

# ***GUUSTO GIFTS INC., START-UP CROWDFUNDING OFFERING DOCUMENT***

## **Item 1: RISKS OF INVESTING**

No securities regulatory authority or regulator has assessed, reviewed or approved the merits of these securities or reviewed this offering document. Any representation to the contrary is an offence. This is a risky investment.

## **Item 2: THE ISSUER**

### **2.1 Issuer Information**

Guusto Gifts Inc. (the “Company” or “Guusto”)  
312-1515 2nd Ave West, Vancouver, British Columbia V6J 5C5  
(604) 290-3891  
(604) 902-8686  
<http://www.guusto.com/>

### **2.2 Contact Person Information**

Skai Dalziel  
Co-President  
312-1515 2nd Ave West, Vancouver, British Columbia V6J 5C5  
(604) 290-3891  
[skai@guusto.com](mailto:skai@guusto.com)

## **Item 3: BUSINESS OVERVIEW**

### **3.1 Business Description of the Company**

Guusto is a mobile gift giving app that lets you send food and gifts. We’ve taken the idea of picking up the tab at lunch for a client or grabbing a beer for a friend, and allow you to do it from anywhere. Unlike plastic gift cards, Guusto gifts are instant, thoughtful products (like a bottle of wine), stored and redeemed through your phone at ANY of the 1000+ partner restaurants across Canada. To really make someone’s day, we donate one day of clean drinking water through the One Drop Foundation for every gift sent.

Guusto is raising funds to help Guusto work towards the following milestones that it believes it can achieve:

1. 1,000 active users (each of whom sends a gift every 3 months); and
2. \$100,000 in total gift card sales.

Please see Item 7 below for a table describing Guusto's proposed Use of Funds.

**A more detailed description of the issuer's business is provided below.**

## **Item 4: MANAGEMENT**

### **4.1 Promoters, Directors, Officers and Control Persons of the Company**

The following table provides information for each promoter, director, officer and control person of Guusto:

Full legal name, municipality of residence and position at Guusto	Principal occupation for the last five years	Expertise, education and experience that is relevant to Guusto's business	Number and type of Guusto securities owned	Date securities were and acquired and price paid for securities	Percentage of Guusto's securities held as of the date of this offering
Benjamin Skai Dalziel Vancouver, B.C. Co-President	Co-Founder, Whistler Tasting Tours  Director and Co-President, Guusto	Bachelor degree (Engineering) and Honours Bachelor degree (Business Administration); founded a marketing company	4,200,000 common shares	1,000,000 Common Shares on Sept 12, 2013; 800,000 Common Shares on Oct 30, 2013; 960,000 Common Shares on Nov 14, 2013; and 1,440,000 Common Shares on Dec 4, 2013. All shares held by Benjamin Skai Dalziel were acquired at a price of \$0.0125 per share	45%

Joseph Nicolas Facciolo Vancouver, B.C. Co-President	Co-Founder, Whistler Tasting Tours  Director and Co-President, Guusto	Bachelor degree (Psychology) and graduate studies (Sociology); founded a marketing company	4,200,000 common shares	1,000,000 Common Shares on Sept 12, 2013; 800,000 Common Shares on Oct 30, 2013; 960,000 Common Shares on Nov 14, 2013; and 1,440,000 Common Shares on Dec 4, 2013. All shares held by Joseph Nicolas Facciolo were acquired at a price of \$0.0125 per share	45%
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## Item 5: START-UP CROWDFUNDING DISTRIBUTION

### 5.1 Name of Funding Portal

Guusto is using FrontFundr, run by Silver Maple Ventures Inc., to conduct this start-up crowdfunding distribution (“FrontFundr”).

### 5.2 Participating jurisdictions where this offering is available

Guusto intends to raise funds in British Columbia and make this offering document available in British Columbia.

### 5.3 Offering Period

Guusto will raise the minimum offering amount under the start-up crowdfunding exemption on or before August 15, 2015. If Guusto does not raise the minimum offering amount then all funds will be returned to investors.

## **5.4 Securities Offered**

The securities of Guusto being offered are Common Shares.

## **5.5 Rights attached to the Securities Offered**

The securities being offered provide the following rights:

- Voting rights – The holders of the Common Shares shall be entitled to receive notice of and to attend and shall be entitled to one (1) vote at any meeting of the shareholders of the Company for each Common Share held.
- Dividends – The holders of the Common Shares shall be entitled to receive dividends as and when the directors shall in their discretion declare dividends on the Common Shares and pay the same.
- Dissolution rights – The holders of the Common Shares shall be entitled to receive the remaining property of the Company in the event of any liquidation, dissolution or winding-up of the Company, whether voluntary or involuntary, or other distribution of assets of the Company among its shareholders for the purpose of winding-up its affairs.
- Conversion Rights – None.
- Other Rights – None.

## **5.6 Material restrictions or conditions attached to the Securities**

### **Prohibition on Transfer**

Shares in the capital of the Company may not be transferred without the consent of either a majority of the directors of the Company; or a majority of the Common Shareholders of the Company.

### **Drag Along Right**

The Shareholder Agreement includes a “Drag Along” right for the benefit of 50% or more of the Company’s shareholders. This right enables a majority of shareholders to obligate minority shareholders to sell shares at a price that is acceptable to the majority.

### **Tag Along Right**

The Shareholder Agreement includes a “Tag Along” right. If any shareholder agrees to sell some or all of his or her shares to a third party, and unless otherwise agreed upon by shareholders representing 66 2/3% of the common shares, then any other shareholder has the right to sell an equivalent proportionate of his or her shares.

#### **Right of First Refusal**

The Shareholder Agreement includes a right of “First Refusal.” If any shareholder agrees to sell some or all of his or her shares to a third party, and unless otherwise agreed upon by shareholders representing 66 2/3% of the common shares, then any other shareholder retains a right of first refusal to purchase the shares at the same price and on the same terms offered to the existing shareholder by the third party.

#### **Pre-emptive Right Regarding Additional Securities and Debt**

The Shareholder Agreement includes a Pre-emptive right regarding additional securities and debt. The Company may not issue any shares or any debt or equity securities convertible into shares of the Company unless the Company first offers those securities to any shareholders who holds at least 5% of the company’s securities.

### **5.7 Offering Amount and Price per Security**

	Total Amount (\$)	Total number of eligible securities issuable
Minimum offering amount	20,000	124,444
Maximum offering amount	50,000	311,111
Price per eligible security	\$0.16071429	

### **5.8 Minimum Investment amount per purchaser**

The Minimum Investment Amount per purchaser is \$500.00.

## **Item 6: ISSUER’S BUSINESS**

### **6.1 Business of the Company**

Busy people need easy ways to strengthen relationships -- attract clients, reward employees, thank colleagues and congratulate friends. Giving physical gifts can be time consuming and expensive. Physical gift cards are a hassle to carry around and often get misplaced.

Sales from gift cards are expected to grow to US\$140B by 2016, according to research by CEB TowerGroup. Across the industry, *digital* gift cards are on the rise: statistics show that 78% of consumers have received a digital gift card; and statistics show that 69% of customers are more interested in purchasing digital gift cards now than 2-3 years ago. (Statistics from <https://www.cardcash.com/gift-card-statistics/> ). Statistics show that digital gift cards are growing 200% annually while currently composing only 7% of the overall, gift card market. (Statistics from <http://fortune.com/2014/11/10/how-to-make-the-most-out-of-gifting-gift-cards/>).

Guusto is well-positioned to capitalise on what it believes to be a trend towards mobile gifting by being an early consumer app in Canada to offer digital gift cards for major restaurant brands. Guusto receives commissions of 3-10% of redemption value whenever its digital cards are used. Non-redemption of Guusto's digital gift cards is forecasted at 7% compared to 22% for physical gift cards. Guusto's earned revenues are approximately \$2.30 for each \$23.00 digital gift card sent.

## **6.2 Legal Structure of the Company**

The Company was incorporated on September 12, 2013 as 8632537 Canada Inc. and changed its name to Guusto Gifts Inc. on October 23, 2013.

## **6.3 Availability of corporate documents**

The Company's articles of incorporation and shareholders' agreement are available to purchasers.

## **6.4 Operations of the Company**

Guusto is currently conducting operations and developing further features. The Company did not show a profit for its most recently completed fiscal year. Audited financial statements are not available.

## **6.5 Financial Statements**

As soon as available after the end of each financial year, and in any event within ninety (90) days of the end of each financial year, shareholders may upon written request receive copies of the unaudited financial statements of the Company, including unaudited consolidated balance sheets of the Company and its subsidiaries, if any; and unaudited consolidated statements of income, retained earnings and changes in cash flow of the Company and its subsidiaries, if any,

setting forth in each case in comparative form the corresponding figures for the previous financial year and the annual budget for such financial year, all prepared in accordance with Canadian Generally Accepted Accounting Principles, accounting standards for private enterprises (“GAAP”).

**If you receive financial statements from an issuer conducting a start-up crowdfunding distribution, you should know that those financial statements have not been provided to or reviewed by a securities regulatory authority or regulator. They are not part of this offering document. You should ask the issuer which accounting standards were used to prepare the financial statements and whether the financial statements have been audited. You should also consider seeking advice of an accountant or an independent financial adviser about the information in the financial statements.**

## **Item 7: USE OF FUNDS**

### **7.1 Funds Previously Raised**

September 12, 2013 - \$25,000 raised (from founders)

October 30, 2013 – \$20,000 raised (from founders)

November 14, 2013 - \$24,000 raised (from founders)

December 4, 2013 - \$36,000 raised (from founders)

February 1, 2014 - \$4,061.33 raised (from key Company personnel)

June 1, 2014 - \$117,500 raised (from friends, family and accredited investors)

<b>Use of funds previously raised</b>	<b>Approx total amount (\$)</b>
Marketing/Promotions	\$6,000
Business development	\$105,000
Product development	\$105,000
Operations	\$10,500

### **7.2 Use of Funds of this Offering**

<b>Description of intended use of funds listed in order of priority</b>	<b>Total amount (\$)</b>	
	<b>Assuming minimum offering amount</b>	<b>Assuming maximum offering amount</b>
Marketing/Promotions	\$4,000	\$20,000
Business development	\$10,000	\$20,000
Product development	\$3,000	\$6,000

Operations	\$1,000	\$2,000
Legal	\$2,000	\$2,000

## **Item 8: PREVIOUS START-UP CROWDFUNDING DISTRIBUTIONS**

None of the issuer or any one of its promoters, directors, officers or control persons have previously been involved in start-up crowdfunding distributions in British Columbia during the past five years.

## **Item 9: COMPENSATION PAID TO FUNDING PORTAL**

As compensation for services rendered and to be rendered by FrontFundr, Guusto agrees to pay to FrontFundr, at the time of closing of the Offering:

- a) a fee equal to 2.00% of the gross proceeds raised, in connection with hosting and successfully facilitating the exempt distribution through the platform; and
- b) a fee equal to 4.00% of the proceeds directly raised, where via FrontFundr.

## **Item 10: RISK FACTORS**

### **Financial Risk**

The ability of the Company to continue as a going concern is dependent upon its ability to raise capital.

### **Market Risk**

Continued annual expansion of the digital gift card sector is not guaranteed. Guusto's co-founders' previous success with Whistler Tasting Tours is the Company's principal point of market leverage.

### **Liquidity Risk**

The securities being offered by Guusto are not, and may never become, liquid. Purchasers' ability to sell their investments depends upon Guusto becoming an acquisition target or completing an initial public offering. Such liquidity events depend upon the Company's growth, the competitive environment, and the legal environment around liquor.



## **Item 11: REPORTING OBLIGATIONS**

The Company will, upon written request, provide copies by email to each of its shareholders of the financial reports described under Section 6.5 above.

Within 30 days after the closing of the distribution, Guusto will deliver or cause to be delivered to each purchaser a confirmation setting out the following:

- (i) the date of subscription and the closing of the distribution;
- (ii) the quantity and description of the eligible security purchased;
- (iii) the price per eligible security paid by the purchaser; and
- (iv) the total commission, fee and any other amounts paid by the issuer to the funding portal in respect of the start-up crowdfunding distribution.

## **Item 12: RESALE RESTRICTIONS**

The securities you are purchasing are subject to a resale restriction. You may never be able to resell the securities.

## **Item 13: PURCHASERS' RIGHTS**

If you purchase these securities, your rights may be limited and you will not have the same rights that are attached to a prospectus under applicable securities legislation. For information about your rights you should consult a lawyer.

You can cancel your agreement to purchase these securities. To do so, you must send a notice to the funding portal within 48 hours of your subscription. If there is an amendment to this offering document, you can cancel your agreement to purchase these securities by sending a notice to the funding portal within 48 hours of receiving notice of the amendment.

The offering of securities described in this offering document is made pursuant to a start-up crowdfunding registration and prospectus exemptions order issued by the securities regulatory authority or regulator in each participating jurisdiction exempting the issuer from the prospectus requirement.

## **Item 14: DATE AND CERTIFICATE**

## **14.1 Certification**

**On behalf of the issuer, I certify that the statements made in this offering document are true.**

June 15, 2015

“Benjamin Skai Dalziel”

Benjamin Skai Dalziel

Co-President

Guusto Gifts Inc.

**I acknowledge that I am signing this offering document electronically and agree that this is the legal equivalent of my handwritten signature. I will not at any time in the future claim that my electronic signature is not legally binding.**