the growing season.
5. Take leaf tissue samples and analyses add a liquid fertilizer through irrigation if needed to maximize growth and to growing needs plan
6. Monitor and control weeds and possible disease
7. Natural growing -Work area with a mechanical weeder to disturb new weed growth.
8. Natural growing – it is also possible to spray weeds with a very mild post emergent product. Allow two weeks to asses effectiveness.
9. Organic growing -Work area with a mechanical weeder, to break up new weed growth and repeat as needed.
10. Lightly till, not disturbing the sub soil if required or directional hand spraying with burn-off product such as Slasher organic weed killer, allow two weeks.

Harvest Preparation

Late Oct to Early November. Monitor growth rate Harvesting time determined by growth and seasonal conditions. Apply water if needed monitor water growth watering ceases 4-week s before harvest
Harvesting time determined by growth rate and seasonal conditions. Remove Scapes for maximum bulb growth.

Harvesting (Late Nov- Early Dec)

Bring in harvester begin harvesting continue the process until paddock is harvested



Bundles of garlic picked up binned then transported to operational factory



Harmony Garlic is a growing industry

Harmony Garlic Growing model									
	420 Kg	800 kg per acre	5-hour x 132.40	2 Hours X132.40 1 20litre	5 hours X \$250	\$800 Peer ml X4	6 Hours x \$ 250	Total Cost	Garlic Bulbs
Year1	\$8,400	\$1,000	\$662	\$527	\$1,250	\$3,200	\$1,500	\$16,539	3000 kg per acre
									420 Kg Seed
This is a model I for a grower of Quality / organic garlic that only 1 Year 1 Acre as a test and decides not to grow again									2580KG
Recovery may Vary BY 10-20% in seasonal conditions									
Acre1	Seed per acre	Fertilizer Per Acre	Ground prep	Weed spraying	Planting	Irrigation	Harvesting		Garlic Bulbs
	420 Kg	800 kg per acre	5-hour x 132.40	2Hours X132.40 1 20litre	5 hours X\$250	\$800 Peer ml X4	6 Hours x\$ 250	Total Cost	3000 kg per acre
Year 1	\$3,360	\$1,000	\$662	\$527	\$1,250	\$3,200	\$1,500	\$11,499	420 Kg Seed
									2580KG
This is a model for a grower of Quality / organic garlic that only 1 Year 1 Acre as a test and decides to Continue growing.									
Recovery may Vary BY 10-20% in seasonal conditions -Yield Recovery may Improve as soil conditions improve									
Acre1	Seed /acre	Fertilizer /acre	Ground prep	Weed spraying	Planting	Irrigation	Harvest		Garlic Bulbs
	420 Kg	800 kg /acre	5-hour x 132.40	2 Hours x 132.40 120 litre	5 hours x \$250	\$800 /ml x 4	6 Hours x \$250	Total Cost	3000 kg /acre
Year- 2	\$3,360	\$1,000	\$662	\$527	\$1,250	\$3,200	\$1,500	\$11,499	420 kg Seed
									2580 kg
This is a model for a grower of Quality / organic garlic that only 1 Year 1 Acre as a test and decides to Continue growing									
. Recovery may Vary BY 10-20% in seasonal conditions-Yield Recovery may Improve as soil conditions improve									
Acres 5	2100 kg	4000 kgs	8 hours	5 Hours x132.40 220 litre	10 hours	\$800 / ml x 8	10 hours x \$250	Total Cost	3000 kg / acre
Year 1	\$37,800	\$4,000	\$1,059	\$1,188	\$2,500	\$6,400	\$2,500	\$55,447	15000 kgs
This is a model for a grower of quality/natural garlic that only 5 acre as a test and decides to continue growing									
Recovery may vary by 10-20% in seasonal conditions-yield recovery may improve as soil conditions improve									
Acres 5	2100kg	4000kg	8 hours	5 hours x 132.40 220 litre	10 hours	\$800 /ml x 8	10 hours x \$250	Total Cost	3000 kg per acre
Year 2	\$16,800	\$4,000	\$1,059	\$1,188	\$2,500	\$6,400	\$2,500	\$34,447	30,000
									27900 kg Seed
This is a model for a grower of quality/natural garlic that only 5 acre as a test and decides to continue growing									
Recovery may vary by 10-20% in seasonal conditions - yield recovery may improve as soil conditions improve									

Year	INVESTMENT RECOVERY				
Acre-1	Grade 1 70 grams + Bulbs	Garde 2 40 - 70 grams	Garde 3 Below 30 grams	Total recovery	Total Return
Year-1	40% Grade 1 @ 10.00 Per kg	30 % Grade 2 - @ 8.00 Per kg	30 % Grade 23- @ 5.00 Per kg		
	\$12,000.00	\$7,200.00	\$4,500.00	\$23,700.00	\$7,160.20
	50 % Grade 1 -@ 10.00 Per kg.	25 % Grade 2 - @ 8.00 Per kg	25 % Grade 3 - @ 5.00 Per kg		
	\$15,000.00	\$6,000.00	\$3,750.00	\$24,750.00	\$8,210.20
	60 % Grade 1 @ 10.00 Per kg	20 % Grade 2 - @ 8.00 Per kg	20 % Grade 3 - @ 5.00 Per kg		
	\$18,000.00	\$4,800.00	\$3,000.00	\$25,800.00	\$9,260.20
Acre-1	Grade1- Over 70- gram Bulbs	Garde 2 Between 40 - 70 grams	Garde 3 - Below 30 grams bulbs	Total recovery	Total Return
Year-1	40% Grade 1 @ 10.00 Per kg	30 % Grade 2 - @ 8.00 Per kg	30 % Grade 23- @ 5.00 Per kg		
	\$10,320.00	\$6,192.00	\$3,870.00	\$20,382.00	\$8,882.20
	50 % Grade 1 -@ 10.00 Per kg.	25 % Grade 2 - @ 8.00 Per kg	25 % Grade 3 - @ 5.00 Per kg		
	\$14,250	\$5,160.00	\$3,225.00	\$22,635.00	\$11,135.20
	60 % Grade 1 @ 10.00 Per kg	20 % Grade 2 - @ 8.00 Per kg	20 % Grade 3 - @ 5.00 Per kg		
	\$17,100.00	\$4,560.00	\$2,850.00	\$24,510.00	\$13,010.20
Acre-1	Grade1- Over 70- gram Bulbs	Garde 2 40 - 70 grams	Garde 3 - Below 30 grams bulbs	Total recovery	Total Return
Year-2	40% Grade 1 @ 10.00 Per kg	30 % Grade 2 - @ 8.00 Per kg	30 % Grade 23- @ 5.00 Per kg		
	\$10,320.00	\$6,192.00	\$3,870.00	\$20,382.00	\$8,882.20
	50 % Grade 1 -@ 10.00 Per kg.	25 % Grade 2 - @ 8.00 Per kg	25 % Grade 3 - @ 5.00 Per kg		
	\$14,250	\$5,160.00	\$3,225.00	\$22,635.00	\$11,135.20
	60 % Grade 1 @ 10.00 Per kg	20 % Grade 2 - @ 8.00 Per kg	20 % Grade 3 - @ 5.00 Per kg		
	\$17,100.00	\$4,560.00	\$2,850.00	\$24,510.00	\$13,010.20
Acre-5	40% Grade 1 -PER KG-6.00	30 % Grade 2 - @ 4.00 Per kg	30 % Grade 3- @ 2.00 Per kg		
Year-1	\$36,000.00	\$18,000.00	\$9,000.00	\$63,000.00	\$7,552.80
	50 % Grade 1 -PER KG-6.00	25 % Grade 2 - @ 4.00 Per kg	25 % Grade 3 - @ 2.00 Per kg		
	\$45,000	\$15,000.00	\$7,500.00	\$67,500.00	\$12,052.80
	60 % Grade 1 -PER KG-6.00	20 % Grade 2 - @ 4.00 Per kg	20 % Grade 3 - @ 2.00 Per kg		
	\$54,000.00	\$12,000.00	\$6,000.00	\$72,000.00	\$16,552.80
Acre-5	Grade1- Over 70- gram Bulbs	Garde 2 Between 40 - 70 grams	Garde 3 - Below 30 grams bulbs		
Year-2	40% Grade 1 -PER KG-6.00	30 % Grade 2 - @ 4.00 Per kg	30 % Grade 23- @ 2.00 Per kg		
	\$66,960.00	\$33,480.00	\$16,740.00	\$117,180.00	\$82,732.80
	50 % Grade 1 -PER KG-6.00	25 % Grade 2 - @ 4.00 Per kg	25 % Grade 3 - @ 2.00 Per kg		
	\$83,700	\$27,900.00	\$13,950.00	\$125,550.00	\$91,102.80
	60 % Grade 1 -PER KG-6.00	20 % Grade 2 - @ 4.00 Per kg	20 % Grade 3 - @ 2.00 Per kg		
	\$100,440.00	\$22,320.00	\$14,000.00	\$136,760.00	\$102,312.80

9. The Competition

9.1 Risk Factors for the Industry

The industry and general economic risks are outside the control of **Go Garlic Group Pty Ltd**; however, the business can have mitigation strategies in place to minimize the risk posed by such events. *Harmony Garlic* regularly put their products to live taste-testing, at Farmers Markets. This offers reaction to new products. This information is fed into the development of new products.

Issue	Overview	Go Garlic Group strategy
Product quality, taste, and overall appeal	While systems can mitigate variations in product quality, taste is subjective and customer demand needs testing	Customers are offered 'taste-testing' at Farmers Markets , where the customer's reaction can be monitored and polled for opinion as to taste and product appeal

While there is competition within the garlic industry, the largest producers are focused on Mass-Market, and held accountable to the giant Supermarkets. This segment is low profit margin and not a strategy for high profitability or for developing a Brand that can capitalise on the opportunities presented by Exporting.

Go Garlic Group will use its first-mover advantage, by consolidating its position in the Australian Garlic market as the leading brand for garlic products, and therefore also capture the supplier of choice for premium quality garlic.

R&D and technical strategies will be adopted to generate additional product growth and to protect the brand.



The World's leading brand for all Australian Grown Garlic products

9.2 Barriers to entry

IP Restrictions

Barriers to entry can be registered or unregistered, they can be relationship, contractual or joint venture related and may cover specific countries, food service providers or end user markets. This adds an entry level barrier to competition. Go Garlic Group has value adding IP and technology that is both protected and process related, in addition there are protocols and QA processes that act as a barrier to entry as part of the garlic production process.

Geographical

All garlic is essentially a variation of six to eight core varieties. As a result the geographical location of the farmland, and its soil and plant health play a key role in the garlic grown. Go Garlic Group has unique IP relating to the crop agronomy and soil and plant nutrition.

Technology

Go Garlic Group has various unique value adding processes that are to be utilised, including reduced wastage, quality control, reduced impact processing, packaging and equipment IP and provenance traceability.

Limited Competition

Within Australia there are two production groups: large scale growers, largely based in NSW and Queensland, who predominately produce for the supermarket retail market, and smaller artisan style producers who largely supply farmers markets and local Providore stores. Both these groups have challenges relating to varietal and volume issues that Go Garlic Group is meeting.



10. The Finance

10.1 Financials

The basis of the financial information presented for **Go Garlic Group** is on meeting current local and international demand for premium garlic produce.

The company should conservatively be able to create gross revenues streams of over \$80 million by 2022 and a potential Earnings Before Interest and Taxes result of \$50m is achievable.

In addition, the business model has a number of key drivers that can materially improve the projected result of the company and provide additional uplift in the EBIT:

- Additional product / brand extension to the current range.
- Additional agreements, contracts and joint venture relationships aimed at delivering the end user increased value.
- Higher value per additional partner as a result of the value adding quality improvement.
- Potential alliances with “brand named” chefs and restaurants.
- Improvements in the farm production system and introduction of proprietary **Go Garlic Group** varieties.
- Completion of international contracts, joint venture and exclusive market access agreements.

Pro-forma Projections

The revenue and profit projections presented in this document reflect the judgement of **Go Garlic Group**, and are based on past experience, present circumstance and our assessment of the most likely outcomes from local and international agreements, currently being finalised, along with, the current set of operating and economic conditions.

The foundations of assumptions made are based on the assessment of future events and planned activities and implementation of strategies, given the current operational outlook. The estimated size of the market and its growth potential is considered to be above that which we have indicated, however a conservative approach is considered to be a wise strategy.

Proposed Share / Capital Structure

Go Garlic Group Pty Ltd is seeking to raise up to \$3,000,000 and has structured the raise to be 49% of the total shareholding of the business.

Shares Issued %				
Existing Shareholding				100%
Private Placement	\$3,000,000	49%		
Public Capital raising				

10.2 The Capital Raising Process

Go Garlic Group Pty Ltd is implementing a two-stage capital raising process to raise \$3,000,000 to secure the business activities of *Harmony Garlic*, and to lay the foundations to support farm production, value adding equipment to meet export agreements, access proprietary IP, underpinned by demand for our products and brands from the local and international premium market.

Stage 1 - Private Capital Raising

The first step is a private placement offering of 49% value \$3,000,000 in Go Garlic Group Pty Ltd for 1 to 20 private investors – if required.

This is to immediately secure the assets associated with the business activities of *Harmony Garlic* and to underpin the additional requirements relating to the public capital raise
This raise will be limited to an additional 10 new investors if required.

Stage 2 - Public Capital Raising

Go Garlic Group will convert to an unlisted public company (Go Garlic Group) allowing the shares to be openly offered to the general public, and to allow more than fifty shareholders to invest.

This offering will be made via a Public Prospectus

This will be invested into plant and equipment, software and stock acquisition and additional working capital.
For joint venture between:

Go Garlic Group Pty Ltd and Shandong Liancheng Garlic Industry Co Ltd
Registered Office: TBC

To trade as *Harmony Garlic* Australia Pty Ltd ACN 630 953 972
Registered Office: 30 Rowan Street, Wangaratta VIC 3677

The capital raising will be a continuous process, the Private Capital Raising is being offered to specific investors and the Public Capital Raising will commence once a minimum of \$3,000,000 is raised.

If sufficient capital is raised via the Private Capital raising to meet the \$3,000,000, at 49% as set out in this memorandum, Go Garlic Group Pty Ltd is of the view that the Public Raising would be kept as an option for further capital as required. This is to provide a broader shareholder base for the company and to allow the option of a secondary market for the shares.

It is not the intention of the Go Garlic Group Pty Ltd to list the company at this stage, due to the sensitivity of the international markets and joint venture arrangements being put in place. Strategies will be implemented to enable investors to exit at various stages along the growth path as planned.



Harmony Garlic is a premium brand

Estimated Annual Cash Position	31.12.2020	31.12.2021
Total Income	\$ 1,913,488	\$ 2,009,163
Less Cost of Goods Sold	\$ 603,371	\$ 633,539
Gross Income	\$ 1,310,117	\$ 1,375,623
Expenses		
Farm Production	\$ 1,040,890	\$ 1,040,890
Other Expenses	\$ 432,215	\$ 424,765
Total Expenses	\$ 1,473,105	\$ 1,465,655
Net cash from trading	-\$ 162,987	-\$ 90,031
Capital outlays		
Equipment	-\$ 763,039	-\$ 256,602
Factory set up	-\$ 223,500	
Intellectual property	-\$ 200,000	
Equity inflows		
Investor funds	\$ 3,000,000	
Projected cash balance	\$ 1,650,474	\$ 1,303,840



11. The Ask

11.1 \$3 million from 1 to 20 Investors

With investment of \$3 million from 1 to 20 professional investors, Go Garlic Group will buy *Harmony Garlic* and equip to build an operation capable of meeting the demands of the \$16 billion garlic industry.

Private Placement	
Asset Acquisition – Operational Acquisition of operational farming and value adding assets	130,000
IP Acquisition - acquisition of trademarks, manuals and associated registered and unregistered IP	200,000
Garlic Stock - acquisition of garlic stock on hand, both fresh and value added	100,000
Restructure Fees - in relation to structuring the acquisition of the above assets	10,000
Legal / Accounting Fees & Fundraising Expenses - legal, accounting support and supporting compliance for this raise and the public raise	80,000
Equipment – Specific Purpose - purchase of value adding equipment for first stage expansion of Go Garlic Group Pty Ltd	150,000
Equipment – Specific Purpose Installation - fit out, and installation of the value adding equipment	150,000
Equipment – General - additional value adding equipment for	380,000
Equipment - Farm Operations - equipment invested for planting and harvesting garlic to meet the required QA standards	380,000
Marketing - fundraising and promotion	45,000
Legal Fees – Contracts - Local and International - Fees relating to completion of a range of contracts, and joint ventures to access markets overseas	12,000
ERP Software and Hardware - Customized software to manage the paddock to plate processes and stock control.	100,000
Enterprise Traceability - Scientific method and software that traces actual products back to their true source using advanced testing and monitoring.	40,000
IP Registration and Legal - Additional designs, logos and trademarks for a number of markets and geographic locations	55,000
Garlic Stock Purchases & Value Adding - acquisition and processing of Australian garlic to meet existing demand and market expansion	500,000
Working Capital Operational Cash Float	668,000
Total Investment Sought	\$ 3,000,000

Logic for Investment

Consumers in Australia are demanding all-year-round, freshly grown garlic. They want reliable healthy produce. Their willingness to pay higher prices for this is boosting a resurgent market for Australian grown garlic. Australia has a highly regulated agri sector, which supports the case for Premium Australian grown garlic.

Garlic grown and branded in Australia has excellent prospects for Export.

The last decade has seen the Australian dollar fall \$1.10 to \$0.68, thereby improving the export price of Australian product.

A change in retail landscape has led to increased on-line and specialist retailers, who demand premium quality product.

Epicure food products are increasingly sort after by wealthy consumers, worldwide. The emergence of discerning consumers in Asia, prepared to pay for premium product, is also creating opportunity for Australian garlic and garlic products to be exported.

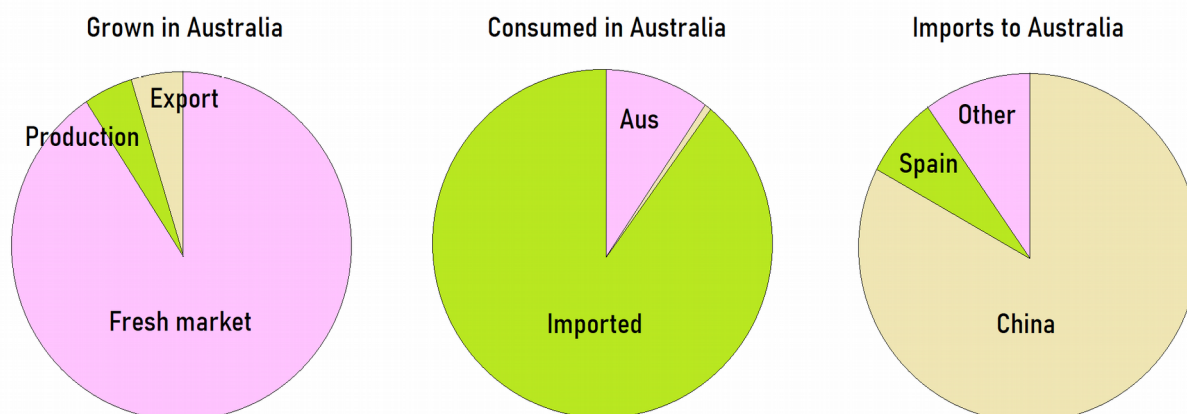
Harmony Garlic is a grower of Award Winning garlic. With investment, it is ready to scale its operations. Through Join-Venture, mechanisation and increased tonnage of Australia grown garlic, *Harmony Garlic* will sell branded garlic products to the local market and introduce an all Australian brand of Black Garlic suited for high-end retail, top chefs and discerning export markets.

Low interest rates are favourable for investment. *Harmony Garlic* will raise \$3 million to invest in technology and mechanisation, enabling the efficiencies, quality control and processing capacity needed to profit from the demand for locally grown fresh garlic and premium branded garlic products. With a first round of investment *Harmony Garlic* will scale tonnage of garlic grown, by joint-venture with small-to-medium sized garlic growers, providing them with the know-how, seeds, technology, mechanisation, labour, and a firm price for their garlic.

Harmony will then sell that garlic into the fresh market, epicure and specialist retailer, online, medicinal, gifting and food and beverage industry.

Also in demand at home and abroad for its unique flavour and notional medicinal purposes, is Black Garlic. *Harmony Garlic* will produce an all Australian grown brand of Black Garlic.

GARLIC IN AUSTRALIA



[Source: ABS (2018) via Trademap; Fresh Intelligence analysis]

Along with salt, pepper and chilli, garlic is amongst the most commonly used seasoning, consumed fresh for its taste, health, well-being and medicinal purposes. It is supplied in clove, dried, pickled, crushed, dehydrated, flake, oil and tablet form. It is used widely across the food and beverage industry as a seasoning for condiments, herbs, salsas, sauces, snack foods, meat products, stuffing mixes, chocolate, cheese, beer and gourmet and fast foods.

By-products of the garlic plant include: garlic cloves, baubles (the flower - which provides an intense garlic hit suitable for medicinal purposes) and green stems (which are an under exploited food source).

Go Garlic Group Objectives

Go Garlic Group has developed a growth strategy that defines a number of key company objectives over the next 48 months, in order for the company to meet its goals and projections for investors.

Short Term (next 12 months)	Medium Term (36 months)
Acquire equity funding of up to \$3 million for 1 to 20 private investors.	Expanded farmer business network across four states.
Execute acquisition of <i>Harmony Garlic</i> assets.	Negotiated additional specific geographic related agreements relating to speciality products.
Negotiate distributor, food service and export agreements and joint ventures.	
Execute acquisition of value adding and farm equipment.	
Negotiate Joint Venture agreements with farm businesses	
Implement ERP & Track and Trace software	
Completed development of IP and registered where applicable.	



Conclusion

An offer to invest in Go Garlic Group Pty Ltd.

This Capital Raising of \$3 million, from 1 to 20 private investors, will offer a 49% shareholding in Go Garlic Group Pty Ltd. It will allow for the acquisition of *Harmony Garlic*, to buy processing equipment, essential stock and capital equipment, provide working capital, pay fees associated with due diligence and fund raising, and establish systems and programs to profit from demand within the garlic industry in Australia and overseas.

The founder has been investing in the project for the past 5 years and brings 25 years experience in the agri business sector. He and his board will retain the remaining shareholding.

The shareholding will cover:

Go Garlic Group being the owner and parent company of *Harmony Garlic*: its brand, IP and growing and processing techniques. Investment will allow *Harmony Garlic* to buy equipment and technology for scaling its relationships with garlic growers, building its processing volumes and to increase its sale of *Harmony Garlic* and Black Garlic products to national & Export markets.

Go Garlic Group



Fresh and Processed Garlic
Premium quality Australian Grown
Black Garlic Products
Health & Wellness



Resources committed to reach this stage: significant resources have been allocated to date to develop systems, fund corporate development & processes that underpin this business.

Experience, expertise and deep knowledge. The Go Garlic Group team is a dynamic and multi-skilled group of dedicated professionals, ready to direct and guide the company along its growth trajectory.

Value of the project blueprint: The creation of the Go Garlic Group project from its origins, through to the identification and implementation of technology and associated products and exploiting the groups intellectual property to its full commercial potential.

All enquiries and requests for further information relating to the Company and this document, including the Full Financial Breakdown, should be directed to:

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Go Garlic Group Pty Ltd.

