

Information Brochure

for Coinholders

February 2017

A. Introduction

1. Contents of the Brochure

Lykke Corp (the **Company**) is providing an Information Brochure to its coinholders in order to promote and facilitate trading in the colored coins that represent shares of the Company.

The Company will update the contents of this Information Brochure on a regular basis. It is the responsibility of each interested purchaser and coinholder 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 Zug, Canton of Zug. The Company was incorporated in 2013.

The company currently has 20 core employees and 25 independent consultants involved on full time and part time basis.

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 various subsidiaries: Lykke Corp UK Ltd., Lykke MTF UK Ltd., Lykke Vanuatu Ltd., Lykke Cyprus Ltd. and Lykke Inc. (USA).

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 market place 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	2,800,000 CHF
Lykke Coinholders*	1110
Lykke Employees**	45

* Lykke Wallet Addresses holding Lykke Coins

** Including independent Consultants

(Key figures as of February 9, 2017)

5. **Initial Coin Offering**

From September 13 to October 10, 2016 the Company carried out an initial coin offering (ICO). During this period it offered to the public not more than 300'000 of its own shares that it is currently holding (see [Section E.6](#)). These shares are split into 30 million Lykke coins that were available on the Lykke exchange to be bought at a fixed price of 0.05 Swiss Francs. During the ICO Investors were able to buy or sell Lykke coins at any time for this fixed price. After the ICO period Lykke coins remained tradeable on the secondary market at Lykke Exchange.

6. **Special Coin Offering**

From February 9th to February 28th, the Company is carrying out a special coin offering with 1-year Lykke Coins available at a 20 % discount for CHF 0.04 per coin. During this period 50'000'000 1-year Lykke coins are offered with a combined capital to be raised of up to CHF 2'000'000. As soon as the available coins are sold or as the defined period will be over, the market will take over the price, so it could go up or down significantly (see risks in [Section F](#)).

The purchase and sale of 1-year Lykke Coins essentially qualifies as a forward contract between Lykke Corp and the investor, creating for the investor the obligation to purchase and for Lykke Corp the obligation to sell a certain amount ("nominal") of Lykke Shares ("base value") at a certain price ("forward price"), the latter of which will be paid in form of an advanced payment.

Whereas regular forward contracts will run for a predefined timespan (30 days from conclusion of contract, e.g.) and will be settled at the end of that timespan ("date of settlement"), the Lykke forward contract will be **at the run**. This means there will be an initial trading period that doesn't trigger the forward contract, followed by the forward

period. The forward period will be initiated by the trigger event, which is the coin holder's declaration of intent to receive the base value (the Lykke Shares). The owner of the 1-yearvLykke Coin can pull the trigger at any time.

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 incorporated on September 26, 2013 and is registered in the Commercial Register of Canton Zug (company number: [CHE-345.258.499](#)).

3. Articles of Incorporation

The current Articles of Incorporation date from November 14, 2016.

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, 2016, and the report are set out in the 2016 Business Report, which will be made available soon.

The annual financial statements as well as the Business Report will also be available for Download at lykke.world.

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 members, who have been elected until the annual Shareholders' Meeting of 2018:

Board of Directors

Dr. Richard Björn Olsen, resident of Zurich	President of the Board
Michael Hobmeier, resident of Wolterau	Member of the Board
Dr.-Ing. Heinrich Klaus Zetlmayer, resident of Rüschlikon	Member of the Board
Ralph Martin Zurkinden, resident of Egg	Member of the Board

The President 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)	Dr. Richard Björn Olsen
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Members of the Advisory Board	Prof. Dr. Paul Embrechts, Switzerland Dr. Luka Müller-Studer, Switzerland Nick Szabo, United States
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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 auditing 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. 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

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://blockchainexplorer.lykke.com/asset/AXkedGbAH1XGDpAypVzA5eyjegX4FaCnvM>

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

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

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. Fehler! Verweisquelle konnte nicht gefunden werden.]."

4. Conditional Share Capital

The Company does not have any conditional share capital.

5. Outstanding Bonds

The Company does not currently have any bonds outstanding.

6. Own Equity

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

7. Significant Shareholders

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

8. Employee Stock Ownership

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

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.

1.1. 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.

1.2. 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.

1.3. 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 real-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.

1.4. 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.

1.5. 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

The Compliance Officer monitors all relevant activity within Lykke Corp and its subsidiaries in order to prevent a breach of governance. 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.

G. Sales and Distribution Restrictions

The distribution of this Information Brochure and the offer and sale of Lykke Coins is not being made directly or indirectly in, nor is it intended to extend to, a country or jurisdiction where such offer would be considered unlawful or in which it would otherwise breach any applicable law or regulation or which would require Lykke to amend any term or condition of the offer in any way or which would require Lykke to make any additional filing with, or take any additional action with regards to, any governmental, regulatory or legal authority. Materials relating to such offer may not be distributed in nor sent to such country or jurisdiction and may not be used for the purposes of soliciting the purchases of any Lykke coins from anyone in such country or jurisdiction.

Each investor participating in the offer will represent that it is not located in the U.S. and is not participating in the offer from the U.S. or it is acting on a non-discretionary basis for a principal located outside the U.S. that is not giving an order to participate in the offer from the U.S. "U.S." means the United States of America, its territories and possessions, any state of the United States of America and the District of Columbia.

The information contained in this document is not for distribution to persons whose place of residence, seat or habitual abode is in the United Kingdom. This does not apply, however, to persons who (i) have professional experience in matters relating to investments or (ii) are persons falling within Article 49 (2) (a) to (d) ("high net worth companies, unincorporated associations etc.") of The Financial Services and Markets Act 2000 (Financial Promotion) Order 2005 or (iii) to whom it may otherwise lawfully be passed on (all such persons together being referred to as "relevant persons"). The offer documents in connection with the offer must not be acted on or relied on by any persons whose place of residence, seat or habitual abode is in the United Kingdom and who are not relevant persons. In the United Kingdom any investment or investment activity to which the offer documents relate is available only to relevant persons and will be engaged in only with relevant persons.

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 investor. Each investor is solely responsible for searching legal and tax advice in the jurisdictions relevant for it when investing into Lykke Coins.

H. Disclaimer

This document is for informational purposes only and is neither a prospectus within the meaning of Articles 652a and 1156 CO nor Article 5 CISA.

This document does not represent a 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.