

Information Brochure

for Shareholders
of
September 2016

A. Introduction

1. *Contents of the Brochure*

Lykke Corp (the **Company**) is providing an Information Brochure to its shareholders in order to promote and facilitate trading in the shares of the Company. This document is intended for informational purposes only and does not constitute a prospectus within the meaning of Article 652a of the Swiss Code of Obligations (CO). Although the Company is providing the information in this Brochure in good faith, it does not assume any liability for the accuracy, completeness and timeliness of the information.

The Company will update the contents of this Information Brochure on a regular basis. It is the responsibility of each interested purchaser and shareholder to regularly review the timeliness of the Information Brochure. The most current version of the Information Brochure can be downloaded in each case at lykke.com.

2. *Company Portrait*

Lykke Corp is a stock corporation organized in accordance with the laws of Switzerland for an indefinite duration with its registered office in Wettswil am Albis. The Company was incorporated in 2013.

The company has currently 15 full time employees.

Lykke Corp uses crowd-based management principles to enhance productivity in terms of output relative to cost. Crowd-based principles mean that the company outsources functions which are usually performed by employees to many people, engaged through various competition and developers platforms.

Lykke Corp has subsidiaries: Lykke Corp UK Ltd., company registered in England number 10093552 limited by shares, and Lykke Vanuatu, regulated by the Vanuatu Financial Services Commission (VFSC) with Company number 17909.

3. *Vision of the Company*

The Company is planning to build a scalable and efficient marketplace for trading financial instruments. However, the establishment and functioning of such a marketplace is depending on many factors, in particular financial regulations.

The marketplace uses blockchain as a ledger for the financial transactions. Blockchain consists of a large number of independent bookkeepers that log the flow of transactions; they check on an ongoing basis the transaction flow and compile an official

transaction record. This technology incorporates a protocol for decentralized data storage in the chain of blocks, where the consistency of the data is guaranteed by the cryptography and consensus of multiple nodes.

The Colored Coin approach which is used builds on top of the Bitcoin blockchain. In the first step, the underlying for colored coins are FX instruments. The longer-term plan is to expand the scope of the marketplace to other financial instruments other than FX instruments.

4. Key Figures at a Glance

Total investment	1,590,000 CHF
Lykke shareholders	147
Lykke Full-time Employees	15

(Key figures as of September 11, 2016)

5. Initial Coin Offering

From September 13 to October 10, 2016 the Company is carrying out an initial coin offering (ICO). During this period it offers to the public not more than 300'000 of its own shares that it is currently holding (see [Section E.1.6](#)). These shares are split in 30 million Lykke coins that are available on the Lykke exchange to buy at a fixed price of 0.05 Swiss Francs. During the ICO you will be able to buy or sell Lykke coins at any time for this fixed price. As soon as the available coins are sold or as the defined period is over, the market will take over the price, so it could go up or down significantly (see risks in [Section F](#)). After a successful ICO, the market value of the Company i.e. of the distributed Lykke coins will be 56 million Swiss Francs.

To participate, you need to download the Lykke Wallet and to register there. The ICO event details are available at ico.lykke.com

B. Information about the Company

1. Purpose of the Company under its Articles of Incorporation

The Company operates a globally regulated Internet exchange and provides services in the financial area through the use of modern computer technologies, in particular the collection, archiving and evaluation of data, the development of software and tools, including online Information and trading systems, the development of forecast models of all types, the implementation, further development and maintenance of these systems as well as their transfers to third parties.

2. Commercial Register

The Company was entered in the Commercial Register of Canton Zurich on September 26, 2013 (company number: CH-345.258.499).

3. Articles of Incorporation

The current Articles of Incorporation as dated December 18, 2015.

The most current version of the Articles of Incorporation will be made available to interested persons upon request, at no charge, and is published in each case at lykke.com.

4. Share Capital / Shares

For a detailed discussion, see Section E

5. Financial Year

The financial year corresponds to the calendar year.

6. Annual Financial Statements

The annual financial statements are drawn up in accordance with the provisions of the Swiss Code of Obligations, in particular Articles 958 et seq. of the CO.

The annual financial statements for the financial year ended December 31, 2015, and the report are set out in the 2015 Business Report, which is enclosed as an annex to this Information Brochure.

The annual financial statements as well as the Business Report can also be downloaded at lykke.com.

7. Distribution of Dividends

Since the incorporation of the Company, no dividends have been distributed yet to the shareholders. During the initial growth phase of the Company, we do not expect to pay dividends.

8. Notices and Announcements

Announcements and notices of the Company shall be given by means of publication in the Swiss Commercial Gazette ("SHAB") and shall be made to shareholders by means of letters or emails to the addresses entered in the stock register as well as by the smartphone application.

C. Business Activities

The activities of the Company include the operations described in Article 2 of the Articles of Incorporation. These activities are also summarized in Section B.1 of this Information Brochure.

D. Executive Bodies/Representatives of the Company

1. Shareholders' Meeting

The annual Shareholders' Meeting takes place each year within six months after the close of the financial year. Extraordinary meetings will be convened as needed.

The Shareholders' Meeting is the supreme governing body of the Company and passes its resolutions and carries out its votes by an absolute majority of the voting shares represented, unless otherwise provided for by law or under the Articles of Incorporation. A resolution of the Shareholders' Meeting passed by at least two thirds of the voting shares represented and an absolute majority of the nominal share capital represented shall be required with respect to:

- All resolutions in accordance with Article 704 of the CO;
- All resolutions relating to a merger, spin-off or similar occurrences pursuant to the Swiss Merger Act.

Pursuant to the Articles of Incorporation, shareholders will be notified of Shareholders' Meetings in writing at least 20 days prior to the meeting date. The shareholders shall exercise their voting rights at the Shareholders' Meeting in proportion to the overall nominal value of the shares they hold.

2. The Board of Directors

The Board of Directors is composed of one or more members who are elected for a term of three years. The Board of Directors appoints its Chairman and the Secretary.

The Board of Directors is currently composed of the following member, who has been elected until the annual Shareholders' Meeting of 2018:

Board of Directors

Richard Björn Olsen, [22.09.1953],
[Dr], resident in Zurich

The sole member of the Board of Directors is a Swiss citizen. The Board of Directors represents the Company with sole signatory power. Details as to the professional occupation and education as well as business connections of the Board of Directors member can be found in the Business Report.

The ultimate responsibility for management rests with the Board of Directors, which is responsible for the overall management of the Company. The tasks are based on the Swiss Code of Obligations, in particular Article 716a of the CO. The Board of Directors

may delegate management in whole or in part to individual Board members or to a third party subject to the Organizational Regulations.

3. *Advisory Board*

The Advisory Board of the Company is currently composed of the following persons:

Chairman of the Advisory Board (CEO)	Richard Björn Olsen
---	---------------------

Members of the Advisory Board	Paul Embrechts, Switzerland Mike Hobmeier, Switzerland Luka Müller-Studer, Switzerland Nick Szabo, United States Heinrich Zetlmayer, Switzerland Ralph Zurkinden, Switzerland Christian Wunderlin, Switzerland
--------------------------------------	--

Chairman of the Advisory Board represents the Company.

Details as to the professional occupations and education as well as business connections of the members of the Advisory Board can be found in the Business Report.

4. *Auditor*

The Shareholders' Meeting has waived the election of an auditor for the business year ending in 2015. For the business year of 2016 an auditor will be elected.

5. *Authorized Representatives*

The Company has at least two authorized representatives who represent the company with collective signatory power, by two. The following persons are included in the Commercial Register as authorized representatives of the Company:

Thomas Birrer, 1982, Director of Finance, resident in Sarnen (OW)

Philipp Netzer, 1978, Head of Consulting, resident in Richterswil (ZH).

E. *Capital and Voting Rights*

1. *Share Capital and Changes in Share Capital*

1.1. *Share Capital and Shareholders' Equity*

The share capital in the amount of CHF 128,569.00 is divided into 12,856,900 fully-paid registered shares with a nominal value of CHF 0.01 per share. There are no dividend certificates, participation certificates or preferred shares. There are no preferential rights for individual share categories.

The shares are registered on blockchain. In total 1,285,690,000 Lykke coins were issued. Each registered share of Lykke Corp corresponds to 100 Lykke coins.

The asset definition URL:

<https://www.coinprism.info/asset/AXkedGbAH1XGDpAypVzA5eyjegX4FaCnvM>

Asset ID	AXkedGbAH1XGDpAypVzA5eyjegX4FaCnvM
Ticker	Lykke
Type	Stock
Divisibility	Divisible to 6 places
Asset definition JSON	https://lykke.com/asset/LKK

1.2. Changes in Share Capital

The following changes in share capital at Lykke Corp have taken place since 2013:

- Upon incorporation, the Company had a share capital of CHF 100,000.00.
- With the ordinary share capital increase of November 30, 2015, the share capital of CHF 100,000.00 was increased to CHF 119,750.00.
- With the capital increase from authorized share capital of December 18, 2015, the share capital was increased from CHF 119,750.00 to CHF 125,000.00.
- With the capital increase from authorized share capital of 25 May 2016, the share capital was increased from CHF 125,000.00 to CHF 128,569.00

1.3. Authorized Share Capital

By resolution dated November 30, 2015, the Shareholders' Meeting of Lykke Corp authorized the Board of Directors of the Company to increase the share capital within two years by a maximum of CHF 51,056.00 through the issuance of 5,105,600 fully-paid registered shares with a nominal value of CHF 0.01 per share (authorized capital increase). The provisions of the Articles of Incorporation provide as follows:

"Art. 3B – Authorized Share Capital

The Board of Directors shall be authorized to carry out at any time within two years a capital increase in the maximum amount of CHF 51,056 through the issuance of a maximum of 5,105,600 fully-paid registered shares with a nominal value of CHF 0.01 per share.

The Board of Directors shall decide in each case on the allocation of the subscription rights that have not been exercised, taking into account the interests of the Company.

An increase in partial amounts is permitted. The relevant date of the dividend entitlement and the type of contributions shall be determined by the Board of Directors. The restriction on the transferability of the new shares shall be governed by [cf. Section E.4]."

1.4. *Conditional Share Capital*

The Company does not have any conditional share capital.

1.5. *Outstanding Bonds*

The Company does not currently have any bonds outstanding.

1.6. *Own Equity*

As of the date of this Brochure, the Company held 1,883,864 (14.65%) of its own shares.

1.7. *Significant Shareholders*

Richard Olsen is the only significant shareholder with a holding in excess of 10 percent.

1.8. *Employee Stock Ownership*

Currently, no employee stock ownership plans exist for the awarding of shares or options of the Company.

2. **No Securitization of Registered Shares**

The registered shares of the Company are exclusively held for safekeeping on the books of the Company. Shareholders have no right to the printing and delivery of shares in the form of securities or single-use certificates (deferring printing). A shareholder may, however, at any time request from the Company a certification as to his shares entered in the share register.

3. **Transfer of the Shares**

Uncertificated registered shares and uncertificated rights arising thereunder (value rights) may only be transferred by means of assignment or comparable proof of the legal succession, e.g., by means of blockchain technology. In order to be valid, such an assignment must be notified to the Company. Section E.4. (Restriction on Transferability) shall take precedence.

The registered shares of Lykke Corp may be traded via an Internet page as well as via a smartphone application.

4. **Restriction on Transferability**

The transferability of the registered shares is restricted according to the Articles of Incorporation. The transfer of the registered shares or the establishment of a usufructu-

any right to the registered shares shall be subject to the approval of the Board of Directors. The approval of the transfer of shares may be refused based on valid reasons. The following constitute valid reasons:

- Warding off acquirers who operate, own or are employed by a company having a competing corporate purpose;
- The entry of the acquirer in the share register is objectively incompatible with the objectives of the Company or endanger the Company's economic independence;
- The acquisition or holding of shares in the name or on behalf of third parties.

The application for approval may be rejected without the naming of any reasons, provided that the Board of Directors acquires the shares (for the account of the Company, certain shareholders or a third party) at their intrinsic value at the time of the application.

If the shares were acquired through an inheritance, division of the estate, marital property or levy of execution, the Company may reject the application for approval only if it offers to take over the shares from the acquirer at their intrinsic value.

5. *Reporting Obligation of the Shareholders*

Based on Article 697j of the CO, any person who acquires shares of the Company, either alone or acting in concert with a third party, and thereby reaches or exceeds the threshold value of 25% of the share capital or of the voting shares, is required to report the first and last names and address of the natural persons for whom he is ultimately acting (beneficial owners) within a one-month period.

F. Risk Factors and Investment Considerations

1. *General Risks*

Investments in shares offer an opportunity for significant capital gains but also entail a high degree of business and financial risks, including the possibility of a complete loss of the investment. This Brochure was compiled with due care and to the best of the Company's knowledge. Nonetheless, this document does not represent any solicitation for the purchase or sale of securities or rights. Instead, each investor is requested to engage in his own independent research and make his own decisions with respect to the purchase or shares or subscription rights of the Company. It is assumed that each person willing to subscribe for shares is familiar with the risks that are normally entailed by the purchase, sale and holding of shares.

Investors who are considering purchasing shares of Lykke Corp should carefully read and consider, in addition to the other information set out in this Brochure, also the following specific risk factors described below. The risks described below are not the only risks that come into question for Lykke Corp or its business activities and are by no means intended to represent a comprehensive list. The order in which the individual risks were chosen to be presented does not provide any indication of the probability of

occurrence or the seriousness or importance of the individual risks or their impact on Lykke in the event that they occur. Additional risks that are not business-specific and that are not yet currently known to the Company or that the Company does not currently deem to be relevant may likewise have an impact on the business activities. Each of these risks may negatively influence the business activities, the financial situation and/or the profitability of Lykke Corp.

2.1. Business Model, Competitive Situation

Trading of Colored Coin is based on a novel system developed by Lykke (Lykke Exchange). Such a market place depends on the regulatory qualification of Colored Coins. Upcoming security, privacy or other regulatory concerns could require Lykke to implement changes to its digital securities trading system that could disrupt trading in Colored Coins for any kind of asset.

Also undiscovered technical flaws in the Lykke technology may occur and prevent trading for a period of time. This relates also to all required processes regarding consensus and recording in distributed public ledgers. In order to have the best and most transparent quality, the source code of the Lykke technology is public and everybody is able to test and enhance the current state of development. The contribution is incentivized by the open and crowd sourced organizational setup of Lykke.

The management board undertakes monthly reviews of the development of the Company and act accordingly to optimize the cost of operation and development of the business. Especially the Company will monitor concentration risk in order to minimize the reliance on a small number of customers. The Company actively looks to recruit multiple members and a wide range of underlying customers.

2.2. Dependency on Certain Personnel

Key personnel have equity interests. This mitigates the risk of key personnel leaving and knowledge drain. The recruitment and interview process for new employees is extensive to ensure all aspects of an employee's suitability for a role are considered. Regular and formal updates take place to ensure all senior employees are fully informed.

2.3. Security Risks

The company uses public distributed ledgers that are available to the public and store the complete trading history from issuance until cancellation of digital tokens. As a result, robust and transparent trading data will be publicly available, but still only sanitized and secured by cryptographic key pairs. Personal identity information to match a trading party to the entry in the blockchain is maintained in a separate database that is not exposed to the public.

Failure in the Company's IT systems or through negligent action of an employee could breach rules on confidentiality and cause loss of business or damage to the Company's reputation. Therefore servers are backed-up in several copies in different locations re-

al-time and daily. In addition firewalls and regularly updated anti-virus software are in place which offers a high level of intruder protection. Data security policy is in place which includes measures taken to mitigate the threat to the Company's data – including no removal of data from the Company's premises, and lockdown /controlled access to data. The policy is reviewed on a 6 monthly basis.

For systems failure or inability to access the building as a result of a terrorist attack/similar event the Company has a disaster recovery and business continuity plan (BCP). Staff can work remotely/from home or in BCP offices as appropriate.

2.4. Operational Risks

Public blockchains are still in the early stage and there might be new innovations that will not work as expected or fail totally in future. Therefore the Company is independent of the blockchain technology and uses only leading blockchains with the biggest amount of nodes. Small, new and private ones are not allowed to be used for settlement.

Individuals who supervise outsourced activities ensure that outsourced services meet high standards. Appropriate operational monitoring and procedures are in place: Trained staff, appropriate service level agreements, appropriate choice of professional and competent counterparties.

The Company's secretarial function is carried out in-house by the Finance director, supported by an external consultant and reviewed annually by the Company's auditors.

2.5. Financing

A clear road map and the related cost of building the business are defined conservatively. The plan is to come into a fully profitable operation mode by the end of the 4th quarter 2017. But the regulatory costs for building such a market place could be substantial.

Since the Company holds own tradeable shares (see section E.1.6) it has a lot of room for maneuver to find innovative ways for compensating work of employees or requested services from third parties.

2. Legal and Regulatory Risks

All clients are subject to the client agreement and rule book that clearly sets out rules, restrictions and responsibilities between all involved parties. The Compliance Officer monitors the activities of the member firms in order to prevent a breach of governance. Members are subject to the rule book/member agreement terms, with well-defined procedure management. All disputes are managed through the Compliance Officer and escalated as necessary.

Staff are trained on the Company's procedures and report their PAD, inducements etc. to the Compliance Officer. Staff's competence is assessed at the point of recruitment

and annually thereafter. In order to prevent fraud and insider dealing, staff members are not permitted to trade. The Company provides staff members with regular training on anti-money laundering and market abuse and bribery.

Comprehensive client onboarding procedures are in place including Know Your Customer (KYC) and risk assessment using third-party KYC Spider and GBG ID3GLOBAL software.

3. *Risks in Connection with the Acquisition of Shares of the Company*

4.3. *Risk of Control Majorities*

The sole director and the Company's key personnel own the majority of shares. The limited dilution of voting power (as described in E.1.3) will not permit that the Company's control is taken over without consent.

G. *Sales and Distribution Restrictions*

The distribution of this Information Brochure and the offer and sale of shares of Lykke Corp are subject to legal restrictions in certain countries. The Company and the Board of Directors invite persons who obtain access to this Brochure to familiarize themselves with and adhere to these restrictions. Neither the Company nor the Board of Directors accepts any legal responsibility in the event that these restrictions are breached by a third party, regardless of whether or not such party is a potential purchaser. Other than in connection with the offer and sale of Lykke shares in Switzerland to Swiss investors, the Company has not taken measures pursuant to any other legal system that are necessary with respect to an offer of the shares or the possession or the distribution of this Information Brochure or other materials in connection with the public offer of Lykke shares.

H. *Disclaimer*

This document is for informational purposes only and is not a prospectus within the meaning of Article 652a of the CO.

This document does not represent either an offer or solicitation to subscribe for or purchase any security, nor does this document contain or form the basis for any contract or obligation. The purchasers shall make a purchase decision on their own (and possibly contact their bank, their broker or their investment adviser or portfolio manager), based on the information on hand (including, in particular, the most recent Business Report). The Company is not responsible for consequences, in particular losses, which result or will result through the use or the failure to use the information set out in this Brochure.

This Information Brochure contains statements with respect to financial and operational developments and results as well as other forecasts that are forward-looking in nature or that include subjective assessments, including statements that include terms such as «believe», «estimate», «assume», «expect», «intend» and similar formulations. Such forward-looking statements are made on the basis of assessments, assumptions and conjectures that the Company deems appropriate at the current point in time. A number of factors, such as the uncertainties and risks described in this Brochure, may mean that the events that in actual fact occur, including the actual business, earnings and financial situation of the Company, may deviate in significant fashion from the forecasted situation. Potential purchasers should also note that past events are no guarantee for future events. The Company therefore does not make any guarantee that the suggested developments will be achieved.