

**The Sneaker Laundry Pty Ltd**

# Crowd-sourced funding offer document

Dated March 8th 2022

Offer of fully-paid ordinary shares in The Sneaker Laundry Pty Ltd at \$0.40 per share to raise a maximum of \$1,000,000.

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

**ISSUER**

The Sneaker Laundry Pty Ltd ACN 619100220

**INTERMEDIARY**

Birchal Financial Services Pty Ltd AFSL 502618



[www.thesneakerlaundry.com.au](http://www.thesneakerlaundry.com.au)



# Table of Contents

**Section 1: Risk Warning**

**Section 2: Information about the Company**

**Section 3: Information about the offer**

**Section 4: Information about investor rights**

**Glossary**





## Section 1

# Risk Warning

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

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

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

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

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

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

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

## Section 2

# Information about the Company



In 2017, we were wondering what people did with their shoes once they got dirty. We conducted a quick study and found that most people wore them less as they got dirtier and soon after, it would make its way into landfill. There was a problem and a gap in the market. Hence, we quickly created The Sneaker Laundry as a solution to ensure everybody can get the most out of their footwear before it goes to waste. Since starting in October 2017, we have cleaned over 25,000 sneakers in Australia and sold over 65,000 sneaker care products worldwide. We have shipped our products to 45 countries and restore shoes Australia-wide through our mail order service.

The Sneaker Laundry prides itself on being a forward-thinking and innovative business which stays a step ahead by constantly solving new sneaker-related problems as they arise through first-hand research and development. Since inception, The Sneaker Laundry has grown its product line from 5, to

over 50 products today. In January 2022, The Sneaker Laundry released its very Australian businesses to bridge the gap between NFT's and its real world utilization in retail by giving NFT-holders lifetime discounts, vouchers and access to restricted restoration content.

The support for what me and Hao Phu started as a small Melbourne laneway business has been truly humbling and we are truly proud to report that our business has continued to innovate and grow to over 29,000 customers throughout all the uncertainties which Covid19 - has thrown at us during our last 2 years. Due to unfortunate personal reasons, Hao had to leave the business at the beginning of COVID19 - replaced swiftly by Chase Maccini, who has been with The Sneaker Laundry from inception as a store manager. His experience, paired with his profound understanding of the business and its vision has made him the perfect person to work alongside with. Chase pioneered the sneaker restoration movement 12 years ago and has accrued over 10 million views on Youtube alone. Together, we confidently believe we can make our vision a reality.

Over the years, we have optimised a lean business model for our services with the help of offshoring aspects of the business such as customer service. Our plans to grow our revenue in the short-medium term will be through scaling physical locations in major Australian cities. This will in turn have a proportionately positive effect on our higher margin product sales which will subsequently increase our bottom line

We are embarking on the Birchall journey as we hope more Australians will share our vision and help take The use the proceeds to grow our physical store presence, product line and most importantly, our team.

*Eugene Cheng*

Eugene Cheng  
Founder



## 2.1

# Company Details

This offer of shares is made by The Sneaker Laundry Pty Ltd ACN 619100220 (Company).

Company name

The Sneaker Laundry Pty Ltd

ACN

619100220

Date of incorporation

15 May 2017

Registered office

593 Little Lonsdale Street, Melbourne VIC 3000

Principal place of business

593 Little Lonsdale Street, Melbourne VIC 3000



## 2.2

# Description of the business

### 2.2.1

## About the company

**The Sneaker Laundry was born from 2 major frustrations**

1.

The over-consumption of footwear. In America alone, 300 million pairs of shoes are thrown away yearly, taking an average of 30 - 40 years for 1 pair to decompose.<sup>1</sup> In Australia, over 25 million pairs of sports shoes are imported annually and currently almost all of these are disposed of in landfill.<sup>2</sup>

2.

The lack of solutions for sneaker care. The sneaker care market was largely uncatered for and most shoecare products were leather polishes and about maintaining formal shoes.

1- US Department of the Interior,  
<https://www.cbs19news.com/story/43522435/how-circular-fashion-helps-create-shoes-from-recycled-materials>



The Sneaker Laundry founders realized that consumers needed a solution that was affordable and trendy, yet comprehensive enough to solve the wide variety of existing footwear problems that were reasons for sending them to the landfill.

That was how The Sneaker Laundry was born. 2 forward-thinking friends creating Australia's first sneaker care shop. Through our informational content, thoughtfully curated products and well-developed range of services, we aim to continue providing solutions for our customers to extend the life of their footwear through innovative sneaker care products and services.











# Achievements

## 2017

Secured \$110,000 in funding from friends

September: Melbourne Store opening

December: Highpoint Shopping Centre Store opening

## 2018

Melbourne Startup of The Year (Business News Australia)

City of Melbourne Grant Recipients

Dolce & Gabbana Collaboration: We customised sneakers for Dolce & Gabbana customers during a 4-week activation at Chadstone Shopping Center.

Parramatta (NSW) Store opening

RMIT Business talks tour: Speaking to students across RMIT campuses about digital marketing for small businesses

Features: The Age, Herald Sun, ABC Radio, SBS Radio

## 2019

10,000 active users as at 9 Feb 2019

April Puma Collaboration: Week-long activation in Melbourne Central.

November Puma Collaboration: 3 simultaneous month-long activations across Australia to customize sneakers for Puma customers.

Indomie Collaboration: customized a mi-goreng inspired shoe for a giveaway.

Nike Collaboration: cross-promoting a nike loyalty program to our customer database

Sneaker Freaker feature



## 2020

The Age feature: on our co-working space in Docklands

Leased our own warehouse in Docklands

Novelship collaboration: Cross-marketing with Novelship to introduce them to Australia's market through a giveaway and a referral program.

## 2021

20,000 sneakers cleaned as of 20 June 2021

25,000 customers as of 6 August 2021

Converse Renew Labs collaboration: filmed a video on sustainable sneaker cleaning methods.

Lebanon Store opening: Our first international location in Beirut!

Pausefest Finalist

Business News Australia Young Entrepreneur awards finalist

The Guardian feature

## 2022

One of the first Australian retail businesses to release our own NFT's allowing nft-holders rights to lifelong discounts and SNKR Vault - restoration secrets and masterclasses accrued over 10 years of restoring 65,000+ sneaker cleaning products sold to 29,000+ customers.

February 2022: Placed deposit on our Sydney location.

Sunrise (Channel 7) Feature

Daily Mail Feature

Herald Sun Feature

3AW Radio Segment

7 News Australia-wide Feature

## 2.2.2

# Products / Services

### Solutions

At the core of The Sneaker Laundry are forward-thinking products and services that solve sneaker-specific problems through functionality, rigorous testing and innovation.



#### SERVICES

Full range of sneaker cleaning and restoration services available. Shoes can be mailed in from anywhere in Australia.



#### PRODUCTS

( Cleaning & Restoration )

Customers who prefer doing it themselves will find a wide range of sneaker care products and readily available advice online.



#### PRODUCTS

( Other Sneaker Related Problems )

Being in the perfect position to identify problems in the sneaker realm, we offer solutions to everything else sneaker related e.g. sneaker storage, waterproofing and more.

### Australia-wide sneaker cleaning

We clean sneakers Australia-wide through a mail order service. The first of its kind in Australia in response to people constantly enquiring if they could send their sneakers in to us.



## Instore Sneaker Cleans



### BASIC

\$ 25

Upper  
Midsoles

### FULL EXTERIOR

\$ 35

Upper  
Midsoles  
Outsole  
Laces

### THE LOT

\$ 50

Deep Clean Upper  
Midsoles  
Outsole  
Insole  
Laces  
Deodorise/Disinfect  
Waterproofing

## Instore Restoration Service

Suede Reset	_____	5\$
Spot Glue & Reglue	_____	20\$ per spot (120\$ Max)
De-Oxidizing / De-Yellowing	_____	60\$
Repaint Upper or Midsole (Colour Mix Included)	_____	110\$
Repaint Upper AND Midsole	_____	150\$

## Best Sellers

With over 50 products in our collection, here are just some of our best-sellers!

Our cleaning solutions are:



PLANT BASED  
FORMULA



PALM OIL  
FREE



REUSABLE  
RECYCLABLE



SAFE ON  
SKIN



READILY  
BIODEGRADABLE

A



B



C



D



E



F



**A- Waterless cleaning kit**

Providing a quick easy method to clean your sneakers without the use of water. Our solution to cleaning suede!

**B- Sneaker cleaning kit**

our solution to cleaning every other sneaker!

**C- Sneaker protector**

Protecting your sneakers from liquids and stains!

**D- Adjustable shoe trees**

Maintains the shape of all shoes from size 7-12

**E- Drop Front shoe boxes**

Modular, stackable sneaker storage. Say goodbye to messy shoe racks and shoe boxes.

**F- Paint packs**

The perfect starter kit for restoring and customizing your sneakers.





## 2.2.3

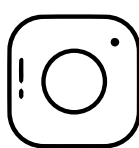
# Marketing & Distribution

The Sneaker Laundry has a steadily growing social media presence and an extensive network of ambassadors/influencers across the fashion, footwear and lifestyle segments. We also boast a sizable mailing list that we regularly engage with about our journey as Australia's sneaker care shop.



**15,000+**

MAILING  
LIST



**21,000+**

FOLLOWERS



**14,000+**

LIKES



**40,000+**

VIEWS

Page summary Last 28 days \*

Export Data 

Results from 10 Jan 2022-6 Feb 2022

Note: Does not include today's data. Insights activity is reported in the Pacific time zone. Ads activity is reported in the time zone of your ad account.

 Organic  Paid

### Actions on Page

10 January - 6 February

**37**

Total actions on Page  76%



### Page Views

10 January - 6 February

**920**

Total Page views  11%



### Page Likes

10 January - 6 February

**124**

Page likes  43%



### Post reach

10 January - 6 February

**169,927**

People reached  16%



### Story reach

10 January - 6 February

#### Get story insights

See stats on how your Page's recent stories have performed.

[Learn more](#)

### Recommendations

10 January - 6 February

**1**

Recommendations  100%



### Post engagement

10 January - 6 February

**11,834**

Post engagement  16%



### Videos

10 January - 6 February

**516**

3-second video views  15%



### Page followers

10 January - 6 February

**127**

Page followers  31%







The Sneaker Laundry has been featured in Australia's leading publications. Over the past few years, The Sneaker Laundry has organically been featured and mentioned outlets such as Herald Sun, Sneaker Freaker, The Age, SBS Radio, City of Melbourne, The Guardian, The Sydney Morning Herald, Channel 7, Daily Mail, Sunrise, 3AW Radio and many more.

### **Stockists**

The Sneaker Laundry is currently being stocked in over 12 locations and we aim to increase the number of stockists globally.

### **Partnerships**

Events & Recognition: The Sneaker Laundry has won and been nominated for a variety of startup, small business and entrepreneur awards. We also regularly participate in community events, donating to non-profit organisations such as university societies and hospitals. To establish ourselves further as Australia's sneaker care shop, we also partner with sneaker expos such as The Kickz Stand, Sneaker Freaker and more.

Through a variety of sneaker customisation and sneaker cleaning activations, we have collaborated with companies such as Nike, Converse, Indomie, Puma, Dolce & Gabbana to generate awareness and increase trust in our brand.

## 2.2.4

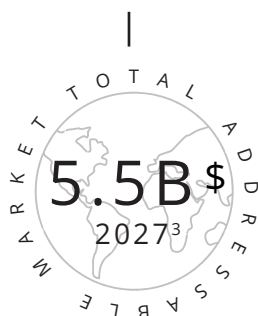
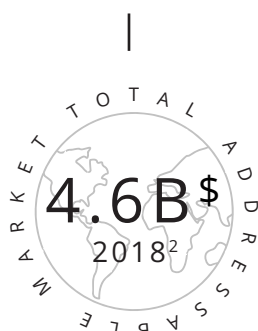
# Market & Competitors

The Sneaker Laundry sits in the prime position to capture and convert new customers from 2 different markets:



### PRODUCTS

We have the opportunity to be the **MOST LOVED** sneaker care brand in the shoe care industry.



### SERVICES

As one of the pioneers of the sneaker cleaning industry, there isn't much statistics we can rely on to quantify a serviceable addressable market. It can however be likened to the clothing and footwear repair industry.



We have a significant head-start and now we are in the perfect industry to grow this market further.

2- <https://www.grandviewresearch.com/industry-analysis/shoe-care-market>

3- <https://www.grandviewresearch.com/industry-analysis/shoe-care-market>

4- <https://www.ibisworld.com/au/market-size/clothing-footwear-repair/>



## 2.2.5

# Key Differentiators

It is a competitive landscape globally but our directors have over 15 years of sneaker restoration experience collectively. This puts us in the best position to identify relevant problems to be solved and here are some examples of when our forward-thinking and innovative natures, combined with our experience proved handy:

- When we met stubborn stains, we created a sneaker stain remover!
- When we couldn't clean the bottoms of shoes well we created a sole brush!
- We were creating such a big mess cleaning sneakers we designed our own sneaker cleaning mats!
- When we came across specific models of sneakers with recurring defects, we created color-matched paint bottles to rectify the defects!
- When we couldn't find shoes we truly loved, we customised them!





In addition to just being innovative with sneaker care products, our team also released its own NFT's as one of Australia's first retail businesses to combine NFT's with real-world retail utilisations. NFT holders were given gift cards and granted access to our SNKR Vault which contained rarely revealed secrets in the sneaker restoration world. NFT Holders also get 10% off all services and products as long as they hold the token. Recently, we introduced a cryptocurrency payment gateway on our online store to offer our customers the option to pay with their choice of cryptocurrencies should they prefer to.

Our belief is that in order to foster a culture of sneaker restoration, we need to make information and advice as readily available as possible. Therefore, another competitive advantage is the amount of resources we have on Youtube, Facebook and Instagram. Additionally, we offer tailored advice through our social media, emails or our Live Chat function.

Another key differentiator is that we back our products and services with a satisfaction guarantee. Walk into any sneaker store and pick up a sneaker cleaning kit. If you don't get the results you were hoping for, bad luck really. Shop with us and if you do not get the results you desire, we'll try to find you the right solution for the right problem. We accept returns if you are dissatisfied with any of our products or services but our first priority is to try to help our customers restore their sneakers.

What we have also done to remain competitive is to support local Australian sneaker start-ups and stock our products there to build a sense of community. We are also wholesaling to other e-commerce stores to make our product more readily available online.

Since starting in 2017, The Sneaker Laundry has sold over 65,000 sneaker care products, generating over \$1.2M in cumulative revenue whilst shipping to over 45 countries. The Sneaker Laundry has created a proven business model and with scalable processes and systems that is now ready for rapid international expansion.



## 2.3

# Business & Revenue Model

### Our Future Growth



#### Wholesale & Export

Establish wholesale channels globally with help of Australian Export Market Development Grants Scheme (EMDG)

We are positioned for noticeable growth in our wholesale channels globally due to:

- Our increased brand awareness from expanding our brick and mortar locations internationally
- Australian Export Market Development Grants Scheme (EMDG) that will subsidize half of our costs associated with international expansion/export.
- Identifying and working with buying agents that selectively place The Sneaker Laundry into large networks of retailers.
- Designing and manufacturing point of sales displays for stockists.



#### Australian E-commerce

Scale Australian E-commerce:

- Direct to consumers through digital marketing and website optimisation.
- Indirect through other channels: Ebay, Amazon and other relevant online retailers.

E-commerce channel revenue grew 80% between 2019 and 2020 followed by 40% between 2020 and 2021. With the funding, we intend to implement the following in order to sustain continued growth:

- Optimize our advertising funnels
- Place ourselves on more online sales channels such as Amazon, Kogan, Etsy etc.
- Optimize e-commerce platform conversion rates
- Acting on consumer behavior through analytics such as - sales trends, demographics studies, conversion rates and landing page



## Brick & Mortar

To operate low-overhead flagship stores in Melbourne, Sydney, Brisbane & Perth. The logistics to service Australia's key states but will also serve as a barrier to entry for new competitors.

The Sneaker Laundry has 2 physical locations in Melbourne, 1 location in Lebanon and is currently in the final stages of a lease negotiation for our flagship Sydney location.

Over the last 4 years, The Sneaker Laundry has refined our product offering, workflow and systems. This has helped us to settle on a proven business model, overcome the Covid-19 uncertainties and has just placed a deposit on our Sydney flagship location which we expect to open by early April.

## International Services

In December 2021, we piloted an international expansion through a commercial arrangement with a local operator in Lebanon. The arrangement was for them to use our brand and for us to scale with them for a simple net profit share. Within 20 days, the store was fitted out and operating. In its second month, it was cash flow positive. We feel that it has been a low-risk, cost-effective and efficient method to expand quickly with similarly aligned individuals.

The Sneaker Laundry aims to expand globally and be in Melbourne, Brisbane, Adelaide and Sydney within the next 16-24 months. The Sneaker Laundry also aims to be in 5 international locations within the next 36 months.



## 2.4

# Business Strategy

We are building a sneaker care brand with the goal of going global. We offer a wide range of products and services with the promise of delivering a solution to all sneaker-related problems. We want to ultimately scale our business to supply more people with The Sneaker Laundry's products to save more footwear from landfill.

Since successfully launching The Sneaker Laundry 4 years ago, developing a range of products and services our customers love, we are ready to scale and grow our revenue. We have split our focus into 2 areas - domestic and international.

### **Domestic (Short/Medium-term)**

#### **- Brick and Mortar (Services)**

Our goal is to expand our physical locations into Brisbane, Sydney and Adelaide in the next 24 months following our raise. This will involve improving our reporting systems and the hiring and training of new team members in each State. Our Brick and Mortar locations will increase brand presence and credibility Australia-wide, in turn improving our online traffic and sales.

#### **- Product sales**

1. Increase sales channels: We aim to implement our product range onto Amazon, Myers, Kogan and other third party sales channels online.
2. Divert resources into Search Engine Marketing which has been completely uncharted territory for The Sneaker Laundry to date.
3. Increase stockists: In the last 12 months, we have more than doubled the number of stockists and will continue to search for more suitable Australian partners to stock our range of products.





## International (Medium/Long-term)

### - Brick and Mortar (Services)

Over the years, we have found that customers place a value on the sneaker cleaning service as a percentage of the cost of replacing their old sneakers with new ones. Since the cost of branded sneakers are consistent between most countries, and labour is the largest cost of goods for our services, we are currently monitoring international markets where the manpower costs are comparatively lower to Australia. We are confident that this will provide us with more margins between the customer perceived value of the service and the costs of providing our services.

These countries include but are not limited to: Singapore, Malaysia, Indonesia, Dubai, Philippines, Vietnam, United Kingdom and many more. Our goal is to have 5 international locations within 36 months.

### - Product sales

Our goal is to have our products stocked internationally with Austrade's Export Market Development Grants which helps Australian businesses export products into international markets. This will assist our goal of being stocked in big footwear retailers internationally especially in countries where we plan on opening brick and mortar locations.





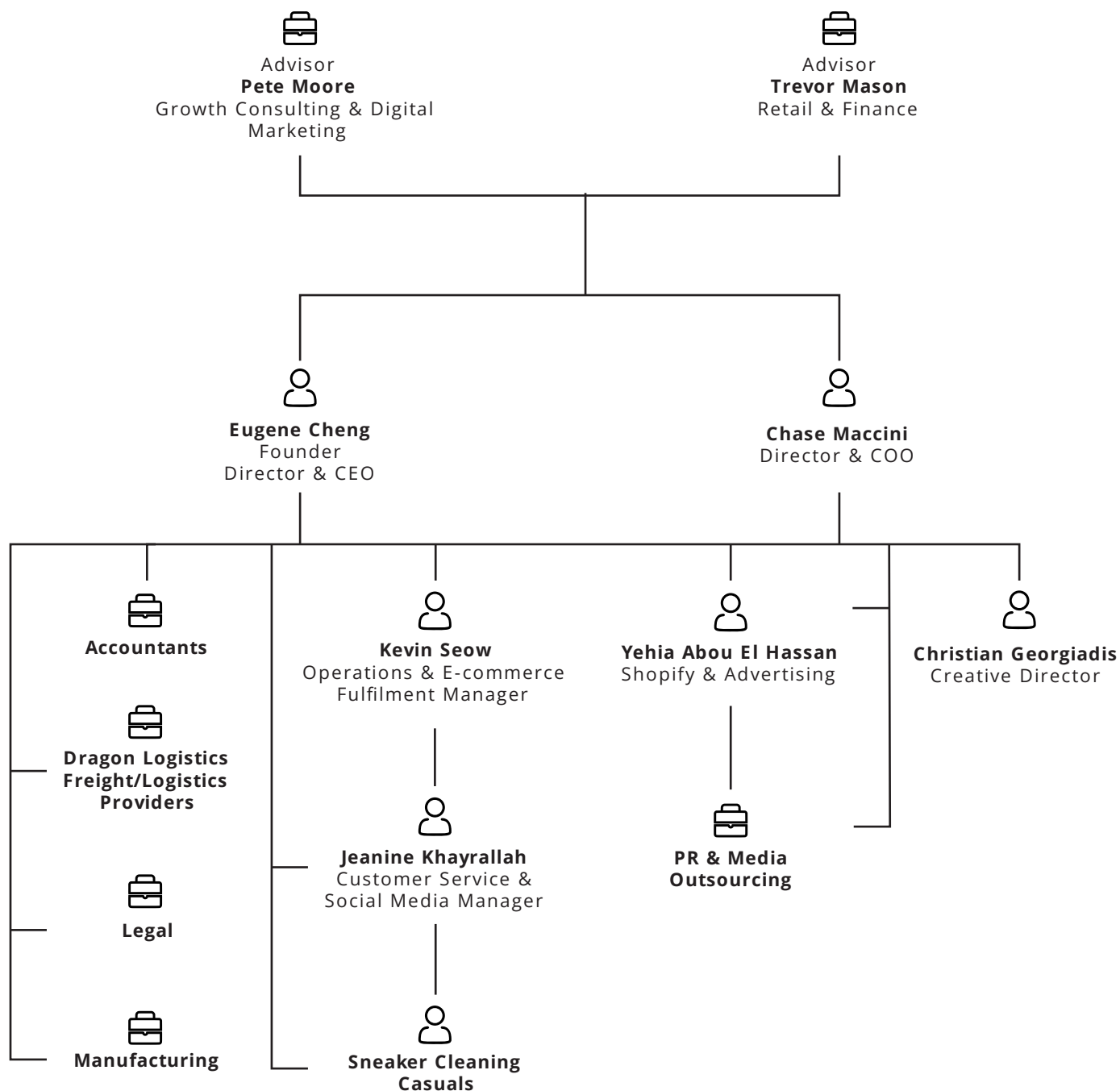
## OUR IP AND DOMAINS

Country	IP Type	Status
Australia	Trademark	Registered
Lebanon	Trademark	Pending
United Kingdom	Trademark	Registered

We have multiple domains names registered including:

[www.thesneakerlaundry.ae](http://www.thesneakerlaundry.ae)  
[www.thesneakerlaundry.com.au](http://www.thesneakerlaundry.com.au)  
[www.thesneakerlaundry.uk](http://www.thesneakerlaundry.uk).

## 2.5 Organizational Structure



Employee/Team Member



External - Outsourced Services/Contractors

# Directors



**Eugene Cheng**  
Director & CEO

## Skills and Experience

Eugene has championed the idea of Australia's first sneaker laundry since inception. Eugene is a driven, responsible, passionate, resourceful and innovative founder who is never shy of a good challenge. Over the years as a director and CEO, he has proven to make a big impact with limited resources at The Sneaker Laundry.

Eugene is also a serial entrepreneur who holds interests in a nightclub, waterfront wedding venue, content creation agency, and an events company. Eugene continues to devote most of his time daily to the strategic growth of The Sneaker Laundry as a full-time director.

Since 2012, Eugene worked internationally as a professional DJ, playing in countries ranging from Bangkok, Dubai, Bahrain, Singapore, Malaysia, Indonesia and many more. By 2018, Eugene graduated with a double degree in Law & Commerce from Monash University with honours. In 2021, Eugene completed his Practical Legal Training and got accepted as an Australian solicitor. In January 2022, he championed an NFT project for The Sneaker Laundry which was one of the first projects which saw NFT's have retail utility in Australia. His diverse background, unrelentlessness and unique skillset makes him a well-rounded leader for The Sneaker Laundry.

## Description of Duties

Business Management, Startup growth and advisory, E-commerce, Digital Marketing



**Chase Maccini**  
Director & COO

## Skills and Experience

Originally hailing from Boston, Chase arrived in Australia in 2012 and quickly became Australia's biggest sneaker restoration expert.

To date, he has amassed over 10 Million views on Youtube and is proudly working on operations, product development and restorations.

Through his 12 years of cleaning and restoring sneakers, he has developed methods to be more efficient and effective at restoring sneakers. Furthermore, his deep understanding for sneaker maintenance proves valuable in research and development for new products and improving current products!

Over the years, Chase has been mentored to set up training programs, operation systems as well as and move into an operations & supervision role, overlooking our brick-and-mortar services as well as e-commerce fulfilment.

## Description of Duties

Business Management, Startup growth and advisory, E-commerce, Digital Marketing

## Team Members



**Christian Georgiadis**

Creative Director

With over 7 years in the content creation space, Christian has an extensive portfolio covering events, property, consumer goods and even producing work for cryptocurrencies since he was 18.

Since All content for the company is created in-house giving it ultimate flexibility and control over the end result.



**Kevin Seow**

General Manager

Kevin is a versatile, proactive and passionate graduate with a bachelors in biochemistry and diploma in bioscience. Kevin was awarded an international scholarship during his time with La Trobe University and subsequently joined The Sneaker Laundry out of his love for sneakers and startups. He shares the vision and believes strongly that The Sneaker Laundry can be a dominant player in the market internationally.

Since taking over the management of our flagship store , and has successfully implemented countless optimisation strategies to improve our efficiencies and overall product/-service offering.

Kevin's background in science has proved valuable as we aim to offer an increasingly eco-friendly product line.



**Yehia Abou El Hassan**

In-house Shopify Expert

In the short 3 years since graduating with bachelors in business management and marketing, Yehia has found his passion in helping e-commerce stores optimise and grow through data analysis and designs.

Yehia is currently working on an overhaul of our e-commerce site to improve our conversion rates and user experience.



**Jeanine Khayrallah**

Social Media Manager + Customer Service Hero

Joining late last year, Jeanine has already helped streamline our customer service process across all social media platforms and is tending to our social media accounts on a daily basis.



### **Huy Tu**

BCom (Accounting & Finance), CA

Professional Services Accountant specializing in Small Businesses and High Wealth Individuals Huy is a junior partner of a public practice accounting firm with a wide variety of clients up to 100M turnover. Prior to starting to work in the public practice industry, Huy was involved with several businesses in the start-up space.



### **Alex Hammond**

BBus (Accountancy), CPA

Alex is a cofounder and senior partner of a public practice accounting firm with a wide variety of clients up to 100M turnover. He has considerable experience advising on a broad range of taxation and business accounting issues.

Alex is a key stakeholder in several growing SME's and the co-founder of D2S2 – a Melbourne based professional networking group. Alex also has a strong interest in listed investments and wealth creation through the equities and property markets.

## **Advisors**



### **Pete Moore**

Advisor - Growth Consulting & Digital Marketing

As a management consultant specializing in strategy and architecture, Pete works with founders and executives to help them grow and scale their business. With over 15 years' experience advising leaders in organizations of all sizes – including publicly-listed companies, federal government agencies, small-to-medium enterprises and startups – Pete helps us to solve challenges across strategy & planning, growth consulting, customer experience, enterprise architecture, digital marketing and more.



### **Trevor Mason**

Advisor - Retail & Finance

Trevor has more than 40 years' retail experience covering a wide range of areas. He held senior management roles that grew businesses from small to large, and more recently accessed small to medium retailers to help them take control of their businesses and move to the next level. Trevor is also a workshop leader for small business programs run by the Department of Economic Development, Jobs, Transport and Resources. Trevor provides valuable advice to the brick and mortar expansion plans to ensure it is done within acceptable risk thresholds.



## 2.6

# Capital Structure

### 2.6.1 Issued Capital (before and after the Offer)

As at the date of this Offer Document, the Company has 10,000,000 ordinary shares. The majority of shares are held by the Company's founders/directors. Table 1 below sets out the issued capital of the Company before the Offer.

**Table 1:** Issued capital of the Company before the Offer

Shareholder	Share Type	Shares (%)	Shares (amount)
<b>EUGENE YOU YI CHENG</b>	Ordinary	62%	6,200,000
<b>CHASE MACCINI</b>	Ordinary	2%	200,000
<b>CHRISTIAN GEORGIADIS</b>	Ordinary	2%	200,000
<b>BRUCE NGUYEN</b>	Ordinary	10%	1,000,000
<b>KELVIN KHOR</b>	Ordinary	9%	900,000
<b>WILLIAM TAN HWEE CHEW</b>	Ordinary	10%	1,000,000
<b>YAT LONG LEE</b>	Ordinary	5%	500,000
<b>TOTAL</b>	Ordinary	100%	10,000,000



## Table 2: Issued capital of the Company following the Offer

Table 2 sets out the issued capital of the company following the Offer on a fully diluted basis.

Shares	Minimum Subscription	Maximum Subscription
<b>Existing Shares</b>	10,000,000 (94.12%)	10,000,000 (80%)
<b>ESOP Shares</b>	nil	nil
<b>Offer Shares</b>	625,000 (5.88%)	2,500,000 (20%)
<b>Total Shares</b>	10,625,000 (100%)	12,500,000 (100%)



## 2.6.2

# Rights and liabilities associated with securities

## ORDINARY SHARES

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

The shares issued pursuant to this Offer Document will be fully paid Ordinary Shares.

All Ordinary Shares have the same voting rights and the same rights to receive dividends.

Under the Constitution, the Board may from time to time refuse to register a transfer of shares.

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

## OPTIONS

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

The Company intends to implement an Employee Share Options Plan (ESOP) in the future.

The Constitution of the Company (available on the Intermediary's platform) includes provisions that allow the Board to implement the contemplated ESOP in the future.

## SHAREHOLDERS AGREEMENT

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

## OTHER RIGHTS

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





### 2.6.3

## **Sources of financing, including debt financing and other financing**

Over the years, we have operated on a lean business model and prioritized sustainable profitable growth over rapid unsustainable growth. Therefore, the business has fortunately not relied on debt funding.

As of March 8<sup>th</sup> 2022, the business has no related party loans.

## 2.7

# Risks facing the business

An investment in The Sneaker Laundry 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).

Risk	Description
Funding risk	<p>The Sneaker Laundry is in the process of raising funds to achieve its strategic business objectives and to cover its projected operating expenses. The Sneaker Laundry may not raise all of the required funding and therefore not achieve all of its business objectives.</p> <p>The Sneaker Laundry may also need to raise additional funds in the future from investors or third parties. There is no assurance that the Sneaker Laundry will be able to obtain additional rounds of funding on substantially the same terms as outlined in this Offer Document or at all. The Sneaker Laundry's value may be materially affected if the required additional funding is not available.</p>
International Expansion	<p>In expanding internationally, The Sneaker Laundry will have to deal with unfamiliar companies in unfamiliar legal landscapes. The Sneaker Laundry may encounter political and financial instabilities, difficulty collecting invoices, cultural barriers and unknown trading partners. The Sneaker Laundry may be negatively affected if unable to cope with these consequences of international expansion.</p>
Customer Acquisition	<p>The cost of customer acquisition online has steadily risen over the years with no real indication of slowing down. There is no assurance that The Sneaker laundry will continue being able to adapt to these rising customer acquisition costs. If The Sneaker Laundry is unable to manage these rising customer acquisition costs, its value and growth may be materially affected.</p>



## Competition Risk

The Sneaker Laundry operates in a highly competitive market, with several known competitors, and moderate barriers to entry that could give rise to new and unknown competitors. If the Sneaker Laundry is unable to successfully compete with existing and/or new competitors, this would have a negative impact on the revenue, profitability and future prospects of the business.

## Key Personnel

In the short term, The Sneaker Laundry's success to a significant extent on its management team. These individuals have extensive knowledge and experience in The Sneaker Laundry's products, business and journey. The Sneaker Laundry is susceptible to the loss of key team members as they are considered critical to the continued success of the Sneaker Laundry. If a key team member was lost, due to illness for example, this could significantly affect the Sneaker Laundry's ability to continue its operations or achieve its business objectives as the case may be.

## Technology Risk

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

## Brand Risk

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

## Intellectual Property Risk

The Sneaker Laundry has registered intellectual property globally, however there are a few regions where intellectual property registration is still pending or has not yet been filed due to affordability. If for whatever reason The Sneaker Laundry cannot secure registered intellectual property in these, it could have an adverse impact on its ability to do business in these regions.



## 2.8

# Risks Facing The Business

Below Are The Financial Statements Of The Company For The Financial Year Ended 30 June 2021, Which Have Been Prepared In Accordance With The Accounting Standards. Interim Financials Have Also Been Prepared For 1 July 2021 To 31 December 2021.

### 2.8.1 Balance Sheet

THE SNEAKER LAUNDRY PTY LTD  
As At 31 December 2021

#### Assets

Account	31 Dec 2021	30 Jun 2021
Current Assets		
Cash and Cash Equivalents	103,608.20	110,180.31
Inventory	85,000.00	49,758.00
Receivables	16,500.00	16,500.00
<b>Total Current Assets</b>	<b>205,108.20</b>	<b>176,438.31</b>
Non-Current Assets		
Property, Plant and Equipment	603.2	806.48
<b>Total Non-Current Assets</b>	<b>603.2</b>	<b>806.48</b>
<b>Total Assets</b>	<b>205,711.4</b>	<b>177,244.79</b>



## Liabilities

Account	31 Dec 2021	30 Jun 2021
Current Liabilities		
Financial Liabilities	8,565.47	9,416.27
GST	1,445.00	5,439.43
Payables	13,224.67	10,865.45
Taxation	5,453.46	10,811.46
Total Current Liabilities	28,688.60	36,532.61
Total Liabilities	28,688.60	36,532.61
<hr/>		
<b>Net Assets</b>	<b>177,022.80</b>	<b>140,712.18</b>
<b>Equity</b>		
Retained Earnings	128,022.80	100,712.18
Share Capital	49,000.00	40,000.00
<hr/>		
<b>Total Equity</b>	<b>177,022.80</b>	<b>140,712.18</b>

## 2.8.1 Profit and Loss Statement



### Income

#### Trading Profit

Account	HY22	FY21
Trading Gross Profit		
Sale of Goods	227,312.44	314,461.53
Cost of Sales	(115,790.90)	(130,663.16)
Total Trading Gross Profit	111,521.54	183,798.37
Total Trading Profit	111,521.54	183,798.37
<hr/>		
<b>Total Income</b>	<b>111,521.54</b>	<b>183,798.37</b>

#### Other Income

##### Grants

Government Grants	39,600.00	20,419.70
Jobkeeper Income	0.00	65,700.00
<hr/>		
<b>Total Grants</b>	<b>39,600.00</b>	<b>86,119.70</b>

##### Interest Income

Interest Income	0.00	470.25
Total Interest Income	0.00	470.25

##### Other Income

Other Revenue	0.00	90.00
Total Other Income	0.00	90.00
Non Taxable Income	0.00	20,000.00

<hr/>		
<b>Total Other Income</b>	<b>39,600.00</b>	<b>106,679.95</b>
<b>Total Income</b>	<b>151,121.54</b>	<b>290,478.32</b>

## Expenses



### Advertising & Marketing

Account	HY22	FY21
Advertising & Marketing	17,848.59	14,160.61
<b>Total Advertising &amp; Marketing</b>	<b>17,848.59</b>	<b>14,160.61</b>
Depreciation	203.28	665.34
<b>Total Depreciation</b>	<b>203.28</b>	<b>665.34</b>

### Employment Costs

Salaries - Ordinary	40,486.58	94,668.06
Staff Amenities	739.47	63.50
Superannuation - Ordinary	3,822.22	6,149.30
Uniforms & Protective Clothing	0.00	312.73
Workcover Insurance	0.00	325.36
<b>Total Employment Costs</b>	<b>45,048.27</b>	<b>101,518.95</b>

### Entertainment

Entertainment	518.84	1,037.58
<b>Total Entertainment</b>	<b>518.84</b>	<b>1,037.58</b>

### General Expenses

Bank Fees	5,968.13	18,588.25
Cleaning & Laundry	3,051.85	2,322.06
Commissions Paid	630.29	2,948.13
Office Expenses	5,891.70	16,779.17
Printing & Stationery	123.40	1,778.19
Subcontractors	6,562.79	23,520.60
Subscriptions & Memberships	3,280.98	2,374.95
Sundry Expenses	367.24	0.00
<b>Total General Expenses</b>	<b>25,876.38</b>	<b>68,311.35</b>

## Insurance

Insurance	2,831.82	604
<b>Total Insurance</b>	<b>2,831.82</b>	<b>604</b>

## Motor Vehicle

Motor Vehicles - Fuel & Oil	1,667.54	27.18
<b>Total Motor Vehicle</b>	<b>1,667.54</b>	<b>27.18</b>

## Occupancy Expenses

Rent	13,659.91	21,071.74
Repairs & Maintenance (473)	4,533.09	3,592.60
<b>Total Occupancy Expenses</b>	<b>18,193.00</b>	<b>24,664.34</b>

## Professional Fees

Accounting Fees	4,134.56	5,579.53
<b>Total Professional Fees</b>	<b>4,134.56</b>	<b>5,579.53</b>

## Travel and Accommodation

National Travel and Accommodation	4,099.65	1,359.59
<b>Total Travel and Accommodation</b>	<b>4,099.65</b>	<b>1,359.59</b>

## Utilities

Electricity & Gas	1,622.13	3,319.63
Telephone	1,766.86	3,027.70
<b>Total Utilities</b>	<b>3,388.99</b>	<b>6,347.33</b>

<b>Total Expense</b>	<b>123,810.92</b>	<b>224,276.35</b>
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<b>Profit/(Loss) Before Taxation</b>	<b>27,310.62</b>	<b>66,201.97</b>
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## 2.8.3

# Cash Flow Statement

THE SNEAKER LAUNDRY PTY LTD  
For the 6 months ended 31 December 2021  
JUL-DEC 2021

Operating Activities	FY21	HY22
Receipts from customers	314,461.53	227,312.44
Payments to suppliers and employees	(232,182.11)	(196,081.17)
Net of Cash payments and Receipts from other operating activities	(27,883.59)	(45,952.58)
<b>Net Cash Flows from Operating Activities</b>	<b>54,395.83</b>	<b>(14,721.31)</b>
<b>Financing Activities</b>		
Proceeds from borrowings	-	8,149.20
Loans to related parties	(198.19)	(9,000.00)
Other cash items from financing activities	-	9,000.00
Net Cash Flows from Financing Activities	-	8,149.20
Payment for Property, Plant and Equipment	(1,471.82)	-
<b>Net Cash Flows</b>	<b>52,725.82</b>	<b>(6,572.11)</b>



<b>Cash And Cash Equivalents</b>	<b>FY21</b>	<b>HY22</b>
Cash and cash equivalents at beginning of period	57,454.49	110,180.31
Net change in cash for period	52,725.82	(6,572.11)
Cash and cash equivalents at end of period	110,180.31	103,608.20



## 2.8.4

# Statement of Changes in Equity

### Equity

Account	FY21	HY22
Opening Balance	87,176.26	140,712.18
<b>Increases</b>		
Profit for the Period	66,502.38	27,310.62
Income Tax Expense	(12,966.46)	
Share Capital		9,000.00
<b>Total Increases</b>	<b>53,535.92</b>	<b>36,310.6</b>
<b>Total Equity</b>	<b>140,712.18</b>	<b>177,022.80</b>

## 2.8.5

# Management comments on historical performance and outlook

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

Through the last 4 years, we have seen drastic swings between the proportion of sales from e-commerce and in-store cleaning revenue due to various lockdowns. Historically, we have found the brick and mortar locations to be operating with lower margins due to high labour costs in Australia. However, they are valuable to acquire customers easily where they often then subsequently spend on our online store which yields much higher margins. Therefore, we have developed a multi-prong strategy to grow this business going forward.

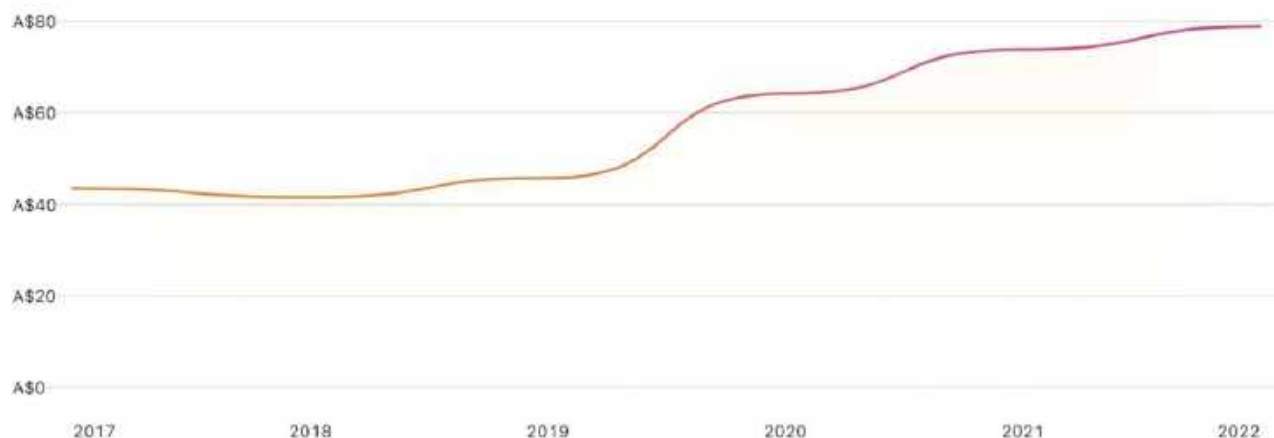
Firstly, we aim to increase our volume in sneaker cleans through opening more physical locations in Australia. In the short-medium term, we want to have locations across Melbourne, Brisbane, Sydney, Adelaide and Perth. We believe this will drastically multiply the sneaker cleaning volume.

Secondly, we aim to introduce search engine marketing and optimisation campaigns. This has been a untapped space for us and we believe it will lead to generating more high margin product sales online.

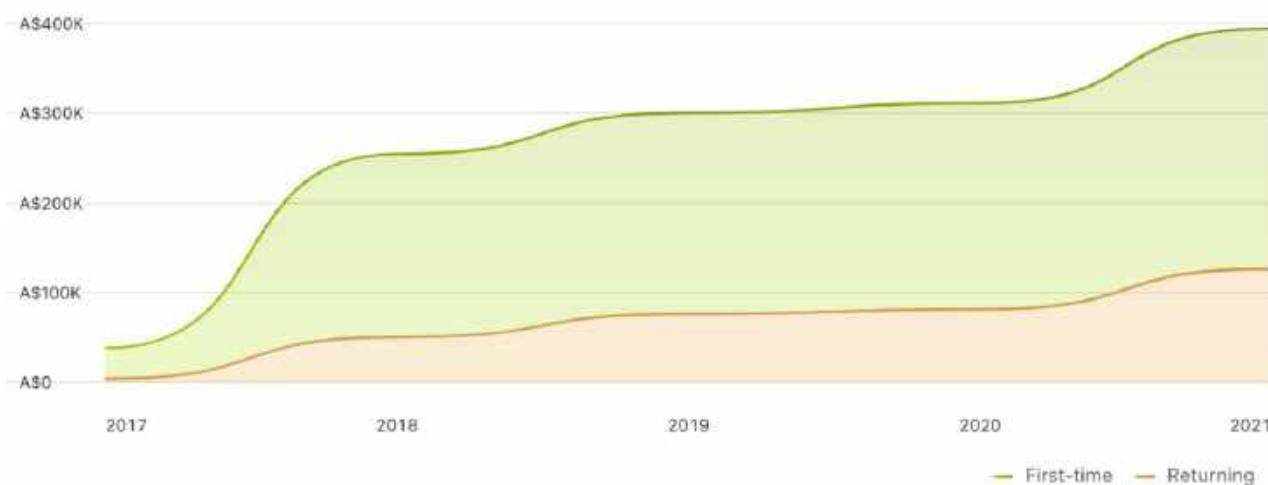
Thirdly, we are working towards increasing Australian and international stockists. Being high volume orders and managing stockists being less intensive on labour, this is an extremely viable strategy for us. We are already currently being stocked in many upcoming local sneaker retailers and this has proved to be a great way to expand our product sales volume quickly.

Lastly, we recently piloted an international expansion through a commercial arrangement with an experienced local retail operator in Beirut, Lebanon. The arrangement was for them to use our brand and for us to scale with them for a simple net profit share. Within 20 days, the store was fitted out and operating. In its second month, it was cash flow positive. We feel that it has been a low-risk, cost-effective and efficient method to expand quickly with similarly aligned individuals. We believe we can further increase our sneaker cleaning and product sales volume simultaneously through international expansion on this same arrangement.

## Average Order Value



## Total Sales



This combined with the constant improvement of our training systems and daily operation workflows gives us great confidence in expanding our online sales as well as our brick and mortar locations. We have placed a deposit on our Sydney Flagship location which we anticipate will be operational by April.



### 3

## Information about the Offer

### 3.1 Terms of the Offer

The Sneaker Laundry Pty Ltd is offering up to 2,500,000 shares at an issue price of \$0.40 per share to raise up to \$1,000,000. The key terms and conditions of the Offer are set out below.

Term	Details
Shares	Fully-paid ordinary shares
Price	\$0.40 per share
Minimum Subscription	\$250,000
Maximum Subscription	\$1,000,000
Minimum Parcel Size	[\$250.00]
Opening Date	08/03/2022
Closing Date	24/03/2022

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

To participate in the Offer, you must submit a completed application form together with the application money via the Intermediary's platform. The Intermediary's website provides instructions on how to apply for shares under the Offer at [www.birchal.com](http://www.birchal.com).

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

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

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

## 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	\$250,000	\$700,000	\$1,000,000
Retail expansion (Australia)	\$100,000	\$240,000	\$330,000
Wholesale expansion	\$40,000	\$60,000	\$80,000
International expansion	-	\$120,000	\$100,000
Marketing and customer acquisition	\$30,000	\$65,000	\$140,000
Cost of the offer	\$40,000	\$75,000	\$100,000
Working Capital	\$40,000	\$140,000	\$250,000
Total	\$250,000	\$700,000	\$1,000,000

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

Working capital includes overhead expenses, employee wages and director remuneration. Details of payments to be made to directors are as follows:  
Directors' remuneration \$52,000 gross

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

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

If only the Minimum Subscription amount is raised, the Company may require further funding to be able to carry out our intended activities over the next 12-18 months. In such circumstances, the Company may consider undertaking a further CSF offer under the CSF regime. Until additional funding is obtained, we will scale back international expansion plans and continue to focus our cash resources on expanding our Australian retail expansion as well as product placement (online and in stockists)

### 3.3

## Rights Associated With The Shares

### 3.3.1 Voting rights

All ordinary shares have the same voting rights (one vote for each share held) and the same rights to receive dividends. A more detailed description of the rights associated with the shares can be found in section 3.3 of the Offer Document.

### 3.3.2 Dividends

All shareholders have a right to receive any dividends declared and paid by the Company. The directors have a discretion under clause 18 of the Company's Constitution and may resolve to pay dividends, subject to their obligations under the Corporations Act (for example, they cannot pay dividends unless the Company's assets are sufficiently in excess of its liabilities immediately before the dividend is declared and where it may materially prejudice the Company's ability to pay its creditors).

### 3.3.3 General Meetings & Notices

Clause 7 of the Constitution sets out when and how general meetings may be called.

Directors have the power to call meetings of all shareholders or meetings of only those shareholders who hold a particular class of shares.

Shareholders may requisition the holding of a general meeting in accordance with the Corporations Act 2001 (and the Directors must call that general meeting as soon as practicable after receiving that requisition).

### 3.3.4 Election And Removal Of Directors

Pursuant to clause 5.7 of the Constitution, a Shareholder that individually holds at least 30% or more of the total issued Shares may appoint a person as a Director by Ordinary Resolution of Shareholders passed in a general meeting.

The Constitution also provides other Director appointment rights. These are set out in Clause 5.9(a) and 5.9(b) of Constitution.

Pursuant to clause 5.13 of the Constitution, a Director can be removed by special resolution (above 75%) of the Shareholders.

### 3.3.5 Winding-up

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



### **3.3.6 Restrictions On Sale And Transfer**

Shares may only be transferred by a Member in accordance with the Company's Constitution. This means that, except in respect of certain Permitted Transfers (as described in the Constitution) and other permissible disposals (such as pursuant to a drag along or tag along event), Member's wishing to sell shares must offer those shares to the Company with accordance with clause 12.34(d) before those shares can be sold to third parties.

Permitted Transfers include, a transfer of shares:

- From any person entitled to a share because of the death or bankruptcy of a Shareholder;
- From that Shareholder being the trustee of any trust on any change of trustee to the new trustee or trustees for the time being of the trust;
- From that Shareholder being a nominee or trustee to the person beneficially entitled;
- From that Shareholder being an individual to any relative of that Shareholder being the wife, husband, child or other direct issue of that Shareholder (Specified Relatives);
- And other transfers as outlined in clause 12.35 of the Constitution

### **Restrictions on sale or transfer under the Corporation Act and Constitution**

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

### **Drag Along**

Pursuant to clause 13.1 of the Constitution, where Shareholders with greater than 50% of the Shares in the Company receive an offer from a third party to acquire all of the issued shares in the Company, those Shareholders may require all other Shareholders of the Company to sell their Shares to that third party.

### **Tag Along**

Similarly, where parties holding at least 65% of the issued Share capital in the Company intend to sell all of their Shares to a third party, then any Shareholders (other than those who intend to sell) will have the right to tag along pursuant to clause 14.1 of the Constitution.



### **Director's Discretion to Refuse to Register a Transfer Of Shares**

Under the Constitution, the Board may from time to time refuse to register a transfer of shares. The details of the Board's power to do so are set out in clause 12.41 of the Constitution. The Board must notify the person who deposited the instrument of transfer of any refusal to transfer the Shares within six months from the date the instrument of transfer is lodged.

### **3.3.7 Pre-emptive Rights On Issue Of Shares**

Shares may only be issued by the Company in accordance with clause 12.1 of the Constitution. This means that, except in respect of circumstances highlighted in 12.2(c) of the Constitution, where the Company wishes to issue new Shares, the Company must follow the procedure set out in clause 12 of the Constitution, including by each non-CSF Shareholder who hold 20% or more of the total issued Shares of that class, the right to acquire the New Securities.

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

The rights associated with the shares are set out in the Company's constitution. These rights are described below. A copy of the constitution is available on the Intermediary's platform.

### 3.4

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

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

### 3.5

## Investor rewards

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

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

Reward	\$1,250	\$2,500	\$5,000	\$10,000	Method of delivery
Lifetime Access to The SNKR Vault ^^	Yes	Yes	Yes	Yes	Email
TSL Partner Tee (long-sleeve)	Yes	Yes	Yes	Yes	Shipping
Gift voucher		\$100 credit online	\$200 credit online	\$500 credit online	Email
Discounts^	10% off all items for 1 year	12.5% off all items for 1 year	15% off all items for life	20% off all items for life	Email

^Discount applies online only to full price items only. This excludes bulk discounts or sale items. Discounts cannot be used in conjunction with any other offer.

^^Lifetime in this case refers to the period in which the original purchaser holds the shares

## 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

#### 4.3.1 Annual Report

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



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

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

#### **4.3.2 Distribution of Annual Report**

The Company is not required to notify shareholders in writing of the options to receive or access the annual report. Shareholders will not be able to elect to receive a copy of the annual report by way of email or post. However, shareholders can access the annual report [on the Company's website at the following address [insert link to website]] [on the Company's share registry website at the following address [insert link to website]] (free of charge) or can purchase the report from ASIC.

#### **4.3.3 Related party transactions**

If we successfully complete this Offer, the rules on related party transactions in Chapter 2E of the Corporations Act will apply to the Company (for so long as we continue to have CSF shareholders). This means that the Company is required to obtain shareholder approval before giving financial benefits to related parties of the company (e.g. directors and their spouses, children or parents), subject to certain exceptions (such as reasonable remuneration provided to directors).

#### **4.3.4 Takeovers**

If we successfully complete this Offer and have more than 50 shareholders, the takeover rules in the Corporations Act will only apply to the Company in a very limited way. If someone wants to buy more than 20% of the voting shares in the Company, they will be able to do so without complying with the takeover rules. This means a person may be able to get control of the Company without making a formal takeover bid to all shareholders or without seeking shareholder approval.

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



# Glossary

**Company** means The Sneaker Laundry Pty Ltd ACN 619100220

**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