

# erin

A resident experience company

**We connect residents  
to their home, their  
building & their  
community.**



**Crowd-sourced funding offer document.**

March 2022

[erinliving.com](https://erinliving.com)

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



A resident experience company

# Crowd-sourced funding offer document.

**Dated Tuesday 29th March 2022**

## **Offer of fully-paid ordinary shares in Erin Living Company Pty Ltd at \$0.85 per share to raise a maximum of \$1,500,000**

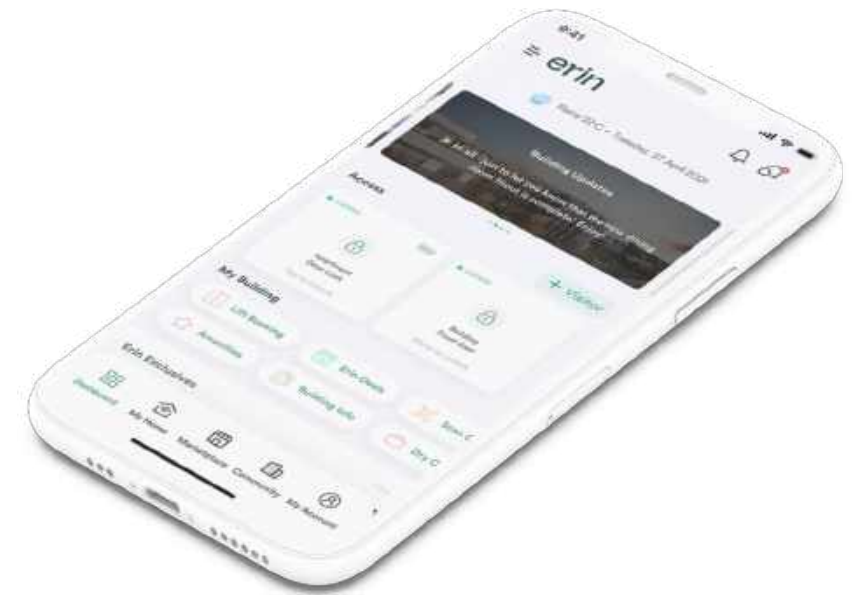
This crowd-sourced funding (CSF) offer document relates to the Offer of fully-paid ordinary shares in Erin Living Company Pty Ltd. This Offer is made under the CSF regime in Part 6D.3A of the Corporations Act 2001 (Corporations Act).

### **Issuer:**

Erin Living Company Pty Ltd ACN 629347913

### **Intermediary:**

Birchal Financial Services Pty Ltd AFSL 502618



# 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**

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## Section 1

# Risk warning

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

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

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

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

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

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

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

## Section 2

# Information about the Company

### Letter from the founders

In 2018, we started Erin Living for two simple reasons:

1. To make living in apartments truly convenient.
2. To set a new benchmark in resident experiences.

As founders from very different backgrounds, we took alternative approaches and perspectives when assessing the opportunity that eventually became Erin Living.

Anthony, having a career in product & technology, focused heavily on user experience for mobile apps and Thomas coming from a broad property background focused on real estate sales, development acquisition and project marketing. One commonality between us, which is quite evident throughout our careers, is that we love to serve our customers to the highest degree.

The brand name 'Erin' came from 'running an errand'. We wanted our brand name to represent a level of premium service, personality and familiarity. It was one of the first names we came up with and we ended up sticking with it.

As we continue to design and develop our product, it truly excites us to think where we can take this company. As time goes on, consumers seem to care about the product and all that they receive as a benefit from the product. We passionately believe in this sentiment as the era of experiences is now upon us.

It's important that we share with you that Erin Living is not just about revenue and growth, but also creating social and environmental impact. With an engaged audience, we have the ability to assist with creating new connections among residents to help with reducing loneliness by bringing like-minded people together. We can monitor energy usage and let a resident know when they are using too much, because ultimately buildings don't use energy, people do.

Once a new-established building is signed, it takes years in some cases before we see any revenue. However we create a potential lifetime revenue stream and long term value, once our technology becomes embedded into the built form of a structure.

From many aspects, our next two years of growth are extremely exciting and we'd love for you to join our company as an official shareholder of Erin Living Company. We are so proud to share this opportunity with you.

Thanks for considering Erin as an investment.

**Anthony and Thomas**  
**Co-founders of Erin Living**

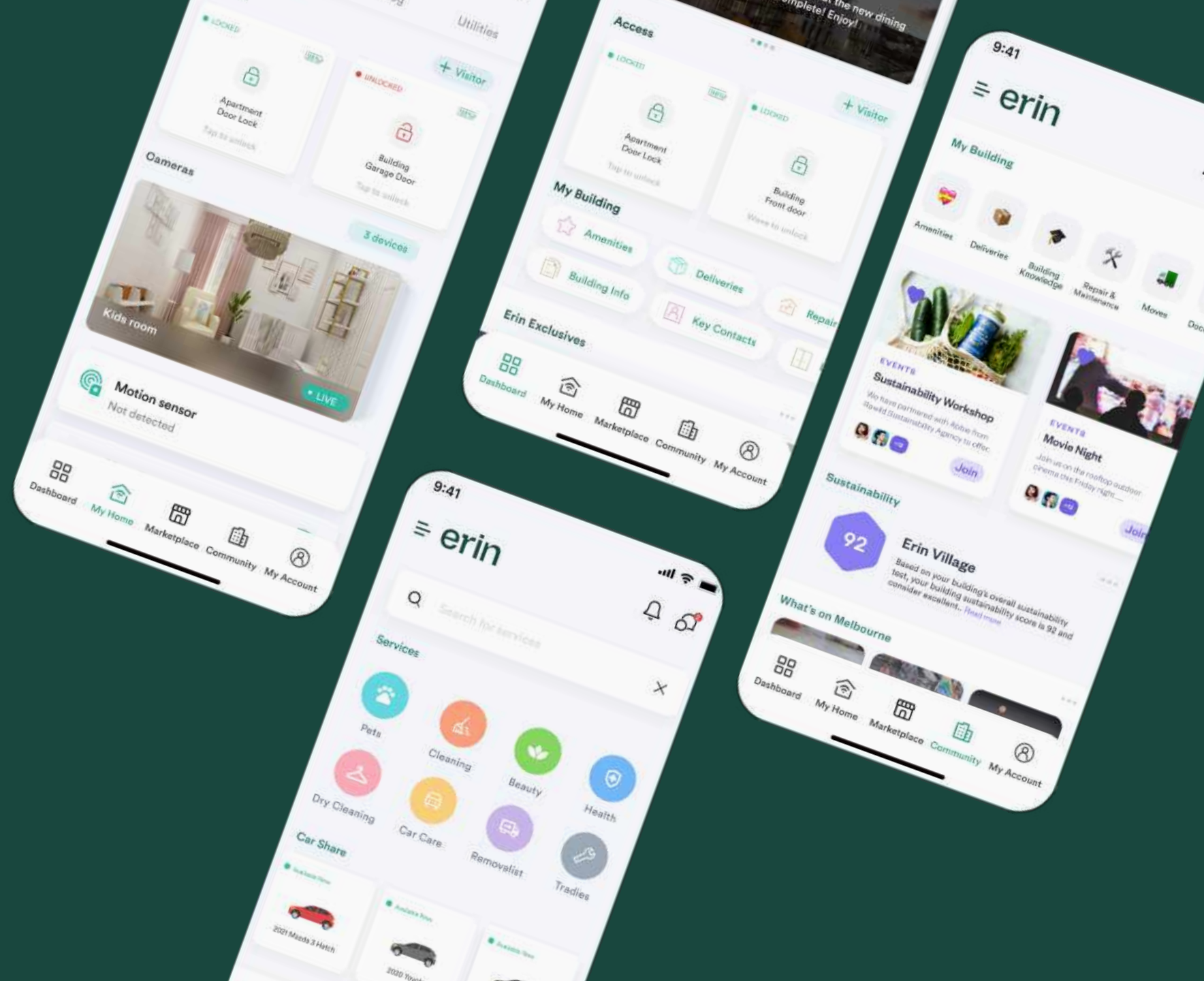
# Company details

This offer of shares is made by  
Erin Living Company Pty Ltd ACN 629347913 (Company).

Company name	Erin Living Company Pty Ltd
ACN	629347913
Date of incorporation	12th of October, 2018
Registered office	Level 2, Suite 7, 66 Victor Crescent Narre Warren
Principal place of business	Ground Floor / 68 Clarke St, Southbank 3006
Subsidiaries	Erin Group Holdings Pty Ltd ACN 629347904 Erin IP Pty Ltd ACN 629362036 Erin Ops Pty Ltd ACN 629362027 (all subsidiaries are 100% wholly-owned)

## Section 2.2

# Description of the business



## Section 2.2.1

# About the Company

Erin Living is a resident experience company enabling residents to live effortlessly in their built environments through our PropTech-based mobile software-as-a-service (SaaS) platform.

Erin's purpose built, enterprise-level platform for homeowners and tenants is designed to be the premium on-site, resident experience solution in the global market of multi-dwelling living.

Our company's mission is to transform multi dwelling assets across the globe into vibrant, connected, safer communities by empowering amazing resident experiences. We do this by combining software with hardware to deliver a seamless, keyless and automated lifestyle experience.

Over the past few years, the team at Erin has developed a deep understanding of the issues and pain points that residents face in built environments and we're here to help with Erin's software-as-a-service (SaaS) Resident Experience Platform.

Since officially launching in November 2020, Erin Living has rapidly grown and successfully achieved sales targets of \$1M in contracted sales over a 1-5 year period, with a further 13,000 apartments currently sitting in our sales pipeline pending a decision in the near future (see page 24 for more information).

We have built a great team of 12 employees aka 'Erin-auts' who love the Erin vision and work passionately on the project each day. Developing strategic partnerships is integral to any company so we have sought after strong reliable partners to support the growth of our company. These partnerships with companies such as Kasta, Origin Energy, Procore Technologies, Allegion LLC, Engine Property Group have helped us form a clear go-to-market strategy using third parties to successfully scale our platform across Australia and New Zealand.

## Section 2.2.2

# Products & Services

Our resident experience platform is built on two core products. A dedicated mobile app for homeowners and tenants as well as a tailored web application for administrators/operators managing buildings.

Our resident app is divided into three segments:



### Core

The Erin Resident App is designed to take care of day-to-day living and take the stress out of apartment living for residents. Like resident inductions with move schedules, document storage and building knowledge, community noticeboards and instant messaging as well as amenity scheduling and defect requests. This creates a high captive and engaged audience as the base level of Erin solves everyday problems, meaning that residents rely on Erin every single day.

From there, we build upon this engagement with Access & Integrations.



### Access & Integrations

The Covid-19 pandemic has accelerated our growth and demand for our fully touchless access control system, which allows residents to interact and access their apartment and building using nothing other than their mobile device. This is also true for our integration into smart, touchless parcel lockers allowing residents to access delivered packages, completely touch-free and secure without the need for building management. Erin also connects to some of the most popular IoT devices such as smart lighting with automatic custom scenes, heating and cooling, intercoms allowing for remote guest management, any home appliances powered through smart power-points to create energy efficiencies, monitoring and total control.



### Marketplace

Erin Marketplace provides absolute convenience directly to residents through highly curated, vetted and monitored service providers. Residents can connect their home utilities, book a removalist, get their home cleaned, order a dog wash and order dry-cleaning knowing that service providers have been sourced using best practices regarding identification, background and police checks to ensure the safety of residents is the number one priority for Erin Living.

## MARKETPLACE

Provide easy, convenient ways to instantly book service providers to residents home through Marketplace, via Smart Access.

## ACCESS & INTEGRATIONS

Earn trust through increased building security and convenience via smart, keyless mobile technology allowing residents to use their phone as a key and ditch those keys and fobs.

## CORE FUNCTIONALITY

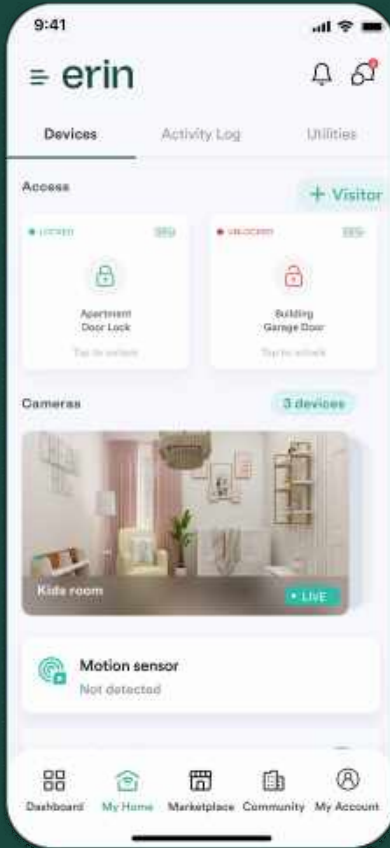
Create a captive audience by solving everyday pain points for residents activating an engaged audience built by trust and exceptional user experiences.

# One mobile experience for Residents

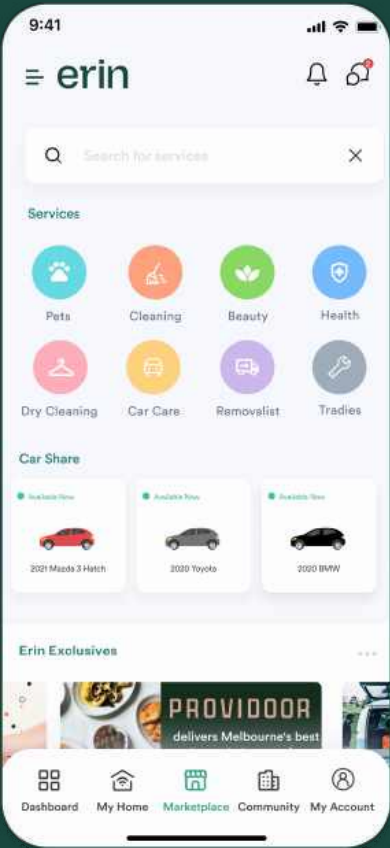
Dashboard



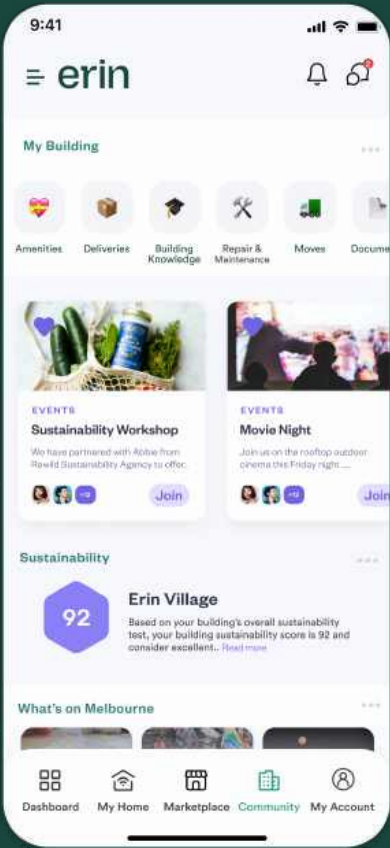
My Home



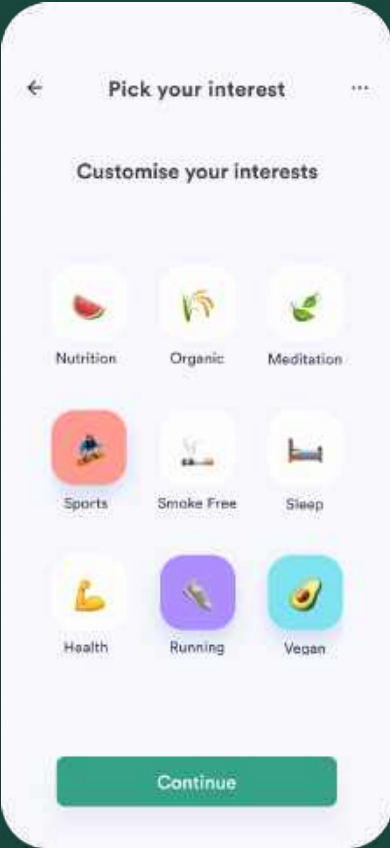
Marketplace



My Community



Connected Communities



# Management System

Our purpose-built management platform takes a holistic approach to manage built environments. It allows for key building management to run day-to-day operations such as direct communication with residents through building notice boards and instant messaging, amenity bookings and scheduling, digital key sharing and access for residents, trades and property managers and common area and building defects.



Section 2.2.3

Distribution

Erin Living is running two get-to-market strategies that allow for robust distribution and a clear path to acquiring new customers and revenue.

Retrofit Sales Channel (Existing Buildings)

Our retrofit model is designed to work directly with Owners/Strata Committees to discuss, workshop and understand the current issues they face in their building and how the Erin platform can help them.

Once a committee is satisfied with the direction, Erin is then formally included within the Owners Corporation budget and all owners are charged a per annum, per lot fee. This is paid upfront, annually. Contract lengths are typically 2 to 3 years with further rollover terms. A launch date is then set by the owners, and we begin our onboarding process.

We believe that a personal experience is needed to engage and educate the rest of the building owners and tenants on the benefits of Erin and how we are there to help elevate their living experience and become their technology partner. Our Implementation Specialist prepares the building for go-live. They work with the owners, committee and management to ensure adequate training and communication is provided.

Our Smart Access and Smart Door Lock hardwares can easily and affordably be retrofitted in any built environment. Through our corporate partnership with one of Australia’s leading 24/7 nationwide locksmith businesses, we are able to install, support and maintain all access control systems and directly integrate within the Erin platform. This instantly allows residents’ phones to become the keys to their building and home.

Erin Living generates a commission on all access control systems and hardware sold making for a multi-pronged revenue approach. Base subscription revenue + hardware revenue.

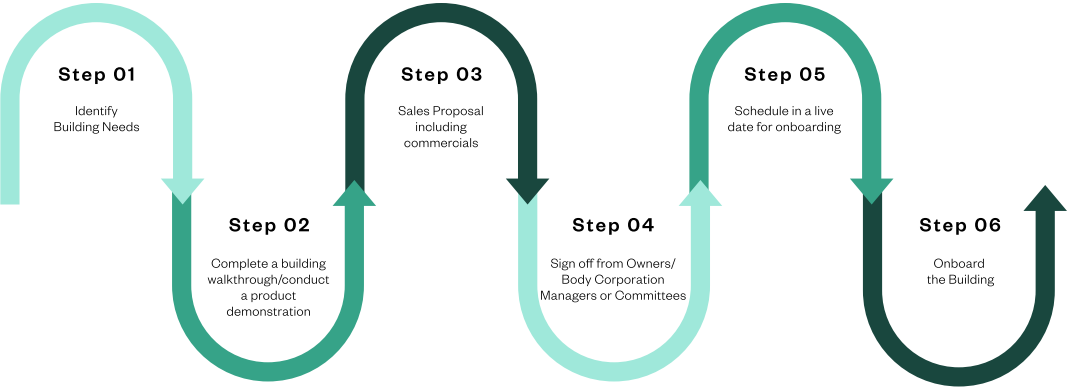


Table. Sales Process for Retrofit Buildings

# Distribution

## Greenfields Sales Channel (New Buildings)

Our new build sales channel is staged in 3 phases:

- 1. Design
- 2. Sales & Marketing
- 3. Building Handover

All three stages allow Erin to be involved in a building's planning and design phase to ensure that the Erin platform is considered from a resident experience perspective early in the development process.

Erin Living has developed a ‘new build’ sales channel through multiple partnerships.

Historically, residential buildings have been built without technology and flexibility in mind, limiting their ability to be future-proofed with technology upgrades to cater for the changing way we live in apartments today. Erin now brings those items together, such as access control, intercom systems, door locks, parcel delivery and energy in one mobile experience.

Erin works with Property Developers to ensure that they include the appropriate, integratable hardware during the construction of their building, as this is the easiest time to equip the building with smart technology such as smart-locks, base building access, intercom systems and lift controllers to seamlessly allow residents to use Erin to control their building.

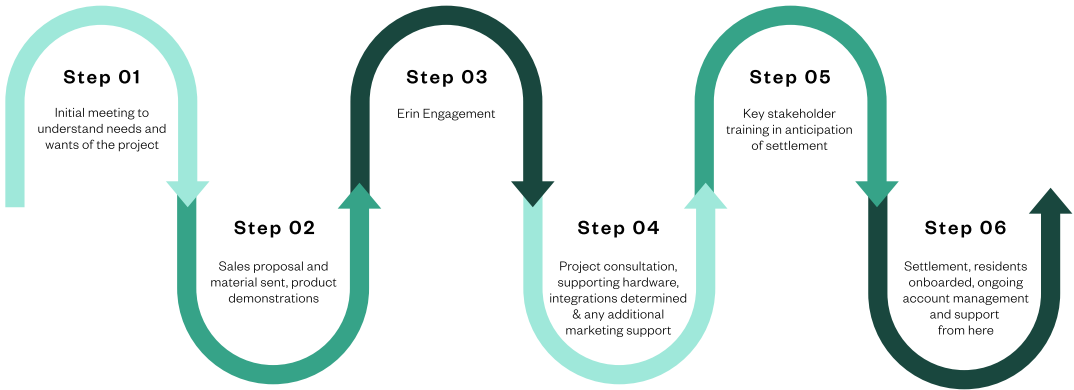


Table. Sales Process for New Buildings

## Section 2.2.4

# Marketing

While targeting different customer segments, we will adopt different marketing and advertising strategies to ensure the Erin message is being promoted in the right place, to the right persons.



### Established Strata Buildings

- Social Media and digital marketing strategies
- Strata, building and facility manager channels
- Creating personas and testimonials

Owners and residents living in apartment buildings as well as different layers of management are the ones that need Erin the most. Ads will be curated and targeted towards these groups who are physically living and working on the premises.



### Property Developers

- Media channels and PR
- Partnerships
- Events and activation

Getting as many eyes on Erin as possible will be achieved through larger forms of awareness of the brand. Using different digital media channels, partnerships & promotions as well as sponsored events, Erin will be able to maximise its exposure.



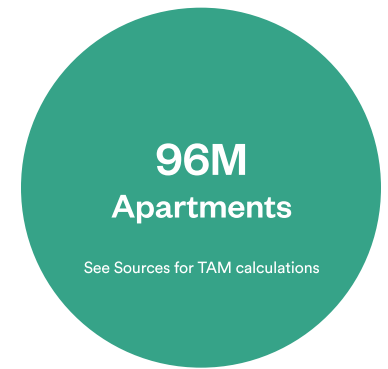
### Corporates

- Sponsorship
- Public Relations
- Events and conferences
- Partnerships and Integrations

Similarly to marketing to Property Developers, it will also be important to market the benefits of efficiency for customers who have scaled portfolios. Using company integrations that reduce friction points will be a key to exploring these larger opportunities.

## Section 2.2.5

# Our Market



### PropTech (Property Technology)

There has been a significant rise in capital investments for PropTech startups.

According to the Australian Financial Review<sup>1</sup>, it was expected that the category of PropTech would reach \$20 billion dollars of investment globally by 2020.

Going into 2022<sup>2</sup>, there will be more investment in real estate software surrounding the construction, property management spaces and Optimising For The Gen Z Renter — sectors that were standout areas for investment within proptech in 2021, according to Crunchbase data.

Since 2019, Australian Proptechs have raised over \$274 million dollars which shows the acceleration of the proptech sector here in Australia<sup>3</sup>.

### Total Addressable Market

**Our target market is multi-dwelling owners and residents in countries located in (but not limited to) Australia, Singapore, Hong Kong, Japan, South Korea, New Zealand, United States, Canada, and UK. This target market comprises just under 100 million<sup>4</sup> lots and provides a great opportunity for Erin Living's global expansion.**

We do not only consider apartment lots as our specific target customer, but also public houses, student housing, and many other dwelling types that will benefit from our technology. The estimated number of lots and annual growth below is based on different factors and assumptions such as: population, the proportion of people who live in non detached housing units, the average number of people per household, vacancy rates, population growth, and urbanisation rates.

Since the inception of Erin, we have had a core focus on the residential apartment market, looking at the underserved market of resident experience. During our market analysis, we have identified new key markets/customer and product segments that the Erin resident experience platform can serve.

We have opportunities to launch into retirement living, co-living, student housing, hotels and one of the most exciting new categories of the residential market, Build-to-Rent (BTR). All of which are complementary adjacent markets to our core business.

Note, none of these adjacent markets are taken into consideration in our TAM calculations.

<sup>1</sup> <https://www.afr.com/property/20-billion-in-proptech-globally-by-2020-taronga-and-kpmg-20170523-gwb6h6>

<sup>2</sup> <https://news.crunchbase.com/news/proptech-startups-vc-investment-forecast-2022/>

<sup>3</sup> <https://proptechassociation.com.au/274m-plus-in-proptech-investment-shows-acceleration-of-the-industry/>

<sup>4</sup> See Sources for TAM calculations

Market Segments by countries

Country/City	Established lots <sup>5</sup>	Annual growth <sup>5</sup>
Australia	2,761,438	82,843
New Zealand	313,404	9,402
US	44,133,687	1,324,011
Hong Kong	1,299,291	38,979
Singapore	177,767	34,517
Canada	4,256,458	127,694
UK	44,133,687	1,324,011
Japan	21,509,526	645,286
South Korea	14,634,104	439,023
	Total Lots - 96M	Total - 2.8M

<sup>5</sup> Established lots refers to the number of potential customers (per lot) of Erin. This includes units of apartments, townhouses, and other types of dwellings that can benefit from the Erin Platform. Country numbers are estimated by looking at the proportion of population who do not live in separate houses, average number of people per household, and vacancy rates. Annual growth refers to the yearly growth of the above mentioned-units and is estimated by considering population growth and urbanisation rate.

Section 2.2.6

# Competitors

## Global Competitors

We have identified key players across North America that were first movers to the category of Proptech and have built large companies with even larger valuations.

Company	Capital Raised	Company focus
Livly <sup>6</sup>	\$18M USD	Focused on rental and utility payments for Property Managers to streamline tasks for their tenants.
Alfred <sup>7</sup>	\$94M USD	Human powered personal assistant service. Not a building-wide solution. Each consumer is personally charged monthly, not through Strata Levies.
Handy <sup>8</sup>	\$110M USD	Home services marketplace only. Not embedded into a building. Not a building-wide solution.
Smart Rent <sup>9</sup>	\$245M USD	Smart-home automation company focused on hardware integrations No marketplace solution.
Latch <sup>10</sup>	\$342 USD	Hardware and software manufacturer. No open architecture solutions for device integrations. No community or marketplace solutions.

<sup>6</sup> [https://www.crunchbase.com/organization/livly/company\\_financials](https://www.crunchbase.com/organization/livly/company_financials)

<sup>7</sup> [https://www.crunchbase.com/organization/alfred/company\\_financials](https://www.crunchbase.com/organization/alfred/company_financials)

<sup>8</sup> <https://www.crunchbase.com/organization/handybook>

<sup>9</sup> [https://www.crunchbase.com/organization/smartrent/company\\_financials](https://www.crunchbase.com/organization/smartrent/company_financials)

<sup>10</sup> [https://www.crunchbase.com/organization/latch/company\\_financials](https://www.crunchbase.com/organization/latch/company_financials)

## Local Competitors

WE Wumbo - launched in 2017, is a community management software for building managers.

Kindred - Built by Keyvision, Kindred named themselves as an experience and comprehensive engagement platform with no specific target industries.

MyBos - MyBos offers a building management platform that focuses on facility management with an add-on resident app.

BuildingLink - BuildingLink is a US based company, founded in 1999. They have a solid presence in Australia's facilities management industry. They primarily focus on building management, but offer a resident experience platform as a by-product launched in mid-2021.

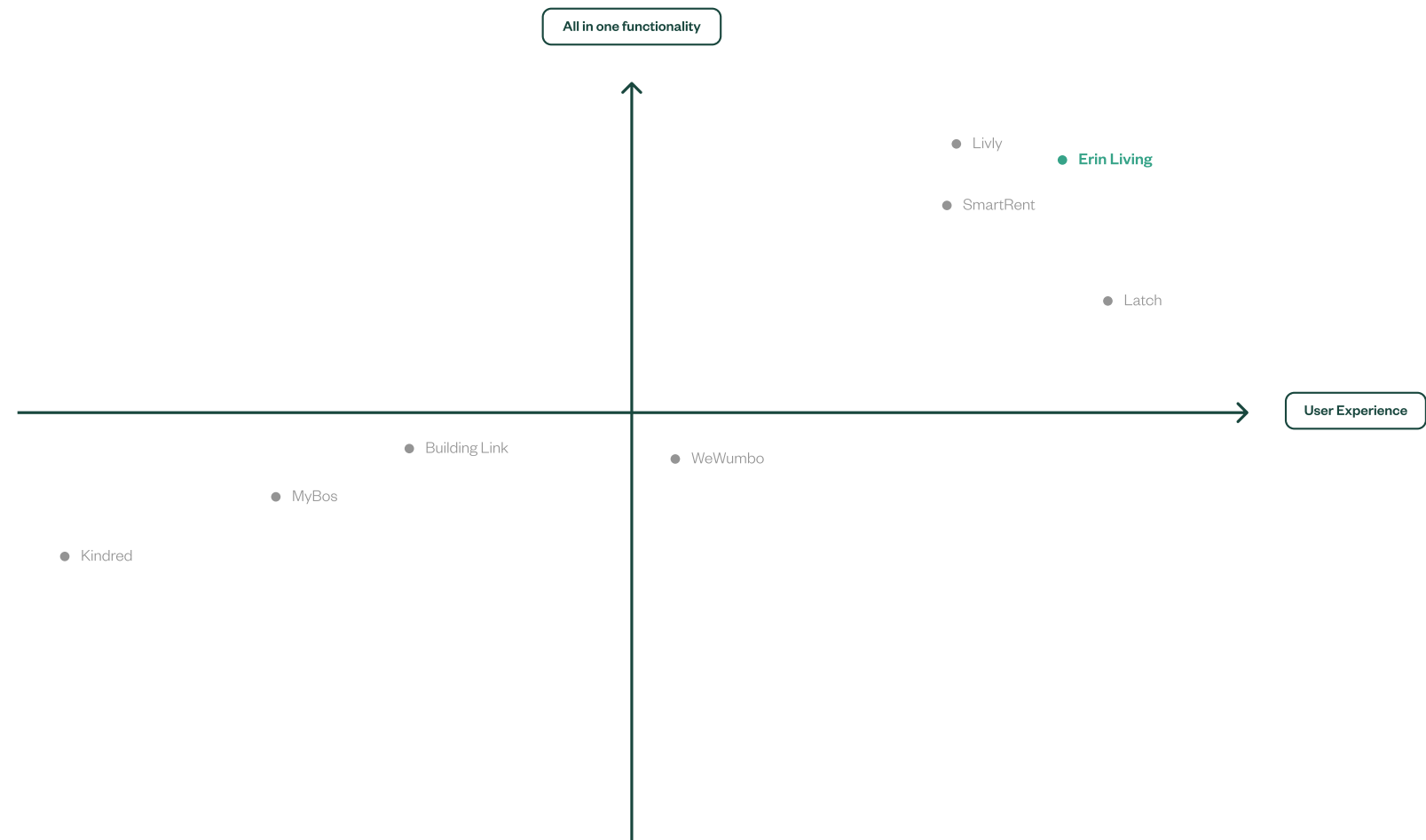
Domestically, there are 4 companies we have identified as serving residential buildings. Although these companies are targeting residential buildings, their strengths and core focus areas have primarily been serving building administrators; Building Managers, Property Managers and Facility Managers. There has been very little focus on the most important asset within a building, Residents. In recent times, many technology solutions offered to residential buildings have been created to sort the operations and management.

Some are focused on rental payments and the efficiencies of signing up and coordination of a tenancy, some focus on the onsite management and operational side of the building. Some of our competitors focus on the residents but don't integrate with other systems limiting their capabilities.

Residents have been underserved in this market and have been an afterthought when it comes to the living experience they receive when moving into a new building. We know this because Erin has been replaced in buildings with incumbent solutions, as per the request of the owners/customers.

What sets Erin Living apart from all of these competitors is the ability to provide a holistic solution, solving all problems for all stakeholders of a building, with a focus on the resident. Residents are used to 'App Fatigue' where they have to download multiple different apps to effectively live in their building. An app for deliveries, a portal for amenity bookings and a separate key register. Erin provides this all in one app.

# Competitors



\* The perceptual map for competitive analysis of Erin and our competitors area based on our product position in relation to theirs. Both attributes of "all in one functionality" and "user experience" are chosen to best showcase our product's strengths and opportunities. The relative placements of our competitors' products are estimated according to our own internal analysis.

## Section 2.2.7

# Key differentiators

Erin's core differentiator is the ability to centralise all core features and functions of a residential building in one mobile experience for residents.

This has set Erin apart from many key competitors as it solves the problem of the current fragmented solutions that are offered in the market today. In some cases, residents need to download 3 to 4 different apps to effectively live in their building.

At a minimum, we combine base level features for day-to-day living (building communication, parcel delivery, bookings etc), mobile access enabling residents to use their mobile device as a key to their building and apartment as well as offering a list of everyday services through Erin Marketplace.

### Mobile Access

Erin Mobile Access combines both access for the base-level building (including lifts) and apartment doors. This unique access platform delivers a combined access experience allowing residents to ditch their physical keys and fobs. Once our software and hardware have launched into a new building, Erin becomes an extremely sticky solution as it is deeply embedded into a physical asset (a building). It's important to note that most hardware items can be used in isolation of one another and if Erin was to be removed from a building, the once-integrated hardware items would still work. However, in doing so, a resident would need to download upto 5 different apps to live in their building.

Another key differentiating factor for our Mobile Access solution is the ability to retrofit and upgrade access control systems for established buildings into modern, internet-enabled systems. We do this by offering a unique and cost-effective hardware solution that can convert legacy fob readers into smart readers, giving older buildings the ability to be brought into the 21st century.

### Integrated Living (Smart Home Integrations)

Integrated Living refers to the ability for residents to connect, manage and control smart-home devices such as lighting, heating and cooling, intercoms, windows, gates and garages through Erin. This level of automation and control enables residents to have a more connected living experience while creating a very sticky solution for our business as Erin is connected to residents' homes as well as the building through hardware infrastructure.

## Patent Defensibility

### **Facilities management access control methods, systems and apparatus WO2020252534A1**

Erin IP P/L (Erin), an Erin Living Company P/L subsidiary, has patent rights pending in Australia, New Zealand and the UK for a proprietary process-driven solution for booking amenities within a building on a time-restricted basis.

Erin's proprietary solution provides the ability for a resident to find, book and access any common area of a building and use their mobile device to gain access by either using a randomly generated pincode, tapping their phone on a door reader or unlocking by tapping a button on the ERIN™ app. Residents can also share digital keys with friends, family and service providers without the need to hand over a physical key. This creates smarter, safer buildings as residents and managers have a real-time record of all digital access keys that are in use, while having complete control over who has access. This level of control has never existed before and provides a strong value proposition for Erin IP P/L.

## Other Intellectual Property

Erin IP has a registered trademark for the Erin brand within Australia and will consider registration in other jurisdictions subject to overall timing considerations in Erin's commercial strategy.

IP and other intellectual assets will be protected in the business by agreement, contractual provisions and/or registration as appropriate.

Copyright ownership for designs and/or artistic works created by third parties for the business are owned by the business.

## Channel Partners

We have established strong commercial relationships with key sales and strategic channel partners across multiple industries that strengthen our business. Some of these include Nasdaq-listed Allegion LLC and their local subsidiaries, Kasta Smart Home, API Access & Security and large-scale embedded energy providers. We have also tackled the defect management process during the defect liability period for new buildings by integrating directly into construction management software solutions such as Aconex and Procore. These integrations really highlight our claim for having an all-in-one solution for residents.

## Executive Leadership

Our executive leadership team has intimate knowledge of the property sector, product and technology, and corporate sales – making for a well-rounded and expert management and founding team.

## Section 2.3

# Business & revenue model

### **\$59 per lot, per year** **Subscription Service**

Erin is a Software-as-a-Service (SaaS) company that charges an upfront annual-recurring subscription fee to every lot owner through the Owners Corporation/Strata levies of a building. Erin costs \$59 AUD per lot, per year and contract lengths are typically 3 years for an entire building.

### **15% commission** **Access & Integrations Commissions**

Further revenue is created through commissions from the sale of IoT Devices and Access Control systems/ Smart Locks sold through our channel partners that integrate directly with Erin. This is generally led by customer and project requirements.

### **10% booking fee** **Marketplace Booking Fees**

Marketplace will provide Erin users access to lifestyle products and services that enable convenient apartment living such as home cleaning, removalists, pet services and utility connections. This will generate a commission for every product and/or service booked on our platform, aiming to generate \$200 - \$400 AUD average revenue per user, per year. This figure was generated through a market research completed around Marketplace offerings, frequency and costs that may or may not be used by residents if it was made available through Erin. Launching an exclusive resident marketplace is a key priority for the Erin team and we are currently working with exclusive partners to bring this to market. This key pillar of our business has the potential to be a valuable revenue stream.

## Section 2.4

# Business strategy

Erin's business strategy is to create a network of partners, sales channels and integrated companies that generate new leads for our business on a continual basis. To allow us to get to this stage, Erin needs to create the value propositions for each partner and channel so that they create the sale on our behalf. We have already created a number of these relationships, some of which were mentioned earlier in the document, as well as a number of Strata companies.

At Erin we refer to 'Integrated Living' as one of our three key pillars. The ability to link your home and your building and your community, on one platform, is a sticky proposition for the company and its potential future value due to the difficulties and incompatibility of removing all of the physical hardware of a building if Erin was removed from a building.

### Land & Expand

In the short term, 6-12 months, we plan to create multiple new value-adds for decision-makers and referrers to open more doors creating new customers. For the Erin business to grow at a fast rate, it is imperative to create high-value, low touch and low barrier-to-entry sales channels.

High Value is created when we integrate with other companies sharing relevant data where necessary, reducing manual labour and resources by the channel partner. In doing so, partners create the sale by creating the demand for Erin. This in turn, provides a low-touch and low barrier to entry to get a sale.

Investment into this area of the business will create future revenue streams. This means that there might not be a significant jump in revenue while focus is placed on this area of the business, but this has the potential to create multiple revenue opportunities in the years ahead.

Creating a long list of customers/buildings is our short, medium and long term goal. We see substantial value in having an engaged audience for future, adjacent business verticals including our plans for a marketplace, capturing valuable data and targeted advertising, just to name a few.

### New Business Verticals

As a medium to long term vision, Erin will be offered to other similar market verticals such as Retirement Living, Hotels, Student Housing and Co-Living. The way people live in different dwelling types are closely related to another, with small differences. The opportunity to offer the Erin product to these other market segments.

Section 2.5

# Traction

## Section 2.5.1

# Sales

### Since launching in December 2020, the team at Erin has:

- Successfully secured contracts in 29 buildings
- Those contracts provide a future revenue stream of \$220,000 per annum  
*Note: Most vast majority of contracts are a minimum of a 3 year term, with an option to terminate. These contracts begin and the end of construction which have an average wait time of 18 months.*
- Of the 29 buildings, 20 (or 69%) have chosen to equip their buildings with smart hardware which should provide further commission revenue resulting in revenue between \$600,000-\$800,000, in the future, upon delivery  
*Note: Because this revenue amount is planned to be received during the construction phase it has the ability to fluctuate due to timing and chosen contractors. This revenue is received towards the end of of completion for a building. Average wait time of 18 months.*
- Note: Because this revenue amount is planned to be received during the construction phase it has the ability to fluctuate due to timing and chosen contractors
- Currently, we have 13,000 apartments/lots at the top of our sales funnel which represents a large portion of the 70k new apartments offered to market each year in Australia. These prospective deals are at an early stage and are not yet validated. To date, the Erin sales team has a closed win rate of 56%. This is subscription revenue only, no hardware items have been taken into account (which our team goes through with the customer after they sign).  
*Note: These prospective deals are at an early stage and are not yet validated.*



## Section 2.5.2

# Customers

It is important to note that Erin has multiple customer segments that can engage with signing up to our platform.



### Property Developers

The first customer segment are property developers, who are the creators of brand new buildings. They select Erin as a technology partner for their building once it's complete.

Once a developer has signed a contract, the sales team then goes through a consultation process with them to determine what integrated hardware they want to include in the project. There lies an opportunity to assess all that Erin can offer and choose what they want to include in their building, creating new revenue opportunities for Erin.



### Established Building Owners & Strata Committee

The second segment comprises the owners of established buildings. This can sometimes be a business that owns an entire building or more commonly, a strata building owned by many individual owners. In the case of the latter, the many individual owners are represented by a formed, voted committee of decision-makers who are entrusted to help make decisions and improve the status of a building.

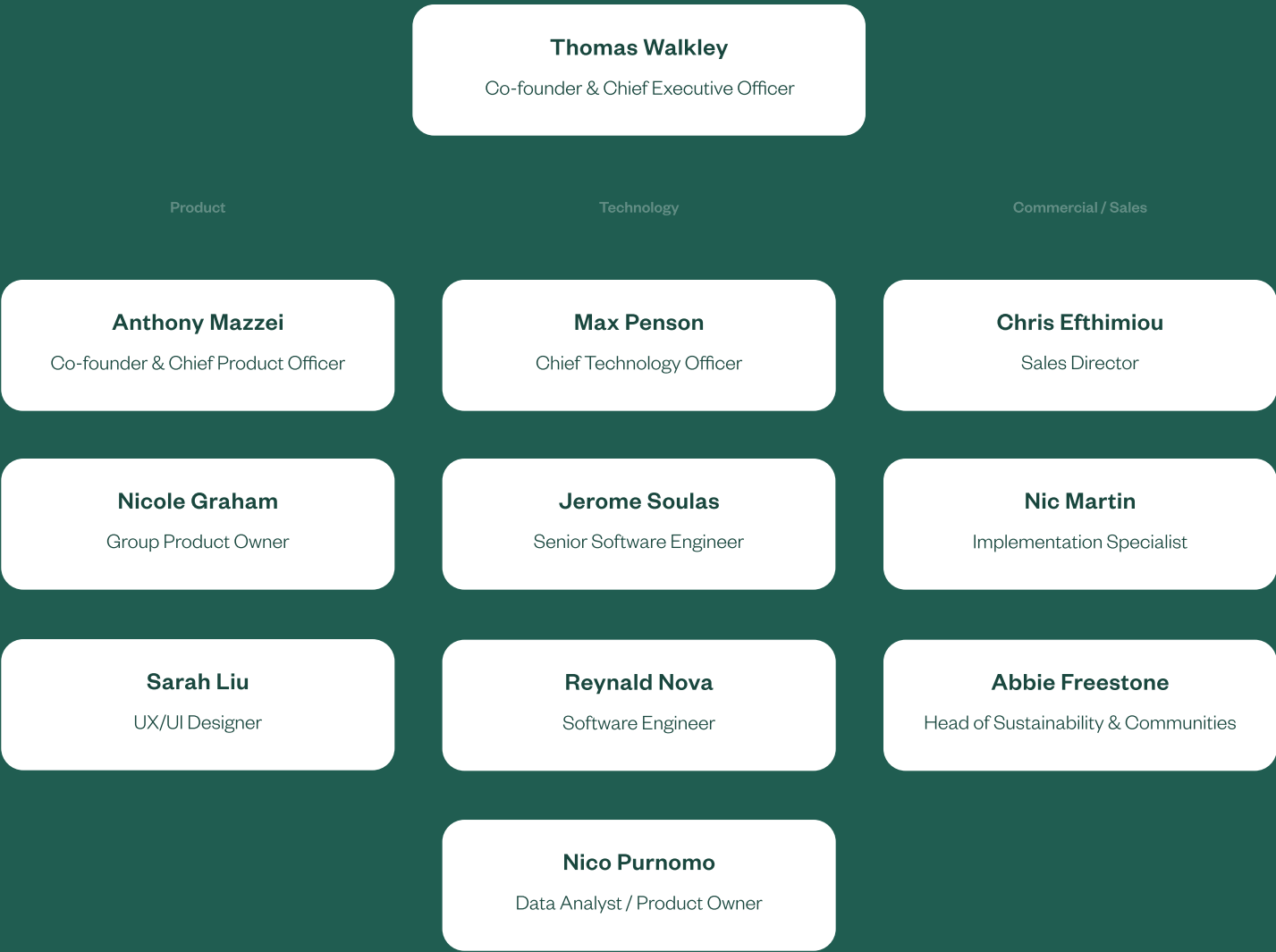
With Erin's ability to retrofit and upgrade, building owners can choose to make additional hardware and software integrations at any point in the future.



### Corporates

The final customer segment is large corporations. These customers own entire buildings and generally run the management of these assets on an ongoing basis. As these corporate groups own multiple buildings, the process of selling to these customers is a longer and more thorough process, but also highly rewarding if successful.

# Organisational structure



Section 2.7

## Capital structure

## Section 2.7.2

# Funds to date

**Since October 2018 when the company was incorporated, it has been funded using a number of methods.**

- Director/Founder loans have been established to fund the initial stages of the business. These loans are interest-free and repayable at the discretion of the Company. These funds will be repaid over time when the business is in a position to do so. These funds will not be repaid from the proceeds of the CSF Offer. These loans to the company are documented under loan agreements.
- In 2021, the Company was successful in raising a pre-seed round of capital allowing it to make a number of hires to grow the business.
- The Company has used R&D tax grants to largely contribute to the operating costs of the business. These grants have been provided to the company since the 2019 financial year.
- R&D Loans have also been a great tool for unlocking cash flow. By using the tools made available we have been able to avoid dilution and the need for outside investment in the early stages of our business.

The money spent so far has been invested in developing the product, creating long term intellectual property and trade secrets, building relationships with key industry partners and also acquiring customers.

Section 2.7.3

Issued capital (Before Offer)

As at the date of this Offer Document, the Company has 10,368,180 ordinary shares on issue. The Company also has a total pool of allocated and unallocated options totalling 1,363,636 under the Company’s Employee Share Option Plan. 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.

Safe Notes

The following SAFE notes to be converted in line with this CSF round

Investor	Amount	Ord Shares issued on Conversion
Julien Lamy	\$50,000	113,636
Kanishka Goel Family Trust	\$60,000	117,318
Rustu Senol	\$25,000	48,882

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

Shareholder	Share Type	Shares	Options
Thomas Walkley - Teedub Investment Fund (Founder)	Ordinary	5,000,000 (48.22%)	-
Anthony Mazzei - Maz Family Trust (Founder)	Ordinary	5,000,000 (48.22%)	-
Chris Vale Family Trust	Ordinary	22,727 (0.22%)	-
Quarra Investments Trust	Ordinary	90,909 (0.88%)	-
Nicholas George Martin	Ordinary	13,636 (0.13%)	-
Efti Family Trust	Ordinary	113,636 (1.10%)	-
Julien Lamy	Ordinary	113,636 (1.10%)	-
Philip David Martin	Ordinary	13,636 (0.13%)	-
ESOP	Ordinary	-	1,363,636 (100%)
Total	Ordinary	10,368,180 (100%)	1,363,636 (100%)

# Equity (Post Offer)

Table 2 sets out the issued capital of the company following the offer.

Shares	Minimum Subscription \$300,000	Maximum Subscription \$1,500,000
Existing Shares	10,368,180 (83.85%)	10,368,180 (75.26%)
SAFE Notes converting to Ordinary Shares	279,836 (2.26%)	279,836 (2.03%)
ESOP Shares (allocated)	1,032,971 (8.35%)	1,032,971 (7.50%)
ESOP Shares (unallocated)	330,665 (2.67%)	330,665 (2.40%)
Offer Shares	352,941 (2.85%)	1,764,705 (12.81%)
Total Shares	12,364,593 (100%)	13,776,357 (100%)

## Existing Shareholders:

Made up of earlier investors and founders.

## Safe Notes Converting to Shareholders:

SAFE notes made by investors over the past 12 months will convert their notes to shares at the completion of the Birchal Offer period. They will be issued Ordinary shares. The SAFE notes represent a total shareholding of 279,836 Ordinary Shares upon conversion, which will occur at the completion of this CSF raise.

## Share Option Plan Shares (allocated)

Allocated Share options have been issued to Erin employees and Advisory board members and will be governed by our ESOP Rules.

## Share Option Plan Shares (unallocated)

These unallocated Share Options are for future hires in the business.

## Offer Shares

These are the shares that will be issued to the Birchal investors in the campaign.

## Section 2.7.4

# Rights & liabilities associated with securities

An investor subscribing for shares is bound by the Constitution (available on the Intermediary's platform).

Set out below is a brief summary of the rights and liabilities associated with the Company's securities. For further information, including relating to restrictions on transfer and drag-along and tag along rights, please refer to the Constitution.

### Rights associated with Ordinary Shares

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

### SAFE Notes

Safe Note 1. Julien Lamy - 50k investment at .44c Cap on share price.

Safe Note 2. Rustu Senol 25k - 6mil Cap on conversation

Safe Note 3. Kanishka Goel Family Trust 60k - 6mil Cap on conversation

All notes to convert to Ordinary Shares at completion of the CSF round

### 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.

### 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 Constitution.

### Other

Under the Constitution, the Board may from time-to-time refuse to register a transfer of shares. Details of the Board's power to do so are set out in clause 13.15 of the Constitution.

### Further details

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

## Section 2.7.5

# Employee Share Option Plan (ESOP)

### Share Option Plan

To ensure Erin was able to attract the best talent, The Company created an Employee Share Option Plan (ESOP) with a total of 1,363,636 shares. These options, through the governance (or guidance) of the ESOP rules and the offered terms, are issued to advisors, management and employees. These options, once vested, will convert into ordinary shares at time of conversion. Under the current ESOP, at the time of this offer, 1,032,971 had been allocated and 330,665 remained unallocated for future hires.

Should the Company reach its total amount of allocated options under the current plan, under clause 26.3 of the Company's constitution the Board has power to reserve a further 5% in the future.

Eligible future hires will be offered equity in the business under the same ESOP. Under the rules of this ESOP (as amended or replaced from time to time) and/or under the Secondary ESOP (where the Board determines to establish a Secondary ESOP) in accordance with the process set out in clause 26.3 of the Constitution.

### Vesting

Each Employee or associate offered options under the ESOP agrees to a vesting criteria when they join the Company. The majority of those criterias are based on time at the company which rewards longevity and consistency in the team. There are a handful of options that have been offered when milestones are achieved.

Section 2.7.6

# Group structure

## Erin Living Company P/L

This entity is the parent company of the organisation. It wholly owns all subsidiaries in the group. In future acquisitions may sit under this entity.

## Erin Group Holdings P/L

This entity was established as a Holding company for the Erin operations and products.

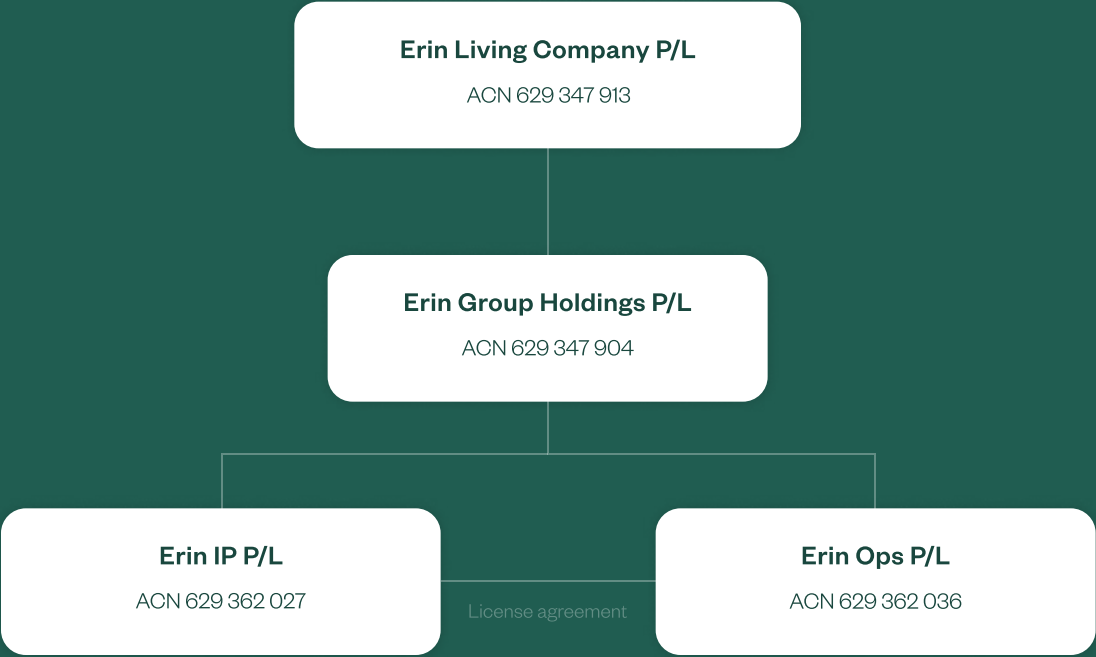
## Erin IP P/L

This entity owns the technology, trade names, websites, patents and anything else with value that requires the business to protect.

Erin IP has a licence agreement with Erin Ops to allow it to use the Intellectual Property it owns for commercialisation.

## Erin Ops P/L

This entity holds all contracts and transactional items, including employees, customers and contractors.



## Section 2.8

# Directors & Senior Managers



### Thomas Walkley

Director & Chief Executive Officer (Co-Founder)

To oversee all aspects of the company at a high level, working with each area of the business to provide guidance, strategy and direction. Thomas also works closely with external stakeholders, investors and partners, as well as overseeing the marketing and commercial direction of the company. Thomas has over 15 years experience in the Residential apartment and development sector, specialising in Sales & Marketing. Over his career, he has learned many aspects of the property industry and built a solid network of industry personnel. Thomas is a keen investor and owns a portfolio of apartments himself.



### Anthony Mazzei

Director & Chief Product Officer (Co-Founder)

To strategise, define, and oversee the entire product direction and ensure optimal customer experiences for Erin customers. As well as connecting both product experience and business objectives into a coherent, easy-to-use scalable platform. Anthony is responsible for the overall vision of the Erin product suite. Anthony has made a career out of Product & Technology over the past 15 years and has experienced many facets of running projects, products and teams mainly at ASX listed carsales.com. With an itch to progress an old-hat industry, he brings a broad view and rare angle of opportunity to the Erin Living platform.



### Chris Efthimiou

Senior Manager & Sales Director

To manage and oversee all of the go to market, onboarding and retention strategy for Erin Living. This includes winning new business via direct relationships with developers and building management as well as fostering key partnerships in the market as well to develop a channel sales stream. Throughout his 11 year career to date, Chris has always been in technology/digital sales. This has ranged from working for 3rd party software vendors, to content marketing agencies in London, UK, to a small microcap ASX listed recruitment technology business back in Melbourne.



### Max Penson

Senior Manager & Chief Technology Officer

Max is responsible for leading and implementing our technology roadmap, working along side the CEO and CPO to ensure that his team is delivering on budget, on time solutions. A business minded CTO, entrepreneur, and innovative problem solver, Max brings business concepts to life, driving technical strategies and the execution of solutions which are future-proofed and highly scalable. Having spent a career in startups, Max loves innovating and analysing product traction to ensure the technology is being used to solve real world problems for its users.

Section 2.9

Risks facing the business

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

<b>Cash flow risk and Contracted Future Revenue risk</b>	<p>The Company’s operating activities involve a series of cash inflows and outflows. Although the Company seeks to manage its cash flow efficiently, there is a risk that the Company may not have sufficient cash or working capital, at times, to fund both its operations and its expansion plans. This could affect the Company’s profitability, future prospects, and its ability to meet its business objectives.</p> <p>The Company has a number of contracts with property developers who are in pre-construction and construction phases. There is a risk that the projects will not complete or that the projects will be substantially delayed. This would impact our future receipt of revenue or timing of such receipt. This same risk applies to future deals with property developments in the pre-construction and construction phases.</p>
<b>Market and Competition risk</b>	<p>The Company is aware that there are several competitors domestically and internationally. As the property tech sector continues to grow, the Company expects new entrants to emerge. The Company also expects that its existing competitors as well as businesses serving the property sector generally may pursue the connected living market and/or develop software similar to that which the Company operates.</p> <p>There is a risk that existing competitors as well as new competitors, will have greater access to capital, economies of scale, resources and distribution compared to the Company. Accordingly, there is no assurance that the Company will be able to compete effectively with existing and new competitors in the future and this may have an adverse impact on the Company’s financial performance and growth prospects.</p>
<b>Reliance on third parties and physical security</b>	<p>The Company relies on third parties to produce, design, manufacture and maintain the hardware components it sells and integrates with. There is a risk that the hardware may not perform as it should. For example, issues may arise with door locks and parcel lockers which could lead to security risks as well as other issues. These same risks will apply to the smart devices and intercoms (which the Company plans to integrate with in the future). The Company is aware that it does not control these third parties and is reliant on them to maintain high standards and resolve issues promptly.</p> <p>Similarly, the Company’s software solution utilises third party software integrations. The Company is aware that customers and users may face issues or challenges using components of the solution that are actually third-party integrations that the Company does not control. There is a risk that the Company may not have unilateral ability to resolve these issues, particularly where they stem from issues with the third-party application itself. Additionally, the Company is aware that such integrations carry the risk of a data breach occurring.</p> <p>As the Company’s software integrates with locks and doors, there is a risk that misuse of the software, unexpected performance of the software and or any misalignment between the Company’s software layer and the manufacturers original software, could lead to unauthorised access to a building or dwelling.</p>
<b>Attracting and Retaining Talent</b>	<p>The Company is susceptible to the loss of key team members who are considered critical to the continued success of the Company. If key personnel were to leave the organisation, they would need to be replaced in a timely fashion in order for the Company to achieve its business objectives.</p> <p>Additionally, the Company may fail to attract key personnel that are critical to the Company’s growth and performance. Any delay in recruiting key personnel (or any failure to hire), may have a significant adverse impact on the management of the Company, and may, in turn, have adverse impacts on financial performance.</p> <p>Our business structure also involves several outsourced functions. If the providers of these services ceased working with the Company, they would need to be replaced. The Company is also aware that it is critical that the operations of such outsourced functions are managed and assessed regularly.</p>

Section 2.9

Risks facing the business  
(continued)

Nature of Company	<p>The Company is a post-revenue startup and has a limited operating history and will build the business with the funds raised through this crowd-sourced funding offer.</p> <p>As an early-stage business, the Company is subject to all of the risks associated with early stage companies, including uncertainty around the volume and origin of revenue streams, size and existence of repeat customers, and risks associated with evolving technology. In particular, the Company is not yet profitable and is yet to generate revenue through certain anticipated revenue streams.</p> <p>The commercial success of the business will depend on many factors including the Company’s ability to attract and retain quality staff and loyal customers.</p> <p>Additionally, as the Company is not yet profitable. The company is seeking to obtain further funding to achieve its objectives. There is no guarantee that funding will be available on favourable terms or that the Company will receive any level of funding at all.</p>
Dilution	<p>If, in the future, the Company undertakes further funding activities, a shareholder’s interest may be diluted (if they do not participate in future fundraising).</p>

## Section 2.10

# Financial information

### Consolidated financial statements

The following statements are the consolidated financial statements of Erin Living Company Pty Ltd for the financial years ended 30 June 2021 and 30 June 2020, which have been prepared in accordance with the Accounting Standards.

## Section 2.10.1

# Balance sheet

	30 June 2021	30 June 2020
<b>Current Assets</b>		
Cash and cash equivalents	20,578	3,125
Trade and other receivables	32,072	1,108
Income tax	463,525	230,158
<b>Total current assets</b>	<b>516,175</b>	<b>234,391</b>
<b>Non-current assets</b>		
Intangibles	326,134	2,845
<b>Total non-current assets</b>	<b>326,134</b>	<b>2,845</b>
<b>Total assets</b>	<b>842,309</b>	<b>237,236</b>
<b>Current liabilities</b>		
Trade and other payables	772,583	220,279
Borrowings	1,006,668	425,921
<b>Total current liabilities</b>	<b>1,779,251</b>	<b>646,200</b>
<b>Total liabilities</b>	<b>1,779,251</b>	<b>646,200</b>
<b>Net liabilities</b>	<b>(936,942)</b>	<b>(408,964)</b>
<b>Equity</b>		
Issued capital	164,000	2,000
Accumulated losses	(1,100,942)	410,964
<b>Total deficiency in equity</b>	<b>(936,942)</b>	<b>(408,964)</b>

## Section 2.10.2

# Profit and loss statement

	30 June 2021	30 June 2020
<b>Income</b>		
Revenue from contracts with customers	14,417	-
Other income	-	1,250
Interest income	1	-
<b>Total income</b>	<b>14,418</b>	<b>1,250</b>
<b>Expenses</b>		
Advertising expenses	(74,580)	(175)
Employee benefits expense	(823,425)	(446,361)
Contractor expenses	(42,709)	-
Professional fees	(130,779)	(21,103)
Occupancy costs	(24,882)	(1,660)
Other expenses	(79,177)	(5,878)
Finance costs	(1,440)	-
<b>Total expenses</b>	<b>(1,176,992)</b>	<b>(475,177)</b>
<b>Loss before income tax benefit for the year</b>	<b>(1,162,574)</b>	<b>(473,927)</b>
Income tax benefit	472,596	176,306
<b>Loss after income tax benefit for the year</b>	<b>(689,978)</b>	<b>(297,621)</b>
Other comprehensive income for the year	-	-
<b>Total comprehensive income for the year</b>	<b>(689,978)</b>	<b>(297,621)</b>

## Section 2.10.3

# Cash flow statement

	30 June 2021	30 June 2020
<b>Cash flows from operating activities</b>		
Receipts from customers	11,418	
Payments to suppliers and employees	(651,213)	(320,337)
Other income	-	1,250
Interest received	1	-
Interest and other finance costs paid	(1,440)	-
Income taxes refunded	239,229	2,210
<b>Net cash used in operating activities</b>	<b>(402,005)</b>	<b>(316,877)</b>
<b>Cash flows from investing activities</b>		
Payments for intangibles	(323,289)	(650)
<b>Net cash used in investing activities</b>	<b>(323,289)</b>	<b>(650)</b>
<b>Cash flows from financing activities</b>		
Proceeds from issue of shares	162,000	0
Proceeds from borrowings	366,841	36,433
Loans from directors	213,906	284,111
<b>Net cash used from financing activities</b>	<b>742,747</b>	<b>320,544</b>
<b>Net increase in cash and cash equivalents</b>	<b>17,453</b>	<b>3,017</b>
Cash and cash equivalents at the beginning of the financial year	3,125	108
Cash and cash equivalents at the end of the financial year	<b>20,578</b>	<b>3,125</b>

Section 2.10.4

Statement of changes in equity

The financial statements have been prepared on the going concern basis, which contemplates continuity of normal business activities and the realisation of assets and discharge of liabilities in the normal course of business.

The ability of the Company to continue as a going concern is dependent on the following:

- Ability of the Company to raise additional capital through crowdfunding
- Receipt of Australian Government Research and Development refund
- Related party payables to directors not being repaid unless there are sufficient revenues generated by business activities

The Company has been building its product and technology over the past 24 months. Revenue is being generated following the launch and commercialisation of the product. The Company believes it has the people and relationships to execute its growth strategy.

	Issued capital	Accumulated losses	Total
Balance at 1 July 2019	2,000	(113,343)	(111,343)
Loss after income tax benefit for the year	-	(297,621)	(297,621)
Other comprehensive income for the year, net of tax	-	-	-
Total comprehensive income for the year	-	(297,621)	(297,621)
Balance at 30 June 2020	2,000	(410,964)	(408,964)

	Issued capital	Accumulated losses	Total
Balance at 1 July 2020	2,000	(410,964)	(408,964)
Loss after income tax benefit for the year	-	(689,978)	(689,978)
Other comprehensive income for the year, net of tax	-	-	-
Total comprehensive income for the year	-	(689,978)	(689,978)
Transactions with owners, in their capacity as owners			
Issue of shares	162,000	-	162,000
Balance at 30 June 2021	164,000	(1,100,942)	(936,942)

## Management comments on historical performance

### Management Comments

We have been very calculated and strategic to navigate the business to this point in time. Building this company through a global pandemic provided challenges that the business was able to overcome.

We have been successful in launching a Minimum Viable Product, building a team, getting users on the platform, and signing a number of customers. We have been able to do this with limited outside capital with the majority of business being bootstrapped and funded by other means that ensured we maintained a high ownership percentage.

This next phase sets up the Company for expansion, allowing the Erin product to take a big leap in terms of our product offering.

Our revenue might appear to be on the lighter side which is because of the delay from when we sign a building to when we end up going live and being able to send an invoice.

Although we would love to get paid immediately, we are essentially creating a revenue stream with longevity attached to it.

## Business Outlook

### Prospective financial information

Comments on the future performance and outlook of the Company 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 performance outlook has been prepared by Erin Living Company Pty Ltd and has not been validated by an independent third party.

### Key Assumptions

The forecasted phasing and business focus areas are based on key assumptions about the timing, resourcing and costs associated with the delivery of the Company's products and services.

### The overarching key assumptions are:

- Successful Offer fundraiser
- Retention of Directors and Senior Managers
- Recruitment of additional hires
- Creation of New partnerships with sales channel

### Approach

The Company is currently focused on expanding its integrated offering to create new sales channels and partners. This is a focus that will allow the third parties to sell Erin on our behalf. Erin is seeking to achieve profitability whilst continuing to enhance its platform and launch additional products and services.

Section 3

## **Information about the Offer**

Section 3.1

Terms of the offer

Erin Living Company Pty Ltd is offering up to 1,764,705 shares at an issue price of \$0.85 per share to raise up to \$1,500,000. The key terms and conditions of the Offer are set out below.

Term	Details
Shares	Fully-paid ordinary shares
Price	\$0.85 per share
Minimum Subscription	\$300,000
Maximum Subscription	\$1,500,000
Minimum parcel size	\$500.00
Opening date	Tuesday 29 March 2022
Closing date	Thursday 21st April 2022

A description of the rights associated with the shares are 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.

Section 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	Period/Financial Year Minimum Subscription \$300k	Period/Financial Year Maximum Subscription \$1.5m
Working Capital	\$229,200	\$757,200
New Hires	\$50,000	\$650,000
Birchal Costs	\$20,800	\$92,800
Total	\$300,000	\$1,500,000

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

Working capital includes overhead expenses, employee wages, marketing and advertising and director remuneration. With a team of 12 Erin-auts, the working capital keeps their wages and benefits maintained.

Directors’ Renumeration (gross)

- Thomas Walkley \$100k pa
- Anthony Mazzei \$100k pa

If only the minimum investment amount of \$300k is reached, directors remuneration will be halved.

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 will require further funding to be able to carry out our intended activities over the next 12–18 months. In such circumstances, the Company may consider undertaking a further CSF offer under the CSF regime. Until additional funding is obtained, we will hold back our plans of making a number of new hires and continue to focus our cash resources on current business operations and marketing.

## Section 3.3

# Rights associated with the shares

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.

## Voting rights

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

## Dividends

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

## General meetings and notices

Clause 22.1 of the Constitution sets out when and how general meetings may be called.

1. Directors have the power to call meetings of all shareholders or meetings of only those shareholders who hold a particular class of shares.
2. Shareholders may requisition the holding of a general meeting in accordance with the Corporations Act 2001.

Shareholders must be given notice of any meetings in the manner contemplated by clause 22.2.

## Election and removal of directors

Pursuant to clause 25.4 of the Constitution, shareholders may vote to elect and remove some of the directors of the Company. The Constitution also provides certain other special

director appointment rights. These are set out in clause 25.2 and clause 25.3 of the Constitution and include special appointment rights for major members and founders.

## 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 holders of shares after secured and unsecured creditors of the Company.

## Restrictions on sale and transfer

Any CSF Shares acquired under the Offer must not be 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 documents.

The Constitution also outlines certain rules and processes pursuant to which you may dispose of your Shares.

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 Eligible Members (as defined in the Constitution) before those shares can be sold to third parties.

Additionally, if a sale or disposal would result in the Company having to issue a disclosure document or a product disclosure statement under Chapter 6D or Chapter 7 respectively of the Act, the sale may only occur in accordance with clause 12.5.

### **Drag along**

Pursuant to clause 15 of the Constitution, where Members holding more than 70% of the Shares in the Company receive an offer from a third party to acquire all of the issued shares in the Company, those Members may require all other Members of the Company to sell their Shares to that third party (or to another Eligible Member, if the Board implements an Alternate Offer Process, pursuant to clause 15.3).

### **Tag along**

Similarly, where transfer proposed by a Member (or group of Members) would result in a third party acquiring at least 70% of the issued Share capital in the Company, then Members (other than those who intend to sell to that third party) will have the right to tag along pursuant to clause 14 of the Constitution.

### **Director's discretion to refuse to register share transfers**

Under the Constitution, the Board may from time-to-time refuse to register a transfer of shares. Details of the Board's power to do so are set out in clause 13.15 of the Constitution.

## Section 3.3.7

# **Pre-emptive rights on issue of shares**

Shares may only be issued by the Company in accordance with the Constitution. This means that, except in respect of certain Excluded Issues (as described in the Constitution), where the Company wishes to issue new shares, the Company must follow the procedure set out in clause 5 of the Constitution, including by offering each Eligible Member (as defined in the Constitution) the right to acquire the new shares.

## Section 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.

Section 3.5

Investor rewards

In addition to being a shareholder of Erin Living Company Pty Ltd, a range of rewards are being offered for investors. The table below sets out the investor rewards based on the amount invested.

	Bronze Shareholder \$500 - \$2,499	Silver Shareholder \$2,500 - \$8,999	Gold Shareholder \$9,000 - \$34,999	Platinum Shareholder \$35,000+
Shares in Erin Living Company Pty Ltd	✓	✓	✓	✓
Access to <sup>10</sup> Resident-only deals	✓	✓	✓	✓
Invitation to provide input and ideas for the Erin product <sup>11</sup>		✓	✓	✓
Smart Home Lighting Pack <sup>12</sup>			✓	✓
Smart Lock <sup>13</sup>				✓
Referral cashback offer <sup>14</sup> <small>Referral fee based on \$20,000 annual contract value</small>	10% \$2,000	12.5% \$2,500	15% \$3,000	20% \$4,000

## Section 3.5.1

# Investor rewards T&Cs

<sup>10</sup> Resident Only deals: Available to investors for 2 years.

<sup>11</sup> Product Virtual Meet-ups: Event to be held 3 times a year for a minimum 2-year period.

<sup>12</sup> Smart Home Lighting Pack (RRP \$600 + GST) and includes: 2x RGB-TW Globes, 2x RGB-TW Downlights and 1x 5-button handheld remote control.

<sup>13</sup> Smart Lock Gift (RRP \$800-\$1,000 + installation). Different locks and solutions are available for different doors.

<sup>14</sup> Successful Referral: Based on a building successfully being referred and signed up to Erin; Fee amount paid in Mastercard voucher; Amount paid on first year only; Offer available for 2 years from date of investment.

- This offer is completely separate to any investment made into the company and is being offered to shareholders who want to help the business grow.
- The referral fee, or cash back, or however we need to refer to it, is offered to the investor if they refer a client to the business who ends up signing a contract with Erin to engage in our services.
- This reward program is a way to grow the business and has nothing to do with the capital raising campaign. Its simply offered as a value add for both the investor and the company, who they become a shareholder
- At Erin, we have marketing costs and customer acquisition costs. Instead of paying these associated expenses, we are offering them as a cash back to investors/shareholders for referring business to the company.
- Eg. If a person refers a customer to Erin, Erin will pay flat fee % of annual contract value/etc to the person. Payment will be in cash/voucher/credit etc.

Section 4

## **Information about investor rights**

## 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.

## 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.

## Section 4.3

# Proprietary company corporate governance obligations

### Annual report

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

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

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

### Distribution of annual report

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

### Related party transactions

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

### Takeovers

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

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

## Section 4.4

# Company updates

The Company will provide regular updates to investors on the Company's website at the following address, via the Company's share registry website at the following address [shareworks.solium.com](https://shareworks.solium.com) and via the Intermediary's platform.

# Glossary

**Company** means Erin Living Company Pty Ltd ACN 629347913

**Contracted Revenue** means unconditional contracts that are signed with the Company

**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

**Future Contracted Revenue** means signed unconditional contracts where the initial term has not yet commenced.

**Intermediary** means Birchal 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

# Sources

## Source references for page 16.

### Estimates by Country

# of lots that would be be part of the addressable market :

- Apartments
- Townhouses
- BTRs

Estimations of such numbers are based on

- Population
- Stats

AND multiple assumptions on

- Percentage of people who live in the above mentioned lots (non private houses)
- Average person per household
- Vacancy rates

Some countries have access to the number of rental units that would reflect this also.

Growth rates

Population growth rate + other considerations

About 1 %

Urbanization rate is 1-3 %

## Australia

[https://quickstats.censusdata.abs.gov.au/census\\_services/getproduct/census/2016/quickstat/036](https://quickstats.censusdata.abs.gov.au/census_services/getproduct/census/2016/quickstat/036)

13.1+ 12.7 = 25.8 % of the whole 2016 census have stated that they live in a flat or apartment or semi-detached or townhouse unit (total responders = 8,861,623). Using today's population, 26,008,905, the number of people who live in such lots would be about 25.8% of the whole population = 6,710,297.49 people.

Assuming that the number of average people per household is 2.6 (according to the census) and that 1 household would occupy 1 lot, we have  $6,710,297.49 / 2.6 = 2,485,295$  occupied lots overall in Australia.

Assuming vacancy rates is about 10 %, total lots would be 2,761,438

## New Zealand

<http://nzdotstat.stats.govt.nz/wbos/Index.aspx?DataSetCode=TABLECODE7976>

15 % of the whole 2018 census have stated that they live in joined dwellings (apartments+townhouses).

number of average people per household is 2.6

Population = 4,889,121

People in lots =  $4,889,121 \times 15\% = 733,368.15$

Assuming that the number of average people per household is 2.6 (according to the census) and that 1 household would occupy 1 lot, we have  $733,368.15 / 2.6 = 282,064$  occupied lots.

Assuming vacancy rates is about 10 %, total lots would be 313404.4444

## Singapore

<https://www.straitstimes.com/singapore/more-singapore-residents-living-in-condos-rise-in-households-with-fewer-members>

The proportion of resident households living in condominiums and other apartments increased from 11.5 to 16 per cent. + Townhouses will be about 20 %

number of average people per household is 3.22

<https://www.statista.com/statistics/625305/average-household-size-singapore/>  
#:~:text=In%202020%2C%20the%20average%20household,Singapore%20was%20approximately%203.22%20persons.

Population = 2,485,295

People in lots = 2,485,295 x 20 % = 497,059

Assuming that the number of average people per household is 3.2 and that 1 household would occupy 1 lot, we have 497,059 / 3.2 = 155,330 occupied lots

Assuming vacancy rates is about 10 %, total lots would be 172588.8889

## United States

<https://www.quora.com/>

According to data from nmhc.org (NMHC 50 Archive)(National Multifamily Housing Council) for 2016, almost 16% of Americans live in apartments.

<https://www.statista.com/statistics/183648/average-size-of-households-in-the-us/>  
#:~:text=The%20average%20American%20household%20consisted%20of%202.53%20people%20in%202020.&text=As%20shown%20in%20the%20statistic,decreased%20over%20the%20past%20decades.

Assuming that the number of average people per household is 2.51 (according to above stats) and that 1 household would occupy 1 apartment unit,

331,002,651 assuming 30% lives in a non separate house units

99,300,795.3 people / 2.51 people per unit = 39,720,318 units

According to data from the 2015 American Housing Survey, there are nearly 48.5 million rental units in the United States,

Assuming vacancy rates is about 10 %, total lots would be 44,133,687

## Hong Kong

Population = 7,600,859

Assuming 40% live in either apartments, public houses, flats, condos, townhouses, and others that are not separate houses.

<https://www.statista.com/statistics/962376/hong-kong-average-household-size/>  
#:~:text=In%202020%2C%20an%20average%20household,people%20on%20average%20in%202010.

3,040,343.6 / 2.6 = 1,169,362 lots

Assuming vacancy rates is about 10 %, total lots would be 1,299,291

Japan

Population = 125,830,728

Assuming 40% live in either apartment, public houses, flats, condos, townhouses, and others that are not detached houses.

[https://en.wikipedia.org/wiki/Housing\\_in\\_Japan](https://en.wikipedia.org/wiki/Housing_in_Japan) —60% lives in detached houses

<https://www.oecd.org/social/family/47701233.pdf>

50,332,291.2 / 2.6 = 19,358,573 lots

Assuming vacancy rates is about 10 %, total lots would be 21,509,526

South Korea

Population = 51,343,387

Assuming 59% live in either apartment, public houses, flats, condos, townhouses, and others that are not detached houses.

<https://www.koreaherald.com/view.php?ud=20191119000648> — South Koreans prefer apartments

<https://www.statista.com/statistics/995643/south-korea-household-members-average-number/>  
#:~:text=Average%20number%20of%20members%20per%20household%20South%20Korea%201980%2D2020&text=In%202020%2C%20the%20average%20number,members%20in%20the%20previous%20year.

30,292,598.33 / 2.3 = 13,170,694 lots

Assuming vacancy rates is about 10 %, total lots would be 14,634,104

Canada

Population = 38,308,126

Assuming 29% live in either apartment, public houses, flats, condos, townhouses, and others that are not detached houses.

<https://www12.statcan.gc.ca/census-recensement/2016/as-sa/98-200-x/2016005/98-200-x2016005-eng.cfm>

<https://www.statista.com/statistics/478948/average-family-size-in-canada/>  
#:~:text=This%20statistic%20shows%20the%20average,to%203.0%20people%20in%202000.

11,109,356 / 2.9 = 3,830,812.6 lots

Assuming vacancy rates is about 10 %, total lots would be 4,256,458

United Kingdom

Population = 68,491,357

Assuming 22% live in either apartment, public houses, flats, condos, townhouses, and others that are not detached houses.

[https://files.bregroup.com/bretrust/The-Housing-Stock-of-the-United-Kingdom\\_Report\\_BRE-Trust.pdf](https://files.bregroup.com/bretrust/The-Housing-Stock-of-the-United-Kingdom_Report_BRE-Trust.pdf)

<https://www.ons.gov.uk/peoplepopulationandcommunity/birthsdeathsandmarriages/families/bulletins/familiesandhouseholds/2020#:~:text=The%20average%20household%20size%20in,1.1%25%20in%20the%20West%20Midlands.>

15,068,098.54 / 2.4 = 6,278,374 lots

Assuming vacancy rates is about 10 %, total lots would be 6,975,971

Growth rate is 3%

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<https://www.statista.com/topics/5466/global-housing-market/>

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