

THE SHADE

THESHADE PTY LTD

CROWD-SOURCED FUNDING OFFER DOCUMENT

DATED MAY 5TH 2022

Offer of fully-paid ordinary shares in Theshade Pty Ltd at \$4.00 per share to raise a maximum of \$500,000.00

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

Issuer

Theshade Pty Ltd
ACN 613 686 785

Intermediary

Birchal Financial Services Pty Ltd
AFSL 502618



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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

Greetings from The Shade leadership team!

Thank you for your interest in our offer and we hope you can join us for the journey ahead.

We started The Shade after Maia, our Co-Founder was frustrated with the painful and itchy reactions she experienced with home hair colour products that you purchase from the supermarket or pharmacy. She then went to a salon and \$400 and 3 hours later, she got a result that she wasn't entirely happy with.

There is a massive gap between costly and time-consuming visits to the salon, and supermarket boxes with their harsh, outdated ingredients.

We couldn't believe there wasn't another option. Then the light bulb moment.

With more than 75% of women over 35 colouring their hair and 70% of women reporting sensitive skin, we knew that this was both a problem and an opportunity - to provide healthier, safer, better home colouring products, suitable for sensitive skin and backed by professional support.

We located a manufacturer in Italy who supplies top salons and brands, and we worked together to develop a hair colour formula which is vegan, cruelty-free, salon-grade and free from major allergens and irritants including ammonia, PPD, parabens, SLS, phthalates and gluten.

The Shade was created.

We help our clients achieve gorgeous colour results using healthy, safe products, with professional support, in the comfort and convenience of their home.

We are now profitable, and have shipped over 70,000 orders. We have a loyal client base, with 73% of sales being repeat purchases. We communicate with our clients seven days a week with our colourist support service and we understand their concerns and needs. With over 1000 verified five star reviews, we know our clients love our products and service.

We are now ready to ramp up our products, systems and team and reach more of the millions of women who colour their hair.

Join us! We know how to get this done, and with your support we can build on a very solid foundation and realise our big ambitions.

We would love to hear from you (7 days a week!), so please get in touch.

Thank you very much and wishing you many great hair days!

Maia and Craig
The Shade Co-founders



2.1 COMPANY DETAILS

This offer of shares is made by Theshade Pty Ltd ACN 613 686 785

Company name	Theshade Pty Ltd
ACN	613 686 785
Date of incorporation	July 15th 2016
Registered office	521 Wilson Street Albury NSW 2640
Principal place of business	50 Clarence Street Malvern East VIC 3145



2.2 DESCRIPTION OF THE BUSINESS

2.2.1 About the Company

The Shade is a Direct-to-Consumer (DTC) ecommerce business that ships Italian-made, salon-grade hair colour kits and hair care accessories to Australian women.

The Shade is based in Melbourne, Australia and commenced trading in June 2018.

2.2.2 Our Vision

Our vision is to give Australian women (and men) a fantastic alternative to costly and time-consuming trips to the salon, and those supermarket boxes with their harsh and outdated ingredients.

We want to respect your hair, your health, and your time by providing the safest, and highest quality hair colour and hair care direct to your door...at the fraction of the price of a salon

2.2.3 What problem are we solving?

THE PROBLEM:



Price – Salons are expensive (\$300+ in capitals cities)



Time – 3.5 hr appointments are common in a salon



Ingredients – increasingly a concern for consumers, particularly ammonia and PPD.



Advice – Consumer knowledge gap about colouring

OUR SOLUTION:



Price – Provide Hair Colour Kits containing everything you need to colour your hair at home from \$25.95 (inc. shipping).



Time – Less than 1 hour at home



Ingredients – Free from ammonia, PPD, parabens, phthalates, titanium dioxide, Sodium Lauryl Sulfate (SLS) and gluten.



Advice – Colourists are available 7 days/ week for personalised advice.

With 75% of women colouring their hair¹, traditional options are limited and don't cater to the women (including 70% with sensitive skin²) who are looking for a healthier, safer colour products they can use at home.

We are focused on helping clients achieve their colour goals with healthy, safe and beautiful colour.

**WE ARE FOCUSED
ON HELPING CLIENTS
ACHIEVE THEIR COLOUR
GOALS WITH HEALTHY, SAFE
AND BEAUTIFUL COLOUR.**

¹ <https://www.bodyandsoul.com.au/lifestyle/beauty/to-dye-or-not-to-dye/news-story/43a48231e1bf300fbb45fa2fd5db3ac0>

² <https://onlinelibrary.wiley.com/doi/10.1111/jdv.16166>

2.2.4 Products and Services

2.2.4.1 Products:

Our hair colour range is salon-grade, Italian-made, vegan, cruelty-free and free from ammonia, PPD, parabens, phthalates, gluten, SLS and titanium dioxide, and blended with Argan oil, Aloe Vera and Ginseng.

Consumers increasingly demand healthier personal care products and seek these purchases online. Our colour products are a perfect fit for consumers who are looking for a better home colouring experience with products with healthier ingredients and who value access to ongoing colourist support.



Our Colour Kits include:

Colour Tube

Developer

Colour Protection Shampoo and Conditioner

Barrier Oil (applied before colouring to prevent colour staining on the skin),

Hair Colour Remover Wipe

Gloves

Initial orders include a reusable Salon Set which includes:



Tint bowl and brush

4 Sectioning Clips

Colour-proof bench mat

Protective cape

Drawstring Storage Bag.

Subscribers receive a Salon Set as a gift, while one-off purchasers receive a 50% discount.

Professional colouring accessories assist in providing a neat, manageable, professional home colouring experience and outcome. These items are reusable and designed to be used with each colour application, rinsed and stored for reuse.

We ship Extra Colour Kits for clients with longer and/or thicker hair (with 2 x colour tubes and developer) and our Duo Colour Kits enable our clients to blend two colours together to achieve a customised colour blend which meets their colour goals.

Colour Kit	Member	Non-Member
Colour Kit (Regular)	\$25.95	\$27.95
Colour Kit (Extra)	\$35.95	\$37.95
Duo Colour Kit (Extra - 1 application)	\$35.95	\$37.95
Duo Colour Kit (Regular - 2 applications)	\$40.95	\$42.95

Prices include shipping

We also supply a range of hair care products including:



Bleach Wash Kits

Enables clients to lift colour pigments from their hair



Tsubaki Oil

A lightweight, dry oil pressed from Camellia flowers in Japan which deeply nourishes and hydrates



Our Silk range

Which includes a Silk Noil Hair Towel, Silk Sleep Cap, Silk Hair Ties, a Silk Curler Set



Thermal Heat Cap

Boosts the absorption and results of conditioning, or oil treatments



Air Brush

Enjoy frizz-free, smoother, softer locks without heating or damaging your hair

2.2.4.2 Services

Personalised Customer Service:

As a substitute to going to a salon, it is imperative to provide a high level of colouring advice.

We pride ourselves on providing prompt, personalised, professional colourist customer service seven days a week.

Check our reviews to see the appreciation for Camilla, our lead colourist, who assists clients with prompt trouble-shooting tips and techniques and colour recommendations which factor in technical colour details, as well as each clients' individual hair type, history and goals.

84% of consumers say being treated like a person, not a number, is very important to winning their business, and 80% of consumers are more likely to make a purchase from a brand that provides personalised experiences.³

Voice of Consumer (VOC):

Over 6,500 customers have contacted our colourist team, providing highly valuable and unique insights to identify our clients needs.

We have over 1000 Five Star reviews (4.5/5), verified by Reviews.io, an independent third party platform, and a rating of 4.2/5 on <https://www.productreview.com.au/>, an independent product review site.

We closely monitor all reviews and colourist consultations, responding to assist where possible. They provide insight into customer preferences, problems, and complaints, help identify unmet needs which we can address, and help inform marketing communications, product development and strategy. It is extremely important for us to understand our customer needs and expectations.

We know exactly what our customers want and we have already developed new products which we plan to add based on this understanding.

“I recommend this to everyone I know! The best hair dye, non smelly and comes with everything you need, from shampoo and conditioner and barrier oil. I totally love this company and their product!!!”

³ <https://www.forbes.com/sites/blakemorgan/2020/02/18/50-stats-showing-the-power-of-personalization/?sh=1ff79eac2a94>

2.2.5 Marketing and Distribution

Sales Channels

Our products are sold exclusively via our website, and picked and packed at our warehouse in Melbourne's South-East.

To assist our customers in selecting a hair colour, we offer an Online Colour Consultation where we give a colour recommendation based on the customer's responses to a number of questions. Customers can also contact our colourists directly.

Target Market

Our target market is Australian women aged 18+. We know that 75% of women over 35 colour their hair.⁴

Our clients generally fall into one of the following categories:

Salon users - usually high income, city dwellers, busy professionals who are time-poor. Women who earn \$100K+ are one of the fastest growing segments in home hair colouring.⁵

Supermarket box users - Mum with kids, lower income, don't want to spend much, but concerned about ingredients.

New to hair colouring - looking for grey coverage and/or want to boost their colour.

Marketing Strategy

Our main marketing channels are:

- Google search (paid and organic)
- Facebook/IG ads
- Email Marketing
- Referral program
- IG influencers

We are constantly testing and optimising our marketing expenditure to ensure a high Return on Ad Spend (ROAS). We are achieving 2-4X on Google/FB Ads and foresee this will increase once conversions are optimised on our website, and we create more high end video assets.

We plan to introduce the following channels shortly:

- YouTube, TikTok and Snapchat and other video-focussed platforms
- Affiliates program
- SMS Marketing

⁴ <https://www.bodyandsoul.com.au/lifestyle/beauty/to-dye-or-not-to-dye/news-story/43a48231e1bf300fbb45fa2fd5db3ac0>

⁵ <http://www.roymorgan.com/findings/5642-good-hair-day-to-dye-hard-201406172332>



2.2.6 Market and Competitors

TAM & SAM

Total Available Market (TAM)
= 10.2M Australian women aged 18+⁵

Serviceable Available Market (SAM)
= 6.4M Australian women who colour their hair⁶

The Shade therefore has a potential serviceable market of **6.4 million Australian women**.

MARKET SIZE

Key statistics:

Australian Hair Care Market (Professional - Salons) in 2020: **AUD 280 million**⁷

Australian Hair Care Market (Consumer non-salon) forecast for 2022: **AUD 1.3 billion**⁸

Global Hair Care market 2018: **USD 87.9 billion**⁹

The Beauty and Personal Care market is experiencing steady year on year growth.

⁵ <https://www.abs.gov.au/statistics/people/population/national-state-and-territory-population/sep-2021>

⁶ Our assumption is that 20% of females 18-24, and 40% of females 25-34 colour their hair

⁷ <https://www.researchandmarkets.com/reports/3346029/australia-professional-hair-care-market>

⁸ <https://www.statista.com/outlook/cmo/beauty-personal-care/personal-care/hair-care/australia?currency=AUD>

⁹ <https://www.statista.com/statistics/254608/global-hair-care-market-size/>

Competitors

The main competitors to The Shade are:

Salons

Hair Colour Boxes

(from supermarkets and pharmacies)

eSalon (USA)

My Hairdresser (Australia)

Other competitors

eSalon and My Hairdresser are two online competitors of The Shade.

eSalon is US-based, and ships from Los Angeles. The transit time is significant, and they are very expensive compared to The Shade. For example, if purchasing for the first time, the cost of eSalon is \$88.20 compared to The Shade which is \$25.95. They use ammonia and PPD in many of their hair colours. Like The Shade, they offer subscription and one-off purchases.

My Hairdresser is based in Sydney, and sells predominantly hair colour tubes and developer. They don't sell complete colour kits like eSalon and The Shade. All their hair colour contains ammonia, PPD and Sodium Lauryl Sulfate (SLS). The cost of My Hairdresser is more than The Shade, even without the items that The Shade includes.

Salons

Positives:

- Having someone actually colouring your hair for you
- Receiving advice from a professional.

Negatives:

- Cost. \$400 to colour your hair in a salon in a capital city is not uncommon.
- The time taken at the salon. 3.5 hours is the standard time it takes to have your hair coloured.

Many women will always have their hair coloured at a salon, particularly those with the time and money, but it is increasingly difficult for women to find the time and/or money for a salon visit, especially working women and mums.

Hair Colour Boxes

Positives:

- Inexpensive (\$10 - \$20)
- Readily available in most supermarkets and pharmacies.

Negatives:

- The use of outdated ingredients by many brands such as ammonia and PPD.
- Most retailers don't stock the complete range of colours, making it difficult at times to find your colour.
- The lack of colouring advice.



Comparison table:

	THE SHADE	eSalon	MY HAIRDRESSER
Country of Manufacture	Italy	USA	Italy
Shipped from?	Melbourne	Los Angeles	Sydney
Transit time?	3-5 days	Unknown, International Post	3-5 days
Express Shipping?	Extra \$5.00	Extra \$8.00 to expedite order	Extra \$9.99
Subscription available?	Yes	Yes	Yes
One-off purchase available?	Yes	Yes	Yes
Ingredients			
Contains Ammonia	No	In some products	Yes
Contains PPD	No	Yes	Yes
Contains Sodium Lauryl Sulfate (SLS)	No	No	Yes
Pricing - Subscription			
Subscription, initial purchase	\$25.95	\$49.00	N/A
Reusable Salon Set	Free	\$39.20	N/A
Total (inc. shipping)	\$25.95	\$88.20	N/A
Subscription, recurring orders	\$25.95	\$49.00	N/A
Pricing - One-off purchase			
One-off, initial purchase	\$27.95	\$61.00	\$29.98*
Reusable Salon Set	\$9.95	\$39.20	\$30.97
Total (inc. shipping)	\$37.90	\$100.20	\$60.95
One-off, subsequent purchase	\$27.95	\$61.00	\$29.98*

* Price for hair colour tube and developer only. Does not contain shampoo, conditioner, barrier oil and hair colour remover wipe. This information was obtained from www.esalon.com.au on 2/12/21 and www.myhdhair.com on 25/4/22

2.2.7 Key differentiators



Healthier, safer ingredients in our hair colour

- Vegan, cruelty-free and free from ammonia, PPD, parabens, phthalates, gluten, SLS and titanium dioxide, and blended with Argan oil, Aloe Vera and Ginseng.
- No-itch formula suitable for sensitive skin



Convenience of recurring deliveries



Colourist support

- Personalised advice available 7 days a week.



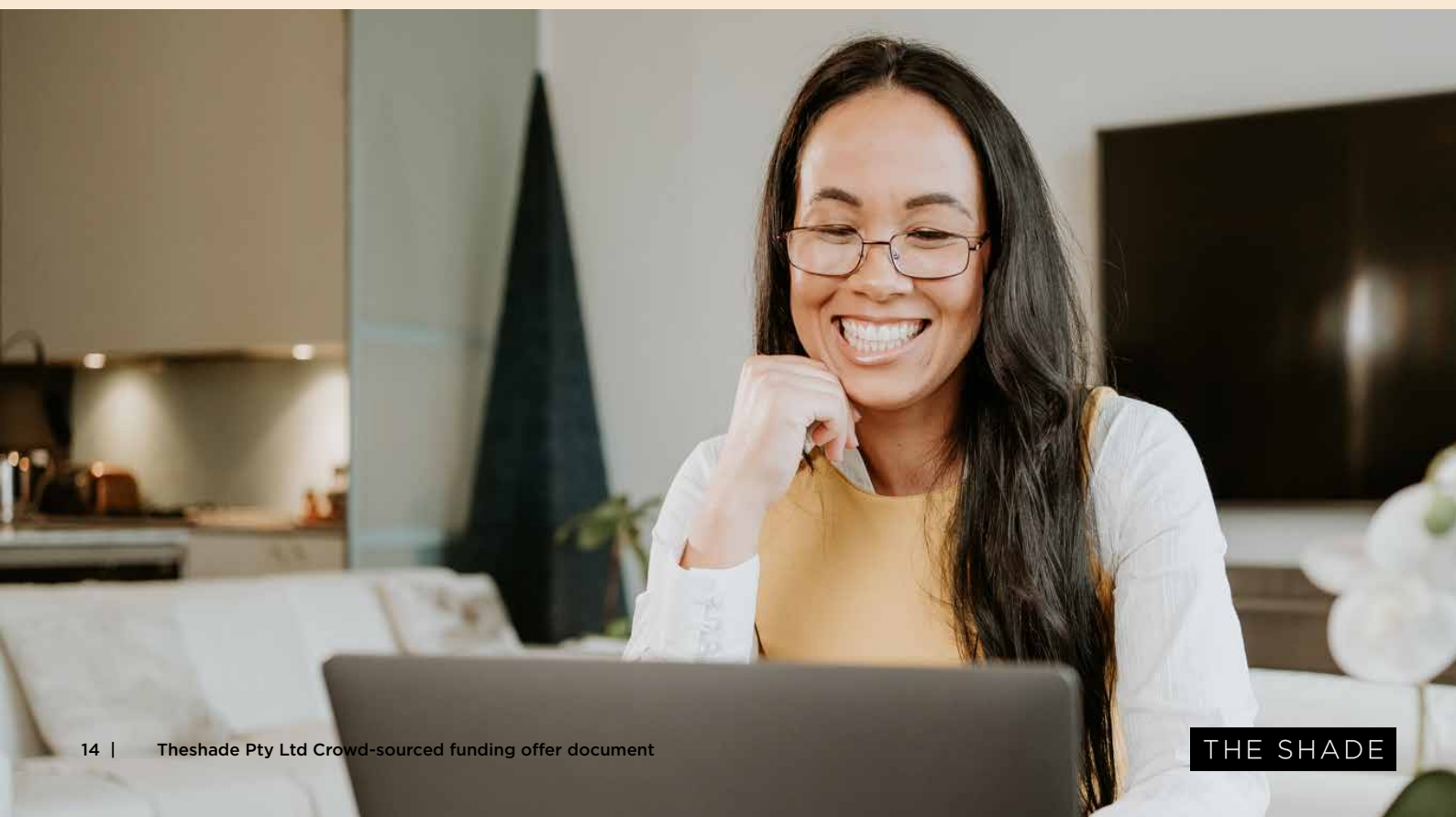
Ability to customise colours by blending two colours



Australian-owned and based company with fast domestic shipping



Moderately higher priced than supermarket boxes and significantly cheaper than salons or other online competitors



2.3 BUSINESS AND REVENUE MODEL

The Shade sells hair colour kits and hair care products direct-to-consumer via subscription, or via one-off purchases. Our product is shipped from our distribution centre in Dandenong South, a South Eastern suburb of Melbourne.

Our product is delivered exclusively by Australia Post due to their extensive network throughout Australia. Other courier services have been investigated, but due to the low cost of our product, Australia Post is currently the only viable option.

The majority of our product is manufactured in Italy, and shipped to Australia either in bulk for packing in Australia, or as the finished product.

The Shade provides affordable, salon-quality hair colour kits with everything you need to colour your hair, with the convenience of a subscription service. Many women colour their hair for a large portion of their life, and prior to the convenience of The Shade, needed to arrange costly and time-consuming visits to the salon, or use supermarket colour boxes with their outdated ingredients.

73% of our revenue is derived from repeat purchases. We have found that once a customer is happy with their colour, they will return again and again. Although customer retention is very important, in terms of advertising expenditure, the majority of spend is focussed on new customers, as we know that most will repurchase.

**73% OF OUR REVENUE
IS DERIVED FROM REPEAT
PURCHASES.**



2.4 BUSINESS STRATEGY

The company has worked extremely hard to build the business to a stage where it is profitable. Over the last 3 years, through daily contact with our customers by our support and colourist teams, we have become very knowledgeable of what's important to our customers. Our foundation is rock solid; all that's left is sustained growth.

To achieve a period of sustained growth, the following outlines what objectives need to be achieved.

0-6 months:



New Products:

We receive valuable information from our customers of what's needed in our product range. We will introduce the following new products:

- Additional colours. We will introduce an additional 5-10 colours to increase our colour range to 40.
- Demi-Permanent Hair Colour. Lasts for 28 washes and is popular with the younger demographic who don't want to commit to a permanent colour, or more mature clients wanting to transition to grey.
- Toners which neutralise unwanted warm or brassy tones to help you achieve a shinier, healthier, more natural-looking shade.
- Intensive developer which will enable up to 3 levels of lightening, and ensure 100% grey coverage.



Video consultations with a colourist

We currently provide email based colourist support, which are very popular and successful with a high conversion rate resulting in many happy clients who love their colour results and leave positive reviews.

We will take our customer service to another level with one-on-one video consultations with real time advice from our colourists. This will give our colourists an opportunity to view the client's hair, make colour recommendations and cross-sell our hair care range.



Create high-quality video assets

We will create a range of high-quality video assets including tutorials for a number of our products, explainer videos and promotional videos with a heavy emphasis on user-generated content to be used on video platforms such as Facebook, Instagram, YouTube, TikTok and Snapchat. These videos will educate and engage our target market.



Optimise website

We will appoint a CRO (Conversion Rate Optimisation) specialist who will audit every aspect of our website in regard to increasing the rate in which visitors to our website are converted into customers. Roadblocks, pain points and poor user experience will be identified and recommendations implemented. The website will be redesigned in line with the CRO recommendations, to improve the experience visitors will have on our site, thus improving the conversion rate.



Increase our Digital Marketing effectiveness

Our digital marketing team at Glide Agency will continue to test creatives, copy and audiences to maximise our ROAS (Return on Ad Spend). Our recent ROAS is 2-4X, which means for every \$1 spent on advertising, we receive \$2-4 of revenue from new customers. We are aiming to increase our ROAS to 4X, which is achievable given the high-quality video assets we'll be using, and an optimised website. This will enable us to massively scale the business.

We will introduce SMS marketing, a customer loyalty program and an affiliate program to our current marketing channels.



Appoint a Fractional Chief Marketing Officer (CMO)

We will appoint a Fractional CMO to oversee all marketing activities. This appointee will have deep industry experience and a successful track record in achieving high growth with early stage ecommerce companies.

Launch into new markets

Having commenced shipping into New Zealand in April 2022, we will commence shipping to the US, UK, and Canada in May 2022. We will then turn to SE Asia and commence shipping into Singapore initially as a test market. If successful, we will look at other SE Asian countries such as Indonesia, Malaysia and the Philippines.

6-24 months:



New Products:

- Daily-use botanical colour-protection shampoo and conditioner.
- Highlights and balayage kits



Optimise website

Continual A/B testing of the main pages within our website (ie. landing pages, colour consultation, Shop page, product pages, cart, checkout). A/B testing is where you test 2 versions of the same page by sending 50% of traffic to each page, and keeping the page with the higher conversion rate.

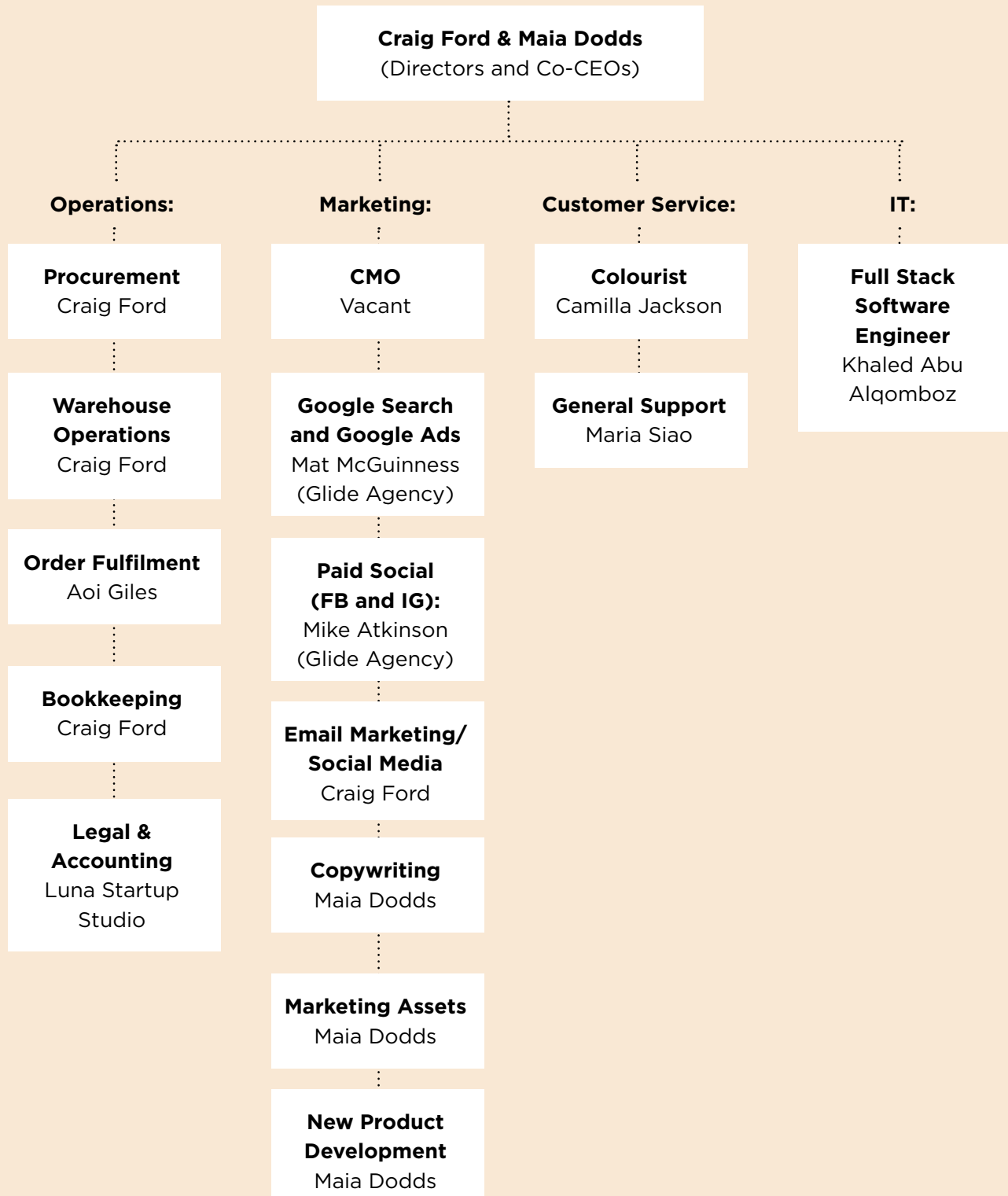


Conduct a feasibility study into launching a chain of The Shade hair colouring salons (or Colour Bars)

Our medium to long term goal is to open a chain of The Shade Colour Bars throughout Australia. It will be hair colouring only, using only The Shade products. This will severely disrupt traditional salons, as we will be able to charge a significantly lower price and offer services such as unlimited regrowth touch ups for a monthly subscription fee.



2.5 ORGANISATIONAL STRUCTURE



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 1,000,000 ordinary shares on issue. All shares are held by the Company's founders/directors. Table 1 below sets out the issued capital of the Company before the Offer. Table 2 sets out the issued capital of the Company following the Offer on a fully diluted basis.

Table 1: Issued capital of the Company before the Offer

Shareholder	Share Type	Shares
M Dodds Pty Ltd	Ordinary	600,000 (60%)
Genki (VIC) Pty Ltd	Ordinary	400,000 (40%)
Total		1,000,000 (100%)

Table 2: Issued capital of the Company following the Offer on a on a fully diluted basis.

Shares	Minimum Subscription	Maximum Subscription
Existing Shares	1,000,000 (96.39%)	1,000,000 (88.89%)
Offer Shares	37,500 (3.61%)	125,000 (11.11%)
Total Shares	1,037,500 (100%)	1,125,000 (100%)

2.6.2 Rights and liabilities associated with securities

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

Under the Constitution, the Board has the power to refuse a transfer of shares to a third party. 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.

"Seriously, the BEST hair dye I've EVER purchased in my life!!!! I'll never use another hair dye again... THANK YOU so much for making such an amazing product!!!!"



2.6.3 Sources of financing, including debt financing and other financing

To date, our activities have been primarily funded by the Company's founding shareholders (M Dodds Pty Ltd and Genki (VIC) Pty Ltd). The founding shareholders have loaned funds of \$646,441 (Interest-free) in total to the Company. The founding shareholders don't receive a salary, and their loan will be repaid from cash flow, and not with the funds raised under the Offer.

Other Loans:

Grow Finance Loan 1:

\$83,200.00 borrowed,
\$47,282.76 outstanding,
6.27% pa interest rate, 24 months term

Grow Finance Loan 2:

\$21,320.00 borrowed,
\$17,428.62 outstanding,
6.27% pa interest rate, 24 months term

AMEX Business Loan:

\$110,000.00 borrowed,
\$103,071.28 outstanding,
5.24% pa interest rate, 36 months term

Valerie Ford:

\$32,000 borrowed,
(Family member - no interest, or repayment schedule)

The Company is able to make repayments of the above loans out of cash flow, and no repayments will be made from the funds raised under the Offer

2.7 DIRECTORS AND SENIOR MANAGERS

2.7.1 Our directors and management



MAIA DODDS

Role

Co-CEO and Director

Description of duties

- Short and long-term vision for the company
- Product development
- Copywriting + written content
- Colourist customer service supervision and support
- Coordinating production of marketing assets

Maia graduated from RMIT with a Bachelor of Applied Science, and opened a GP medical centre in Hawthorn. In 2007, Maia teamed with Craig Ford to open the Elmwood Medical Centre in Wodonga which went on to become the first and largest bulk-billing medical centre in the Albury/Wodonga area. Maia also co-founded Nutrico Dairy (an export dairy company) with Craig before both businesses were successfully acquired.



CRAIG FORD

Role

Co-CEO and Director

Description of duties

- Finance, legals and accounts
- Inventory management
- Warehouse ops
- Email marketing
- Customer service supervision
- Interim CMO

Craig graduated from Monash University with a Bachelor of Business (Marketing) and after spending 3 years in Tokyo studying Japanese, returned to Australia to take up various roles in International Trade. In 2007, Craig teamed with Maia Dodds and founded the Elmwood Medical Centre in Wodonga, VIC which became the first and largest bulk-billing medical centre in Albury/Wodonga. Craig and Maia also co-founded Nutrico Dairy (an export dairy company) before both companies were successfully acquired.

2.8 RISKS FACING THE BUSINESS

An investment in Theshade 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
Cash flow risk	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.
Funding risk	<p>The Company is in the process of raising funds to achieve its strategic business objectives and to cover its projected operating expenses. The Company may not raise all of the required funding and therefore not achieve all of its business objectives.</p> <p>The Company may also need to raise additional funds in the future from investors or third parties. There is no assurance that the Company will be able to obtain additional rounds of funding on substantially the same terms as outlined in this Offer Document or at all. The Company's value may be materially affected if the required additional funding is not available.</p>
Competition risk	The Company 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 Company 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.
Technology risk	The Company uses a number of sales, marketing and member communication technology solutions. Despite the Company's measures to effectively manage these systems and risks, if any of these technologies were to fail without notice, it could interrupt the Company's ability to sell or communicate with customers, which could have a direct impact on revenue and profitability.

Risk	Description
Brand risk	If the Company 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 protection of the Company's intellectual property is critical to our business and commercial success. If we are unable to protect or enforce the Company's intellectual property rights, there is a risk that other companies will copy our product and technology, which could adversely affect our ability to compete in the market.
Loss of supplier/manufacturer	We rely on our Italian manufacturer to manufacture and supply the majority of our products, and there would be a disruption to our business if we needed to change manufacturer.
Cost of acquisition	The Company operates in the hair care industry which is a highly competitive market. Competitive pressures may increase the cost of acquisition for each order. A significant increase in the cost of acquisition will substantially impact profitability and could even turn the company into a loss making enterprise.

2.9 FINANCIAL INFORMATION

Below are the financial statements of the Company for the financial years ended 30 June 2020 and 30 June 2021, which have been prepared in accordance with the Accounting Standards. Financial information for the 6 months ended 31 December 2021 have also been included, based on management accounts, and accordingly may be subject to change.

2.9.1 Balance sheet

	As at 31 December 2021	As at 30 June 2021	As at 30 June 2020
Current Assets			
Bank Account	11,835	44,281	9,381
Stock on Hand	232,858	229,983	184,294
	244,694	274,264	193,676
Non-Current Assets			
Security Deposit - Warehouse	4,667	4,400	4,400
Plant & Equipment	1,264	8,082	30,686
Formation expenses	521	521	521
Borrowing Costs	3,647	3,552	0
Patents and Trademarks	3,479	3,479	3,479
	13,581	20,036	39,087
TOTAL ASSETS	258,275	294,301	232,763
Current Liabilities			
Founder Loans	696,947	792,770	781,343
Trade Creditors	16,285	33,712	21,864
Loan - Grow Funding	80,127	80,000	0
Loan - Valerie Ford	32,000	32,000	0
AMEX Business Rewards Card	44,433	31,343	22,683
Withholding taxes payable	1,716	1,076	2,482
Superannuation payable	812	917	1,259
Wages payable	1,048	0	1,638
GST	11,724	1,955	5,067
	885,094	973,775	836,337
TOTAL LIABILITIES	885,094	973,775	836,337
NET ASSETS	(626,819)	(679,474)	(603,573)
Equity			
Issued Capital - Ordinary Shares	12	12	12
Retained Profits	(626,831)	(679,486)	(603,585)
TOTAL EQUITY	(626,819)	(679,474)	(603,573)

2.9.2 Profit and loss statement

	For the 6 months ended 31 December 2021	For the 12 months ended 30 June 2021	For the 12 months ended 30 June 2020
INCOME			
Sales	411,418	768,950	299,051
Less Cost of Goods	74,322	169,243	77,982
Government subsidies	0	20,000	0
Total Income	337,095	619,707	221,069
EXPENSES			
Postage	91,004	214,149	80,672
Staff Costs	18,327	49,602	14,757
Contractors	52,812	119,159	93,437
Bank Charges	13,260	26,526	14,662
Software and PC Maintenance	11,373	18,375	11,419
Insurance	2,781	2,917	2,588
Rent (Warehouse)	16,958	30,912	28,517
Telephone/Internet	1,053	2,237	2,832
Travelling expenses	3,600	3,628	316
Depreciation - Software Dev. Pool	6,818	22,603	28,312
Depreciation - General Pool	0	0	13,448
Accountancy Fees	0	2,324	0
Advertising/Marketing	58,602	194,652	223,732
Printing/Stationery	550	3,186	4,622
Electricity	512	1,227	919
Other	6,815	4,104	1,947
Total Expenses	284,440	695,608	522,186
NET OPERATING PROFIT (LOSS)	52,654	(75,900)	(301,116)
Retained Profits (Accumulated losses) at the beginning of the financial year	(679,486)	(603,585)	(302,469)
Retained Profits (Accumulated losses) at the beginning of the financial year	(626,831)	(679,486)	(603,585)

2.9.3 Cash flow statement

Account	For the 6 months ended 31 December 2021	For the 12 months ended 30 June 2021	For the 12 months ended 30 June 2020
Operating Activities			
Receipts from customers	411,418	768,950	299,051
Payments to suppliers and employees	(352,922)	(889,774)	(551,496)
Cash receipts from other operating activities	0	20,000	0
Cash payments from other operating activities	(267)	0	0
Net Cash Flows from Operating Activities	58,227	(100,823)	(252,445)
Investing Activities			
Payment for property, plant and equipment	0	0	(1,637)
Other cash items from investing activities	0	0	0
Net Cash Flows from Investing Activities	0	0	(1,637)
Financing Activities			
Other cash items from financing activities	(90,673)	135,723	261,954
Net Cash Flows from Financing Activities	(90,673)	135,723	261,954
Net Cash Flows	(32,445)	34,899	7,872
Cash and Cash Equivalents			
Cash and cash equivalents at beginning of period	44,269	9,369	1,497
Net change in cash for period	(32,445)	34,899	7,872
Cash and cash equivalents at end of period	11,823	44,269	9,369

2.9.4 Statement of changes in equity

	For the 6 months ended 31 December 2021	For the 12 months ended 30 June 2021	For the 12 months ended 30 June 2020
Equity			
Opening Balance	(679,486)	(603,585)	(302,469)
12 fully paid ordinary shares	12	12	12
Current Year Earnings	52,654	(75,900)	(301,116)
Total Equity	(626,819)	(679,474)	(603,573)

2.9.5 Management comments on historical performance and outlook

Theshade Pty Ltd has achieved a profit in each month since June 2021.*

By way of background, The Shade was launched in June 2018 as a purely subscription-based business. As a new Australian beauty brand, our objective upon launch was to get as many Australian women as possible to try The Shade so we decided to offer a free trial (just pay \$9.00 shipping). We achieved our objective, but the cost of the free trial was high.

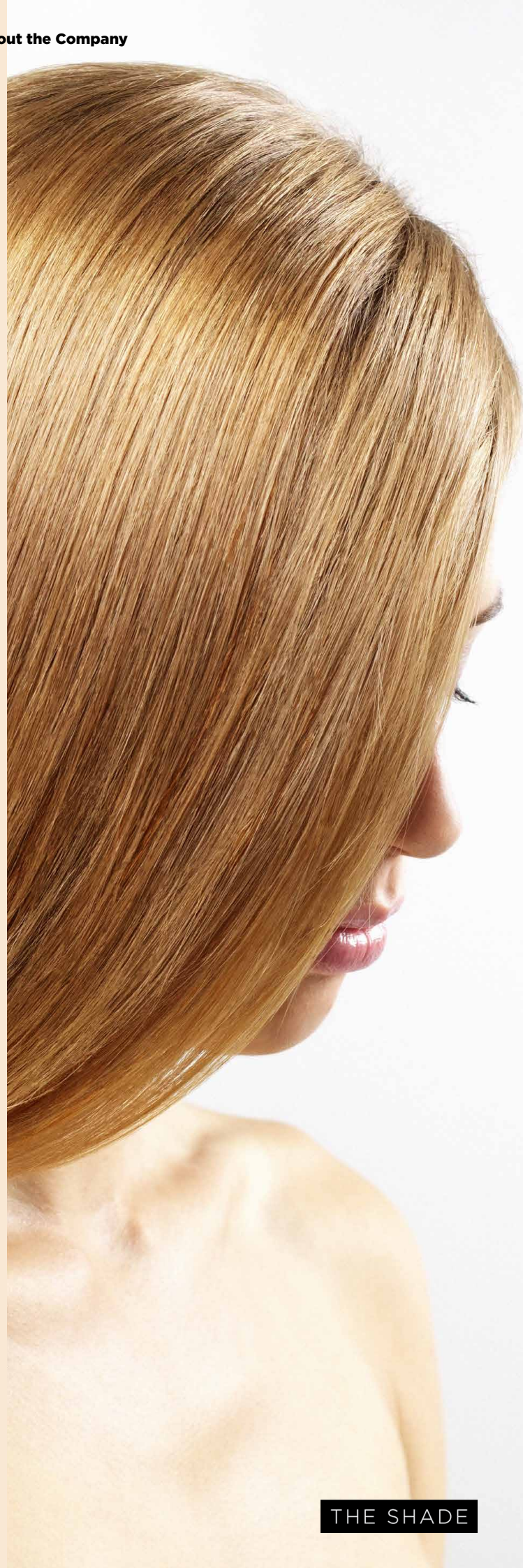
In June 2021 we changed our model. We removed the free trial, retained the subscription model, and introduced the ability for customers to purchase one-off Colour Kits without subscription. Every sale is now profitable, and the Average Order Value (AOV) increased 41% from \$20.9 (July to December 20) to \$29.60 (July to December 21) based on net sales. In the same period, our gross margin increased from 78% to 82%.

The Shade is now poised for sustained revenue growth. We have product market fit, extremely loyal customers who use our hair colour on a regular basis (73% of our revenue is from repeat purchases), and ample inventory.

Our website upgrade is designed to optimise for conversion, and we will produce high-quality marketing assets, in particular video assets. This, together with scaling our advertising expenditure is designed to increase our conversion rate and revenue.

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 Theshade Pty Ltd and has not been validated by an independent third party.

*February and March 2022 have recorded a small loss due to expenses incurred with this CSF campaign.





SECTION 3 INFORMATION ABOUT THE OFFER

3.1 TERMS OF THE OFFER

Theshade Pty Ltd is offering up to 125,000 shares at an issue price of \$4.00 per share to raise up to \$500,000. The key terms and conditions of the Offer are set out below.

Term	Details
Shares	Fully-paid ordinary shares
Price	\$4.00 per share
Minimum Subscription	\$150,000
Maximum Subscription	\$500,000
Minimum parcel size	\$250.00
Opening date	May 5th 2022
Closing date	May 26th 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.

The Intermediary must close the Offer early in certain circumstances. For example, if the Maximum

Subscription is reached, the Offer must be closed. If the Minimum Subscription is not reached or the Offer is closed but not completed, you will be refunded your application money.

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

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

3.2 USE OF FUNDS

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

Intended use	Minimum Subscription	Maximum Subscription
Website Optimisation	\$15,000	\$35,000
Marketing Assets	\$15,000	\$35,000
Marketing spend	\$53,200	\$262,200
New Products - Inventory	\$45,000	\$85,000
Team Expansion	\$10,000	\$50,000
Offer costs	\$11,800	\$32,800
Total	\$150,000	\$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 Birchall Financial Services Pty Ltd (Intermediary), plus \$2,800 for administration and setup costs.

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

We expect that the Maximum Subscription amount will be sufficient to meet the Company's short-term objectives over the next 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 scale back all key activities and continue to focus on incremental growth.



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.

3.3.1 Voting rights

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

3.3.2 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).

3.3.3 General meetings and notices

Directors have the power to call meetings of all shareholders or meetings of only those shareholders who hold a particular class of shares. Shareholders who hold at least 5% of the votes which may be cast at a general meeting of the Company have the power to call and hold a meeting themselves or to require the directors to call and hold a meeting.

3.3.4 Election and removal of directors

- A shareholder that individually holds at least 25% or more of the total issued shares may appoint a person as a director.
- Shareholders may vote to remove a director from office and appoint another person as a director in that director's place by way of special resolution (75% of the total number of issued voting shares).
- Each Founder has a right to appoint a director as long as the Founder holds 5% or more of the shares in the Company.

3.3.5 Winding-up

If the Company is wound up, the liquidator, with the sanction of a special resolution of the shareholders (75% of the total number of issued voting shares):

- a) may divide among the shareholders, in specie or in kind, the whole or any part of property of the Company available for distribution and may, for that purpose, set the value as the liquidator considers fair on any specific assets of the Company to be divided; or
- b) may vest specific assets of the Company in a trustee or trustees on trust for the benefit of any of the shareholders as the liquidator thinks fit but so that no shareholder is compelled to accept any shares or other securities in respect of which there is any liability on the part of the holder.

3.3.6 Restrictions on sale and transfer

The following share sale restrictions are adopted in the Constitution of the Company:

Drag along right

- Pursuant to clause 13 of the Constitution, where shareholders holding more than 60% 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 right

- Pursuant to clause 14 of the Constitution, where parties holding at least 50% of the shares in the Company agree to sell their shares to a third party, then the remaining shareholders will have the right to 'tag along' and sell their shares at the same price to the same buyer.

Right to refuse a transfer of shares

- The board has the sole discretion to refuse to register a transfer of shares (see Constitution). The details of the board's power to do so are set out in clause 12.41 of the Constitution.

CSF Restrictions

- Investors are not able to sell shares acquired under the CSF Offer within 12 months of their issue without a prospectus or other disclosure document, unless:
- an exemption in s708 applies (e.g. sales to sophisticated or professional investors); or
- ASIC makes an exemption

3.3.7 Pre-emptive rights on issue of shares

Sale of existing shares

- Shares may only be transferred by a shareholder in accordance with clause 12.34 of the Constitution. This means that, except in respect of certain 'Permitted Transfers' (as described in the Constitution), shareholders wishing to sell shares must offer those shares to the Company for buy back and cancellation. If the Company does not take up this right the shareholder must then offer the shares to all 'non-CSF Shareholders' (as defined in the Constitution) holding at least 20% of the shares in the Company. Any shares not taken up may then be transferred to all other shareholders.

Issue of shares

- Shares may only be issued by the Company in accordance with clause 12.2 of the Constitution. This means that, except in respect of certain excluded issues (as described in clause 12.2(c) Constitution), where the Company wishes to issue new shares, the Company must offer the right to 'non-CSF Shareholders' (as defined in the Constitution) to subscribe for those new shares before those new shares can be issued to third parties.

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 (at the election of the Company)

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

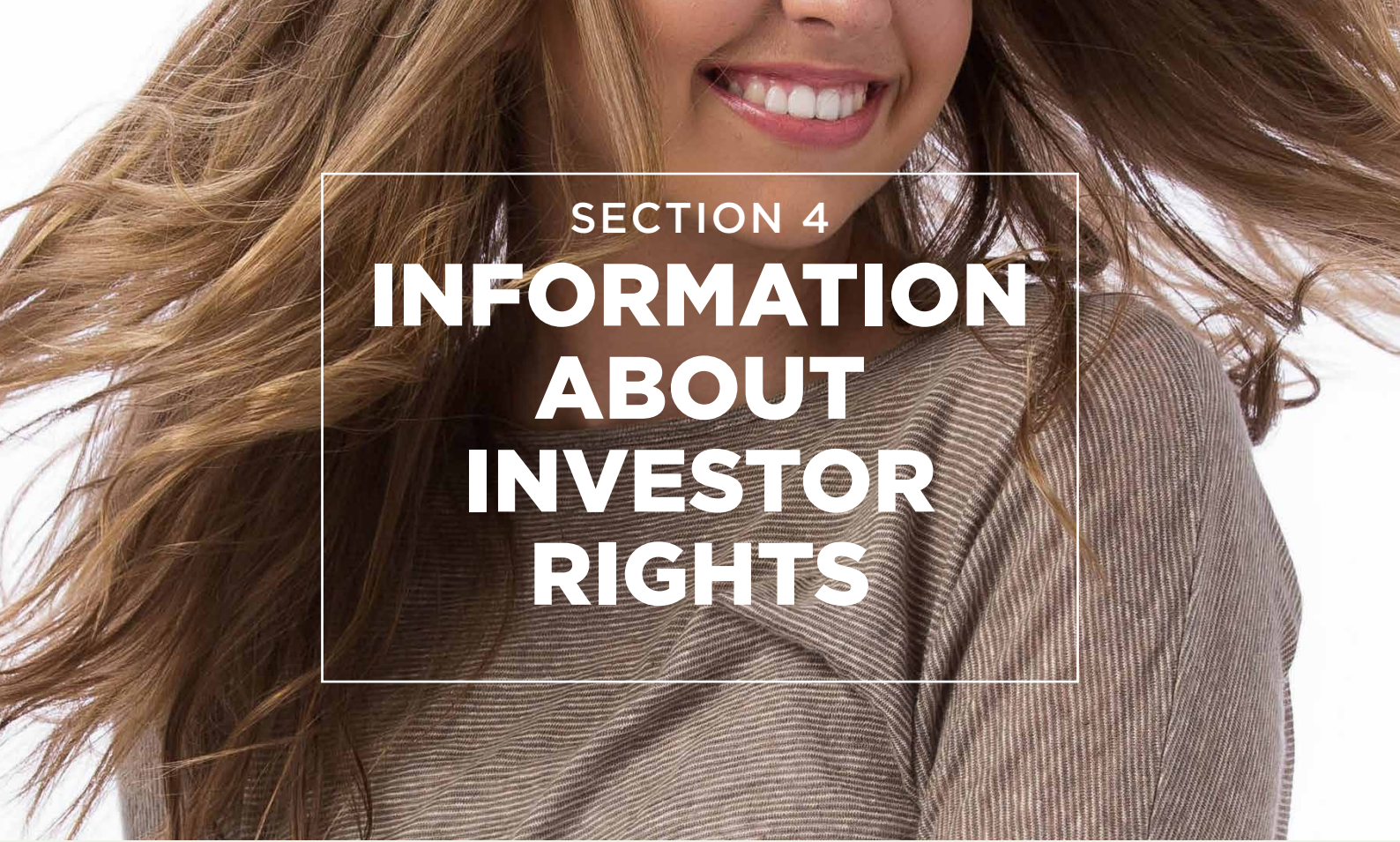
3.5 INVESTOR REWARDS

In addition to being a shareholder of Theshade 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	>\$500	>\$2,500	>\$5,000	>\$10,000
Tsubaki (Camelia) Oil 40ml. Hair and skin treatment oil from Japan for men and women.	YES	YES	YES	YES
Lifetime 10% Discount	NO	YES	NO	NO
Lifetime 20% Discount	NO	NO	YES	NO
Lifetime 30% Discount	NO	NO	NO	YES

The above Lifetime Discounts are transferrable. You will receive a coupon code which you can give to a friend or family member to use. If you are a current subscriber and receive a 15% discount on accessories, the Lifetime Discounts are in addition to that discount.



SECTION 4

INFORMATION ABOUT INVESTOR RIGHTS

4.1 COOLING-OFF RIGHTS

If you are a retail investor, you have the right to withdraw your application under this Offer and to be repaid your application money. If you wish to withdraw your application for any reason (including if you change your mind about investing in the Company), you must do so within five business days of making your application (Cooling-off Period).

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

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

4.2 COMMUNICATION FACILITY FOR THE OFFER

You can ask questions about the Offer on the communication facility available on the Intermediary's platform. You can also use the communication facility to communicate with other investors, with the Company and with the Intermediary about this Offer.

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

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

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

4.3 PROPRIETARY COMPANY CORPORATE GOVERNANCE OBLIGATIONS

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 share registry website at the following address (<https://cakeequity.com/au/>) (free of charge) or can purchase the report from ASIC.

4.3.4 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).

4.3.5 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.

4.5 COMPANY UPDATES

The Company will provide regular updates to investors via the Company's share registry website at the following address <https://cakeequity.com/au/> and via the Intermediary's platform.

GLOSSARY

Company	means Theshade Pty Ltd ACN 613 686 785
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

THE SHADE

**THANK
YOU
FOR
READING**

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