



Kyckr

For personal use only



# PROSPECTUS

**AN INVESTMENT IN THE COMPANY'S SECURITIES SHOULD BE CONSIDERED SPECULATIVE**

This Prospectus is an important document and should be read in its entirety. You should seek professional guidance from your stockbroker, solicitor, accountant, tax adviser or other independent and qualified professional adviser before deciding whether to subscribe for the Shares under this Prospectus.

**FOR THE OFFER OF UP TO 30,000,000 SHARES TO RAISE A MINIMUM OF \$5,000,000 AND A MAXIMUM OF \$6,000,000 AT AN ISSUE PRICE OF \$0.20 PER SHARE**



## Bank of Ireland (BoI)

"GBR Limited (or Kyckr) is a critical part of the Bank of Ireland KYC process. They supply real-time company register information during the customer on-boarding process and, through their Monitor product, provide continuous updates throughout the lifecycle of the customer relationship. They also cleanse and update existing data and keep this data current using Monitor. Quality data is imperative to the efficacy of our KYC process. The use of GBR (or Kyckr) information at on-boarding and throughout the lifecycle of the customer relationship allows BOI to maximise the effectiveness and efficiency of our on-boarding, on-going due diligence and customer engagement processes and helps streamline our KYC/AML regulatory obligations."

### Owen Kennedy

Group Head of AML, CFT & Sanctions Group Regulatory, Compliance & Operational Risk  
Bank of Ireland

## GlobalSign (Globally the 4th largest provider of SSLs)

"Real-time company lookup means that our data capture at client on-boarding is 100% accurate. This allows for significant savings through the customer life cycle through real-time KYC and remediation. A simple, yet brilliant, use of the Kyckr API."

### Paul Turret

MD, GMO GlobalSign

## Dell Services

"Dell Services are delighted to partner with Kyckr on projects. By using better data it allows our bank customers to speed up on-boarding, ongoing due diligence and customer engagement. The Kyckr data is best in class and helps streamline our customers KYC/AML regulatory obligations."

"We look forward to continuing our engagement with Kyckr and its expanding suite of services. Kyckr's services are important to our clients, in particular the banking sector, which greatly values the current and developing suite of GBR KYC products."

### Jon Warnhammar

Director, Dell Services EMEA, Business Process Outsourcing



# Important Information



For personal use only

## Lodgement and application for listing

This Prospectus is dated 10 June 2016 and a copy was lodged with the Australian Securities and Investments Commission (**ASIC**) on that date.

Application will be made to the ASX within 7 days after the date of this Prospectus for the Shares offered pursuant to this Prospectus to be listed and quoted on the ASX.

## Offer

The Offer contained in this Prospectus is an invitation to apply for fully paid shares (**Shares** or **Ordinary Shares**) in Kyckr Limited ACN 609 323 257 (**Company** or **Kyckr**).

## Allotment of securities

No securities will be issued or allotted on the basis of this Prospectus later than 13 months after the date of this Prospectus. Neither ASIC nor the ASX and their respective officers take any responsibility for the content of this Prospectus or for the merits of the investment to which this Prospectus relates. The fact that the ASX may admit the Company to the Official List is not to be taken in any way as an indication of the merits of the Company or the Shares offered under this Prospectus.

## Notice to applicants

The information in this Prospectus is not financial product advice and does not take into account your investment objectives, financial situation or particular needs.

It is important that you read this Prospectus carefully and in its entirety before deciding whether to invest in the Company. In particular, you should consider the risk factors that could affect the performance of the Company. You should carefully consider these risks in light of your investment objectives, financial situation and personal circumstances (including financial and tax issues) and seek professional guidance from your stockbroker, solicitor, accountant, tax adviser or other independent and qualified professional adviser before deciding whether to subscribe for Shares under this Prospectus.

Some of the key risk factors that should be considered by prospective investors are set out in Section 3. There may be risk factors in addition to these that should be considered in light of your personal circumstances. No person named in this Prospectus, nor any other person, guarantees the performance of the Company, the repayment of capital by the Company or the payment of a return on the Shares.

## Forward-looking statements

Certain statements in this Prospectus constitute statements relating to intentions, future acts and events. Such statements are generally classified as forward-looking statements and involve known and unknown risks, uncertainties and other important factors that could cause those future acts, events and circumstances to differ from the way or manner in which they are expressly or implicitly portrayed in this Prospectus.

Forward-looking statements are not guarantees of future performance and involve known and unknown risks, uncertainties, assumptions and other important factors, many of which are beyond the control of the Company, the Directors and management of the Company. Forward looking statements should therefore be read in conjunction with, and are qualified by reference to, Section 3 and other information in this Prospectus. The Company cannot and does not give any assurance that the results, performance or achievements expressed or implied by any forward looking statements contained in this Prospectus will actually occur and investors are cautioned not to place undue reliance on these forward looking statements.

Applicants should carefully consider the risk factors that affect the Company specifically and the industry in which it proposes to operate.



## Suitability of investment and risk factors

This Prospectus provides information to help investors decide whether they wish to invest in the Company. Before deciding to invest in the Company, potential investors should read this Prospectus in its entirety, and in particular the technical information and the risk factors that could affect the future operations and activities of the Company. Section 3 sets out details of some of the key risk factors. The Offer contained in this Prospectus does not take into account the investment objectives, financial situation and particular needs of individual investors. Professional advice should be sought before deciding to invest in any securities the subject of this Prospectus.

## Disclaimer

No person is authorised to give any information or to make any representation in connection with the Offer that is not expressly contained in this Prospectus. Any information or representation not contained in this Prospectus may not be relied upon as having been authorised by the Company, the Directors or any other person in connection with the Offer. Neither the Company nor any other person warrants the future performance of the Company or any return on any investment made under this Prospectus except as required by law and then only to the extent so required. Investors should be aware of the risks associated with an investment in the Company.

The Company and the Share Registry disclaim all liability, whether in negligence or otherwise, to persons who trade Shares before receiving their holding statement.

## Jurisdiction

The Offer under this Prospectus does not constitute an offer in any jurisdiction outside Australia, Hong Kong, Singapore, Ireland and the United Kingdom. This Prospectus does not constitute an offer or invitation in any place in which, or to any person to whom, it would not be lawful. The distribution of this Prospectus in jurisdictions outside Australia, Hong Kong, Singapore, Ireland and the United Kingdom may be restricted by law and any person who comes into possession of this Prospectus should seek advice on and observe any such restrictions. Any failure to comply with such restrictions may constitute a violation of applicable securities laws.

This Prospectus has been prepared to conform to the securities laws of Australia. No action has been taken to register or qualify the Shares or the Offer, or otherwise to permit a public offering of the Shares, in any jurisdiction outside Australia, Hong Kong, Singapore, Ireland and the United Kingdom.

This Prospectus has been prepared for publication in Australia, Hong Kong, Singapore, Ireland and the United Kingdom and may not be released or distributed in the United States or otherwise outside Australia, Hong Kong, Singapore, Ireland and the United Kingdom. This Prospectus does not constitute an offer to sell, or a solicitation of an offer to buy, securities in the United States. The Shares have not been, and will not be, registered under the US Securities Act or the securities laws of any state of the United States, and may not be offered or sold in the United States, or to, or for the account or benefit of a US Person, except in a transaction exempt from the registration requirements of the US Securities Act and applicable United States state securities laws. The Offer is not being extended to any investor outside Australia, Hong Kong, Singapore, Ireland and the United Kingdom. This Prospectus does not constitute an offer or invitation to potential investors to whom it would not be lawful to make such an offer or invitation.

## Hong Kong

**WARNING:** This Prospectus has not been, and will not be registered as a prospectus under the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Cap. 32) of Hong Kong, nor has it been authorised by the Securities and Futures Commission in Hong Kong pursuant to the Securities and Futures Ordinance (Cap. 571) of the Laws of Hong Kong (SFO). No action has been taken in Hong Kong to authorise or register this document or to permit the distribution of this document or any documents issued in connection with it.

Accordingly, the Shares have not been and will not be offered or sold in Hong Kong other than to "professional investors" (as defined in the SFO). No advertisement, invitation or document relating to the Shares has been or will be issued, or has been or will be in the possession of any person for the purpose of issue, in Hong Kong or elsewhere that is directed at, or the contents of which are likely to be accessed or read by, the public of Hong Kong (except if permitted to do so under the securities laws of Hong Kong) other than with respect to Shares that are or are intended to be disposed of only to persons outside Hong Kong or only to professional investors (as defined in the SFO and any rules made under that ordinance). No person allotted Shares may sell, or offer to sell, such securities in circumstances that amount to an offer to the public in Hong Kong within six months following the date of issue of such securities.

The contents of this Prospectus have not been reviewed by any Hong Kong regulatory authority. You are advised to exercise caution in relation to the Offer. If you are in doubt about any contents of this Prospectus, you

For personal use only



should obtain independent professional advice.

By submitting an Application Form, you represent and warrant that if you (or any person for whom you are acquiring the Shares) are in Hong Kong, you (and any such person) are a “professional investor” as defined under the Securities and Futures Ordinance of Hong Kong, Chapter 571 of the Laws of Hong Kong.

## Singapore

This document and any other materials relating to the Shares have not been, and will not be, lodged or registered as a prospectus in Singapore with the Monetary Authority of Singapore.

Accordingly, this document and any other document or materials in connection with the offer or sale, or invitation for subscription or purchase, of Shares, may not be issued, circulated or distributed, nor may the Shares be offered or sold, or be made the subject of an invitation for subscription or purchase, whether directly or indirectly, to persons in Singapore except pursuant to and in accordance with exemptions in Subdivision (4) Division 1, Part XIII of the Securities and Futures Act, Chapter 289 of Singapore (SFA), or as otherwise pursuant to, and in accordance with the conditions of any other applicable provisions of the SFA.

This document has been given to you on the basis that you are (i) an existing holder of the Company’s Shares, (ii) an “institutional investor” (as defined in the SFA) or (iii) a “relevant person” (as defined in section 275(2) of the SFA). In the event that you are not an investor falling within any of the categories set out above, please return this document immediately. You may not forward or circulate this document to any other person in Singapore.

Any offer is not made to you with a view to the Shares being subsequently offered for sale to any other party. There are on-sale restrictions in Singapore that may be applicable to investors who acquire Shares. As such, investors are advised to acquaint themselves with the SFA provisions relating to resale restrictions in Singapore and comply accordingly.

By submitting an Application Form, you represent and warrant that if you (or any person for whom you are acquiring the Shares) are in Singapore, you (and any such person):

- a. are an “institutional investor” or a “relevant person” (as such terms are defined in the Securities and Futures Act of Singapore (SFA));
- b. will acquire the Shares in accordance with applicable provisions of the SFA; and
- c. acknowledge that the offer of the Shares is subject to the restrictions (including selling restrictions) set out in the SFA.

## Ireland

The information in this document does not constitute a prospectus under any Irish laws or regulations this document has not been filed with or approved by any regulatory authority as the information has not been prepared in the context of a public offering of securities in Ireland within the meaning of the Irish Prospectus (Directive 2003/71/EC) Regulations 2005, as amended (Prospectus Regulations). The Shares have not been offered or sold, and will not be offered, sold or delivered directly or indirectly in Ireland by way of a public offering, except to “qualified investors” as defined in Regulation 2(l) of the Prospectus Regulations.

## United Kingdom

Neither the information in this document nor any other document relating to the offer has been delivered for approval to the Financial Conduct Authority in the United Kingdom and no prospectus (within the meaning of section 85 of the Financial Services and Markets Act 2000, as amended (FSMA)) has been published or is intended to be published in respect of the Shares. This document is issued on a confidential basis to “qualified investors” (within the meaning of section 86(7) of the FSMA, any wider distribution would otherwise breach the requirements of s85(1)FSMA) in the United Kingdom, and the Shares may not be offered or sold in the United Kingdom by means of this document, any accompanying letter or any other document, except in circumstances which do not require the publication of a prospectus pursuant to section 86(1) (a) of the FSMA. This document should not be distributed, published or reproduced, in whole or in part, nor may its contents be disclosed by recipients to any other person in the United Kingdom.

Any invitation or inducement to engage in investment activity (within the meaning of section 21 of the FSMA received in connection with the issue or sale of the Shares has only been communicated or caused to be communicated and will only be communicated or caused to be communicated in the United Kingdom in circumstances in which section 21(1) of the FSMA does not apply to the Company.

In the United Kingdom, this document is being distributed only to, and is directed at, persons (i) who have professional experience in matters relating to investments falling within Article 19(5) (investment professionals) of the Financial Services and Markets Act 2000 (Financial Promotions) Order 2005 (FPO), (ii) who fall within the categories of persons referred to in Article 49(2) (a) to (d) (high net worth companies, unincorporated associations, etc.) of the FPO or (iii) to whom it may otherwise be lawfully communicated (together, relevant persons). The investments to which this document relates are available only to, and any invitation, offer or agreement to purchase will be



engaged in only with, relevant persons. Any person who is not a relevant person should not act or rely on this document or any of its contents.

## Exposure period

In accordance with Chapter 6D of the Act, this Prospectus is subject to an exposure period of 7 days from the date of lodgement of this Prospectus with ASIC. This period may be extended by ASIC for a further period of 7 days. The purpose of the exposure period is to allow this Prospectus to be examined by market participants prior to the acceptance of Applications. If this Prospectus is found to be deficient, Applications received during the exposure period will be dealt with in accordance with section 724 of the Act. Any Applications received prior to the expiration of the exposure period will not be processed until after the expiry of the exposure period. No preference will be conferred on Applications received during the exposure period.

During the exposure period, this Prospectus will be made available to Australian residents, without the Application Form, at the Company's website at [www.kyckr.com/prospectus](http://www.kyckr.com/prospectus).

## Electronic form prospectus

This Prospectus will be issued in paper form and as an electronic prospectus, which may be viewed online at the Company's website at [www.kyckr.com/prospectus](http://www.kyckr.com/prospectus). The Offer is available to persons receiving an electronic version of this Prospectus in Australia, Hong Kong, Singapore, Ireland and the United Kingdom. Applications can only be submitted on an Application Form accompanying this Prospectus or in its paper copy form downloaded in its entirety from [www.kyckr.com/prospectus](http://www.kyckr.com/prospectus). The Act prohibits any person from passing the Application Form on to another person, unless it is attached to, or accompanied by, a complete and unaltered version of this Prospectus. During the Offer Period, any person may obtain a hard copy of this Prospectus free of charge by contacting the Share Registry by telephone on 1300 737 760 (International +61 2 9290 9600).

## Currency

All references to dollars in this Prospectus, unless otherwise stated, are to Australian dollars (\$A or AUD). Where amounts originally in Euros have been converted to Australian dollars, a conversion rate of €1 to \$1.55 has been used.

## Financial amounts

Any discrepancies between the totals and sums of components in tables contained in this Prospectus are due to rounding.

## Industry and market data

Industry and market data used throughout this Prospectus is, in most cases, obtained from surveys and studies conducted by third parties and industry or general publications. Although the Company has no reason to believe that this information is unreliable, it is noted that it has not been verified by any independent sources.

## Photographs

Certain assets that are the subject of photographs contained in this Prospectus may not be owned by the Company. The inclusion of photographs supplied by persons or entities other than the Company does not constitute an endorsement or recommendation by those persons or entities of the Offer under this Prospectus. Diagrams used in the Prospectus are illustrative only and may not be drawn to scale.

## Illustrations

As part of the preparation of this Prospectus, the Company has commissioned and produced illustrations such as schematics and diagrams associated with the Company's projects. The illustrations included in this Prospectus should only be considered as an indication of the Company's current intentions. These intentions may change at the Directors' discretion.

## Defined terms and abbreviations

Capitalised terms and abbreviations used in this Prospectus are defined in Section 13. Unless otherwise stated or implied, references to times in this Prospectus are to Australian Eastern Standard Time (AEST). Unless otherwise stated or implied, references to dates or years are calendar year references.

## Privacy

By completing an Application Form, you are providing personal information to the Company, and the Share Registry, which is contracted by the Company to manage Applications. The Company, and the Share Registry on their behalf, collect, hold and use that personal information to process your Application, service your needs as a Shareholder, provide facilities and services that you request and carry out appropriate administration.

Once you become a Shareholder, the Corporations Act and Australian taxation legislation require information about you (including your name, address and details of the Shares you hold) to be included in the Company's public register. The information must continue to be included in the Company's public register if you cease to be a Shareholder. If you do not provide all the information requested, your Application Form may not



be able to be processed or accepted. The Company, and the Share Registry may disclose your personal information for purposes related to your investment to their agents and service providers including those listed below or as otherwise authorised under the Privacy Act 1988 (Cth):

- a. the Share Registry for on-going administration of the Shareholder register;
- b. the Lead Manager in order to assess your Application;
- c. printers and other companies for the purpose of preparation and distribution of documents and for handling mail;
- d. market research companies for the purpose of analysing the Company's Shareholder base and for product development and planning; and
- e. legal and accounting firms, auditors, management consultants and other advisers for the purpose of administering, and advising on, the Shares and for associated actions.

You may request access to your personal information held by or on behalf of the Company. You can request access to your personal information or obtain further information about the Company's privacy practices by contacting the Share Registry as follows:

Telephone: 1300 737 760 (from within Australia)  
+61 2 9290 9600 (from outside Australia)

Address: Boardroom Pty Limited  
Level 12  
225 George Street  
Sydney NSW 2000

The Company aims to ensure that the personal information it retains about you is accurate, complete and up to date. To assist with this, please contact the Company or the Share Registry if any of the details you have provided change.

In accordance with the requirements of the Corporations Act, information on the Shareholder register will be accessible by members of the public.

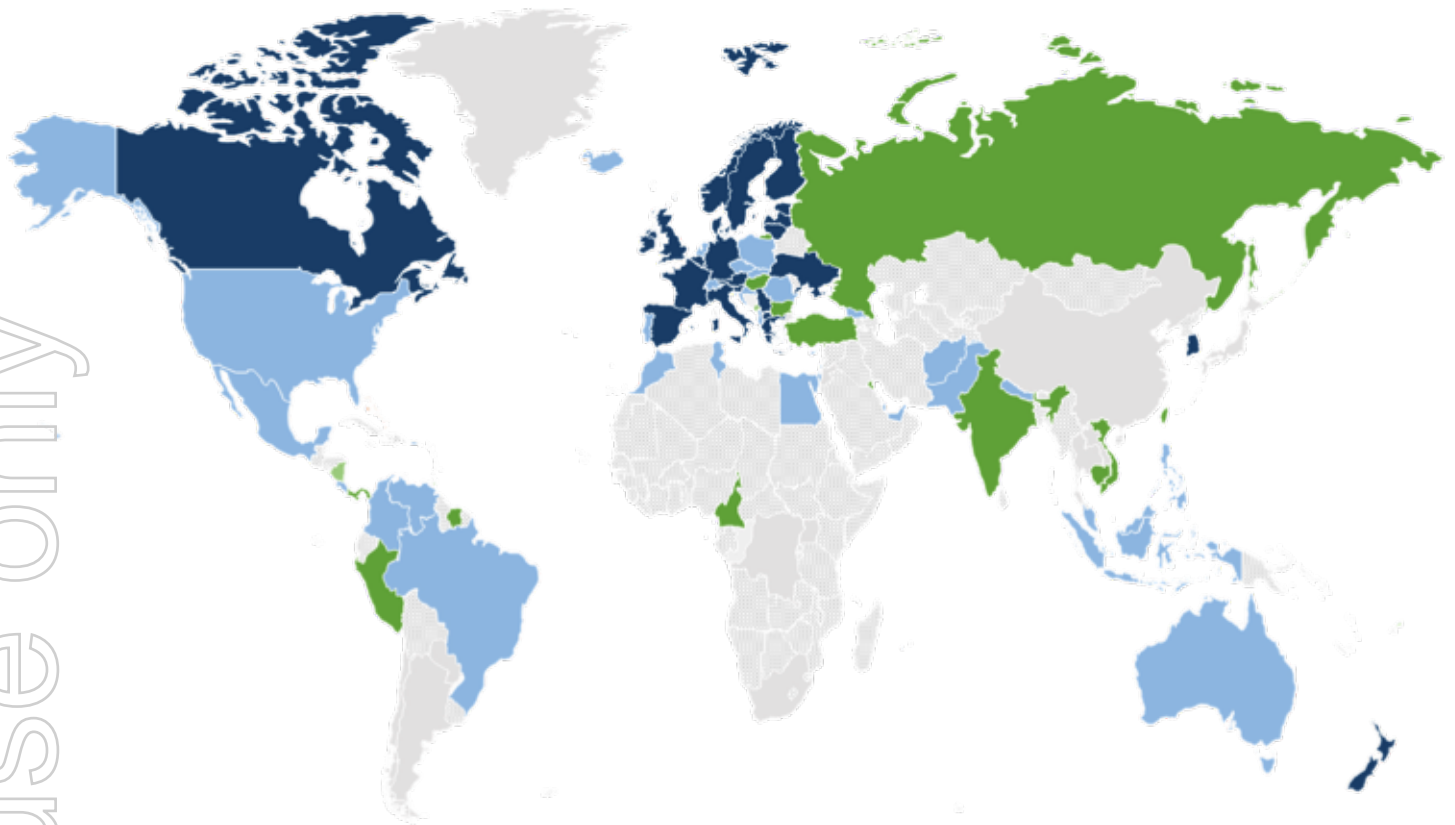
## Questions

If you have any questions in relation to the Offer, please call Haris Khaliqi, Executive Director at Foster Stockbroking, on +61 2 9993 8100 (from 9.00 am to 5.00 pm AEST) Monday to Friday during the Offer Period.

**This document is important and should be read in its entirety.**

For personal use only

For personal use only



● API ● LIVE SCRAPE ● MANUAL

A global network providing unique real-time access to over 70 million legal entities, from 150 registers in 88 countries, guaranteeing the veracity of data and providing the building blocks to ensure AML/CTF compliance.

(Tower81 - Independent Expert Report)



# Key Dates & Offer Statistics



## Indicative key dates

Prospectus lodged with ASIC	Friday 10th June 2016
Opening Date of Offer (9.00 am)	Monday 20th June 2016
Date of General Meeting to approve Share Cancellation	Friday 1st July 2016
Closing Date of Offer (5.00 pm)	Friday 8th July 2016
Share Cancellation Completion	Friday 15th July 2016
Completion of GBR Acquisition	Friday 15th July 2016
Expected date for issue and allotment of Shares under the Offer	Monday 18th July 2016
Expected date for despatch of holding statements	Monday 18th July 2016
Expected date for quotation of the Company's Shares on the ASX	Wednesday 20th July 2016

The above dates are indicative only and may change. The Company reserves the right to vary any and all of the above dates without notice (including, subject to the ASX Listing Rules and the Corporations Act, to close the Offer early, to extend the Closing Date, or to accept late Applications, either generally or in particular cases, or to cancel or withdraw the Offer before the Closing Date, in each case without notifying any recipient of this Prospectus or Applicants). If the Offer is cancelled or withdrawn before the allocation of Shares, then all Application Monies will be refunded in full (without interest) as soon as possible in accordance with the requirements of the Corporations Act. Investors are encouraged to submit their Applications as soon as possible after the Offer opens.



## Offer Statistics

	Minimum Subscription \$5,000,000	Maximum Subscription \$6,000,000
Offer Price per Share	\$0.20	\$0.20
Total number of Shares offered under the Offer	25,000,000	30,000,000
Total number of Shares being issued to GBR Shareholders in consideration for GBR Shares <sup>1</sup>	46,297,500	46,297,500
Shares on issue as at the date of this Prospectus	34,615,385	34,615,385
Shares cancelled under the Share Cancellation <sup>2</sup>	5,912,885	5,912,885
Total number of Shares on issue at completion of the Offer	98,981,373	103,981,373
Indicative market capitalisation of the Company after completion of the Offer at \$0.20 per Share on an undiluted basis	\$19,796,275	\$20,796,275
Total number of Broker Options <sup>3</sup> on issue at completion of the Offer	4,000,000	4,000,000
Total number of Performance Options <sup>4</sup> on issue at completion of the Offer	4,000,000	4,000,000
Total number of Performance Shares <sup>5</sup> on issue at the completion of the Offer	13,000,000	13,000,000
Total number of Performance Rights <sup>6</sup> on issue at the completion of the Offer	7,000,000	7,000,000

1. Includes a further 1,018,627 Shares to be issued to Robert Leslie and Kieran O'Sullivan on or about 23 November 2016 for the final 7,500 GBR Shares, which represents 2.41% of the issued capital of GBR. Refer to the BES Share Sale Agreement, a summary of which is set out in Section 10. Following this acquisition, Kyckr will own 100% of GBR and there will be a total of 105,000,000 Shares on issue (assuming no further Shares are issued).

2. Under the Share Cancellation, 5,912,885 Shares will be cancelled prior to completion of the Offer. If the Share Cancellation is not completed, the Offer will not proceed. Full details are set out in Section 2.8.

3. The Broker Options have an exercise price of \$0.20 and an exercise period of four years from the date of issue. Full terms are set out in Section 12.2.

4. The Performance Options have an exercise price of \$0.30 and an exercise period of four years from the date of issue. 50% of the Performance Options are exercisable upon the Company achieving a turnover of \$5 million or more as set out in its yearly or half-yearly financial statements released to ASX and 50% of the Performance Options are exercisable upon the Company achieving a turnover of \$10 million or more as set out in its yearly or half-yearly financial statements released to ASX. Full terms are set out in Section 12.3.

5. 50% of the Performance Shares automatically convert into Ordinary Shares on a one for one basis upon the Company achieving a turnover of \$5 million or more as set out in its yearly or half-yearly financial statements released to ASX and 50% of the Performance Shares automatically convert into Ordinary Shares on a one for one basis upon the Company achieving a turnover of \$10 million or more as set out in its yearly or half-yearly financial statements released to ASX. Full terms are set out in Section 12.4.

6. 50% of the Ordinary Shares to be issued under the Performance Rights are to be issued upon the Company achieving a turnover of \$5 million or more as set out in its yearly or half-yearly financial statements released to ASX and 50% of the Ordinary Shares to be issued under the Performance Rights are to be issued upon the Company achieving a turnover of \$10 million or more as set out in its yearly or half-yearly financial statements released to ASX. Full terms are set out in Section 12.5.

## How to invest

Applications for Shares can only be made by completing and lodging the Application Form attached to or accompanying this Prospectus. Instructions on how to apply for Shares are set out in Section 1.8 and on the back of the Application Form.

For personal use only

# Corporate Directory

## Board of directors

**Mr. Albert Yueling Wong**  
Non-Executive Chairman

**Mr. Benjamin Michael Cronin**  
Executive Director

**Mr. David Gerard Cassidy**  
Managing Director

**Mr. John Gerard Walsh**  
Non-Executive Director

**Mr. Robert Henry Leslie**  
Executive Director

## Company Secretary and Chief Financial Officer

(Appointment as CFO will commence on or about the completion of the Offer)

**Mr. Karl David Pechmann**

## Registered office

Level 7

151 Macquarie Street  
Sydney NSW 2000

Telephone: +61 2 9276 1281

Facsimile: +61 2 9276 1284

## Website

[www.kyckr.com](http://www.kyckr.com)

## ASX code

KYK

## Lead manager

**Foster Stockbroking Pty Ltd**

Level 25

52 Martin Place  
Sydney NSW 2000

Telephone: +61 2 9993 8100

Facsimile: +61 2 9993 8181

Website: [www.fostock.com.au](http://www.fostock.com.au)

## Independent expert

**Tower81 Associates Limited**

The LINC Centre, ITB

Blanchardstown Road North

Dublin 15, Ireland

Telephone: +353 1 899 1781

Website: [www.tower81.net](http://www.tower81.net)

## Legal adviser

**Kemp Strang**

Level 17

175 Pitt Street

Sydney NSW 2000

Telephone: +61 2 9225 2500

Facsimile: +61 2 9225 2599

Website: [www.kempstrang.com.au](http://www.kempstrang.com.au)

## Investigating accountant

**Nexia Court Financial Solutions Pty Ltd**

Level 16

1 Market Street

Sydney NSW 2000

Telephone: +61 2 9251 4600

Facsimile: +61 2 9251 7138

Website: [www.nexia.com.au](http://www.nexia.com.au)

## Auditor

**Nexia Court & Co**

Level 16

1 Market Street

Sydney NSW 2000

Telephone: +61 2 9251 4600

Facsimile: +61 2 9251 7138

Website: [www.nexia.com.au](http://www.nexia.com.au)

## Share registry

**Boardroom Pty Limited**

Level 12

225 George Street

Sydney NSW 2000

Telephone: +61 2 9290 9600

Facsimile: +61 2 9279 0664

Website: [www.boardroomlimited.com.au](http://www.boardroomlimited.com.au)

For personal use only

For personal use only



Dear Investor,

On behalf of my fellow directors and management team at Kyckr Limited, I invite you to read this prospectus and to consider participating in our exciting IPO.

To quote from an opinion piece in the Australian Financial Review (10th March 2016) by The Hon. Scott Morrison MP, Treasurer of the Commonwealth of Australia: "The ability of new technology to capture and process data, in real time, is changing how business is done, how products and services are conceived in the new economy....Financial technology – or 'fintech' - is lubricating this transformation".

The fintech space has enjoyed unprecedented growth in recent times; the pace of technological advances has allowed for the financial services industry to do things more efficiently and more cost effectively; using smart ATMs and online banking services has allowed much automation to creep in and reduced the need for physical human intervention. However, in the post 9/11 and GFC era, government legislation in the western world has increased focus on AML (anti-money laundering), CTF (counter-terrorism funding) and KYC (know your customer/client).

It is in this vein where Kyckr can help make a difference. Kyckr is in the unique position of being connected to the vast majority of company registries around the world. Kyckr can offer its customers direct access to company and corporate information with veracity, direct from the registry source. With increasingly severe penalties from regulatory authorities for non-compliance with KYC and AML, Kyckr can offer an automated solution (STP, straight through processing) for on-boarding, remediation and off-boarding for its corporate customers.

An investment in Kyckr would still be deemed speculative, therefore, I urge you to seek advice from your investment adviser or accountant prior to making any commitment to invest in this IPO.

I look forward to welcoming you onto the Kyckr share register.

Yours faithfully,

Albert Yueling Wong

Chairman  
KYCKR LIMITED



# CONTENT

Section 1 - Investment Overview	15
Section 2 - Offer Details	31
Section 3 - Business & Investment Risks	41
Section 4 - Company Overview	46
Section 5 - Industry Overview	53
Section 6 - Directors and Management	58
Section 7 - Financial Information	60
Section 8 - Independent Expert Report	73
Section 9 - Investigating Accountant's Report	139
Section 10 - Material Contracts	145
Section 11 - Corporate Governance	151
Section 12 - Additional Information	160
Section 13 - Definitions	171
Section 14 - Application Form	177

For personal use only

For personal use only

# Products - Best In Class KYC ScoreCard

(Tower81 - Independent Expert Report)



**BEST IN CLASS**



**INVESTMENT REQUIRED**

1 Know your Customer – At All Times	
2 Know your Data	
3 Data Completeness and Accuracy	
4 Reduced On-boarding Timeframes	
5 Transparency	
6 Minimise Operational Burden	
7 Adaptive	
8 Configurable	

## 1

## Investment Overview



## 1.1 Introduction

Topic	Summary	Reference																		
Who is the issuer of this Prospectus?	Kyckr Limited ACN 609 323 257	Important Information																		
What is the Offer?	The Offer is an initial public offering of up to 30,000,000 Shares that will be issued by the Company at a price of \$0.20 per Share to raise a minimum of \$5,000,000 and a maximum of \$6,000,000 (before costs).	Offer Details																		
How many Shares will be on issue on completion of the Offer?	<table border="1"> <thead> <tr> <th></th> <th>Minimum Subscription</th> <th>Maximum Subscription</th> </tr> </thead> <tbody> <tr> <td>Shares issued as consideration for the purchase of GBR<sup>7</sup></td> <td>46,297,500</td> <td>46,297,500</td> </tr> <tr> <td>Shares on issue as at the date of this Prospectus</td> <td>34,615,385</td> <td>34,615,385</td> </tr> <tr> <td>Shares cancelled under the Share Cancellation<sup>8</sup></td> <td>5,912,885</td> <td>5,912,885</td> </tr> <tr> <td>Shares issued under the Offer</td> <td>25,000,000</td> <td>30,000,000</td> </tr> <tr> <td>Total number of Shares on issue on completion of the Offer</td> <td>98,981,373</td> <td>103,981,373</td> </tr> </tbody> </table>		Minimum Subscription	Maximum Subscription	Shares issued as consideration for the purchase of GBR <sup>7</sup>	46,297,500	46,297,500	Shares on issue as at the date of this Prospectus	34,615,385	34,615,385	Shares cancelled under the Share Cancellation <sup>8</sup>	5,912,885	5,912,885	Shares issued under the Offer	25,000,000	30,000,000	Total number of Shares on issue on completion of the Offer	98,981,373	103,981,373	Offer Details
	Minimum Subscription	Maximum Subscription																		
Shares issued as consideration for the purchase of GBR <sup>7</sup>	46,297,500	46,297,500																		
Shares on issue as at the date of this Prospectus	34,615,385	34,615,385																		
Shares cancelled under the Share Cancellation <sup>8</sup>	5,912,885	5,912,885																		
Shares issued under the Offer	25,000,000	30,000,000																		
Total number of Shares on issue on completion of the Offer	98,981,373	103,981,373																		

7. Includes a further 1,018,627 Shares to be issued to Robert Leslie and Kieran O'Sullivan on or about 23 November 2016 for the final 7,500 GBR Shares, which represents 2.41% of the issued capital of GBR. Refer to the BES Share Sale Agreement, a summary of which is set out in Section 10. Following this acquisition, Kyckr will own 100% of GBR and there will be a total of 105,000,000 Shares on issue (assuming no further Shares are issued).

8. Under the Share Cancellation, 5,912,885 Shares will be cancelled prior to completion of the Offer. If the Share Cancellation is not completed, the Offer will not proceed. Full details are set out in Section 2.8.



## 1.2 Key features of business and strategy

Topic	Summary	Reference
What is Kyckr?	Kyckr is an Australian company that was incorporated in November 2015 specifically to acquire GBR and to subsequently invest in, and focus on, global expansion plans.	Company Overview
What is GBR?	GBR is an Irish based company that has developed a commercially proven suite of KYC products that provide the most extensive real-time network to official corporate data sources globally. GBR has established a credible client base including blue chip companies such as PayPal, Swift, and Stripe. GBR has built up a physical network providing real-time access to over 70 million legal entities, from 150 registers in 88 countries.	Company Overview
Investment for Growth	<p>The GBR founders, Ben Cronin and Robert Leslie, are well respected within the global Business Registry industry and have a proven track record of delivering high quality Business Registry products. The wider GBR team is comprised of skilled and experienced professionals who have an in-depth knowledge of GBR's business and its objectives. Although GBR has strong foundations and fundamentals, it is in the early stages of its development and requires further investment to formalise and scale the business.</p> <p>Although GBR has been in operation since 2007, changes over the last year from its primary sector, financial services, have brought about an opportunity for greater growth than previously experienced.</p> <p>Where previously it would supply solutions, which were manually used by its clients, they now require automated solutions. GBR's capabilities are well positioned for this and investment from these IPO funds will support GBR's sales expansion to sell its capabilities.</p>	Company Overview

For personal use only





### 1.3 Offer statistics and key dates

Topic	Summary	Reference
What is the Issue Price?	The Issue Price is \$0.20 per Share.	Offer Details
What is the size of the Offer and what are the gross proceeds of the Offer?	The Company is offering for subscription up to 30,000,000 Shares at a subscription price of \$0.20 per Share, to raise a minimum of \$5,000,000 and a maximum of \$6,000,000 (before costs).	Offer Details
What will the market capitalisation of the Company be upon listing on the ASX?	Based on the Issue Price and a raising of: <ul style="list-style-type: none"><li>• \$5,000,000 (before costs), the market capitalisation of the Company at the date of listing on the ASX will be \$19,796,275 on an undiluted basis; or</li><li>• \$6,000,000 (before costs), the market capitalisation of the Company at the date of listing on the ASX will be \$20,796,275 on an undiluted basis.</li></ul>	Offer Details

For personal use only



Topic	Summary	Reference	
What are the key dates of the Offer?	Prospectus lodged with ASIC	Friday 10th June 2016	Key Dates and Offer Statistics
	Opening Date of Offer (9.00 am)	Monday 20th June 2016	
	Date of General Meeting to approve Share Cancellation	Friday 1st July 2016	
	Closing Date of Offer (5.00 pm)	Friday 8th July 2016	
	Share Cancellation Completion	Friday 15th July 2016	
	Completion of GBR Acquisition	Friday 15th July 2016	
	Expected date for issue and allotment of shares under the Offer	Monday 18th July 2016	
	Expected date for dispatch of holding statements	Monday 18th July 2016	
	Expected date for the quotation of the Company's Shares on the ASX	Wednesday 20th July 2016	
<p>The above dates are indicative only and may change. The Company reserves the right to vary any and all of the above dates without notice (including, subject to the ASX Listing Rules and the Corporations Act, to close the Offer early, to extend the Closing Date, or to accept late Applications, either generally or in particular cases, or to cancel or withdraw the Offer before the Closing Date, in each case without notifying any recipient of this Prospectus or Applicants). If the Offer is cancelled or withdrawn before the allocation of Shares, then all Application Monies will be refunded in full (without interest) as soon as possible in accordance with the requirements of the Corporations Act. Investors are encouraged to submit their Applications as soon as possible after the Offer opens.</p>			

For personal use only



## 1.4 Key Investment benefits

Topic	Summary	Reference
What are opportunities associated with the investment?	<p>GBR has little direct competition. Many competitors are limited to certain geographical locations, specific market segments or are focused on the individual rather than corporate entities.</p> <p>GBR's Unique Selling Points (USP) can be summarised as follows:</p> <ul style="list-style-type: none"><li>• GBR has established a global network to access in real-time official company information from 150 registers.</li><li>• GBR has established modular information APIs that act as building blocks to enable Best in Class KYC processes and can be configured based upon the local AML.</li></ul> <p>(Anti Money Laundering) / CTF (Counter Terrorism Financing) regulations.</p> <ul style="list-style-type: none"><li>• In addition, many of the companies in direct competition with GBR are business units of large multinational corporations with the incumbent pressures of integration with internal and external systems. GBR has the advantage of a single focus on the provision of global entity data with a cohesive set of operational procedures and product offerings</li><li>• GBR has a competitive advantage due to its relationships with Business Registers globally. This is partially due to the fact that GBR does not store data but sources the data from the Business Registers at the time of the relevant request from a customer, which is favoured by the Business Registers and competent authorities, whereby GBR acts as a proxy on behalf of its customer and passes information synchronously, for a one-time use, and does not harvest data to build a local database.</li></ul> <p>With investment GBR (rebranded as Kyckr) can become a global company supplying Best in Class solutions built on unique capabilities.</p>	Offer Details

For personal use only



## 1.5 Key risks

Topic	Summary	Reference
Intellectual Property Risk	The key intellectual property rights of GBR, being copyright in software, are not registrable in Australia, Ireland or overseas. As a consequence, GBR must rely upon a combination of contractual and licence agreements with its employees, consultants, customers and third parties with whom it has relationships, as well as domain names, trade secrets and copyright laws to protect its intellectual property rights and brands. Third parties using GBR's intellectual property rights without authorisation or developing similar technology independently could adversely affect the Company's business and operating results.	Business and Investment Risks
Lack of Patent Protection	GBR's intellectual property rights are not protected by any registered patents in any jurisdiction. This may allow competitors to develop products functionally similar to GBR's existing products. The existence of competitors with products that are functionally similar to GBR's existing products could result in loss of customers and falls of revenue, each of which could adversely affect the Company's business and operating results.	Business and Investment Risks
Compliance with Data Protection Laws	Some of the company data which GBR obtains and on-sells contains personal information. Accordingly, this data is subject to certain data protection and privacy laws. Given the number of jurisdictions from which GBR obtains data and to which GBR provides data, there is a risk that GBR may not be fully compliant with all relevant data protection and privacy laws. If GBR was found to be in breach of data protection and privacy laws in some or all of the jurisdictions in which GBR operates, this could make GBR's existing products (or the ways in which the products are currently implemented or delivered) less attractive to GBR's customers, which could have a material adverse effect on its business, operations and financial performance, and the price of the Shares.	Business and Investment Risks
Compliance with Terms and Conditions of Registers	<p>GBR acts on behalf of clients to acquire certain publically available information from 150 registers in 88 countries. Given the number of registers from which GBR acquires information on behalf of its clients, there is a risk that GBR may not be fully compliant with the terms and conditions (if any) of some or all of these registers.</p> <p>If GBR is not fully compliant with the terms and conditions (if any) of some or all of these registers, this could make GBR's existing products (or the ways in which the products are currently implemented or delivered) less attractive to GBR's customers, which could have a material adverse effect on its business, operations and financial performance, and the price of the Shares.</p>	Business and Investment Risks

For personal use only



For personal use only

Topic	Summary	Reference
Bank of Ireland	At this point in time, GBR has only entered into an arrangement with Bank of Ireland for the use of its full Automation Model (GBR provides services to Bank of Ireland through a contract with Dell. Please refer to section 10.9 for more information). While Bank of Ireland is currently a small customer of GBR on a revenue basis, it is a cornerstone client of GBR from a reputational basis. Accordingly, if Bank of Ireland (through Dell) was to terminate its arrangement with GBR, GBR's reputation may suffer considerably, which in turn could have a material impact on GBR's business, operations and financial performance.	Business and Investment Risks
Technology Risk	There is a risk that, as marketable technologies continue to develop in the KYC industry, there may be certain information technology and product developments that supersede, and render obsolete, the existing product and service offering of GBR. This would negatively affect Kyckr's profitability if KYCkr were unable to respond to these new developments.	Business and Investment Risks
Limited Operating History	GBR has only been in operation since 2007. The new Automation Model is in the early stages of development and has only been in operation since June 2015. Accordingly, GBR is essentially a start-up company with a limited trading history. Like many start-up companies, GBR has incurred losses since its inception. No assurance can be given regarding the future commercial viability of GBR and Kyckr through the implementation of its business plan in respect of the Automation Model and other aspects of its business.	Business and Investment Risks
Competition Risk	While the Independent Expert's Report describes the uniqueness and compelling nature of GBR's existing products and services, this does not preclude GBR's competitors from providing competitive products and services. Any significant competition may adversely affect the Company's ability to meet its business objectives.	Business and Investment Risks
Key Personnel Risk	The Directors' and senior managers' ability to successfully manage the Company's performance and the opportunities identified in this Prospectus will directly affect the success of the Company. The Company may be adversely affected if any of the Directors or senior management leave the Company. The emergence and development of GBR's business has been largely due to the talent, effort, experience and leadership of Ben Cronin and Robert Leslie. Kyckr and GBR are substantially dependent upon the continued service of Ben Cronin and Robert Leslie because of their understanding of the business of GBR and the industry in which it operates. There is no assurance that Kyckr and GBR will be able to retain the services of Ben Cronin and Robert Leslie.	Business and Investment Risks
Funding	While the Company believes it will have sufficient funds after completion of the Offer to meet all of its growth and capital requirements for the near term, the Company may seek to exploit opportunities of a kind that will require it to raise additional capital from equity or debt sources. There can be no assurance that the Company will be able to raise such capital on favourable terms or at all.	Business and Investment Risks



Topic	Summary	Reference
Contractual Risks	As a party to contracts, the Company will have various contractual rights in the event of non-compliance by a contracting party. However, no assurance can be given that all contracts will be fully performed by all contracting parties. If a contracting party were to breach certain material contracts (for example, the JFSC Agreement), this could have an adverse effect on GBR's business, operations and financial performance.	Business and Investment Risks
Development of GBR's Business	While the Company believes it will have sufficient funds after the completion of the Offer to have the technical and financial resources required to support the development of GBR's business in the near term, there is no assurance that the Company will have the technical and financial resources required to develop GBR's business so that the Company may achieve a return for investors.	Business and Investment Risks
Foreign Exchange Risk	Kyckr's reported financial performance will be influenced by fluctuations in exchange rates between the Australian dollar and its operating currencies, primarily the Euro, the US dollar and the GBP. Any adverse exchange rate fluctuations or volatility in these currencies may have an adverse effect on Kyckr's future financial performance and position.	Business and Investment Risks

For personal use only



## 1.6 Directors and key management

Topic	Summary	Reference
Who are the key people in Kyckr and what relevant experience do they have?	<p><b>Mr. Albert Yueling Wong, Non-Executive Chairman</b></p> <p>Albert has more than 30 years' experience in stockbroking and investment banking. He has worked for Merrill Lynch in Sydney and was a Member of the Australian Securities Exchange. He has been instrumental in the listing of numerous small cap companies and served on the boards of the same and others over the years. Currently he serves as Deputy Chairman of Prima Biomed Limited, he is a Fellow of the Australian Institute of Company Directors, Fellow of FINSIA and a Member (Master Stockbroker) of the Stockbrokers Association of Australia.</p> <p>Albert's philanthropic endeavours include serving on the UNSW Foundation Board of Directors, acting President for the University of Sydney's Physics Foundation (appointed as an Honorary Life Governor of the Foundation), and serving on the Board of Directors of the Childrens's Medical Research Institute and its foundation.</p> <p><b>Mr. Benjamin Michael Cronin, Executive Director</b></p> <p>Ben is a founder, CEO and Director of GBR. He fulfills the combined roles of managing all operating activities, personnel and developing prospects and clients.</p> <p>Ben was a professional Rugby Union player, playing for Munster and Ireland. Prior to setting up GBR, Ben was a successful property developer including bid management roles on Primary Healthcare Centre Projects and a Co-Location Hospital (Public Private Partnerships) Project.</p> <p><b>Mr. David Gerard Cassidy, Managing Director</b></p> <p>David has more than 25 years' experience working in Australia, New Zealand, Asia, Europe and the US in banking, media, new media and Information Communications and Technology. He has worked for Australia's most prolific entrepreneurs, Kerry and James Packer.</p> <p>He has worked for Citicorp, PricewaterhouseCoopers, Siemens, Consolidated Press Holdings Investments and Publishing Broadcast Limited. He has advised boards, served as CEO on an ASX-listed business and held many executive roles. He is well versed in Business Development, M&amp;A, Marketing and Finance.</p>	Directors and Management

For personal use only



For personal use only

Topic	Summary	Reference
Who are the key people in Kyckr and what relevant experience do they have?	<p><b>Mr. John Gerard Walsh, Non-Executive Director</b> John is currently Managing Director of Spiecapag Australia (SCA), which specialises in the delivery of onshore infrastructure for the oil, gas and water industry. John brings important skills to the board including project and change management, risk management and cost control.</p> <p><b>Mr. Robert Henry Leslie, Executive Director</b> Robert is an electronics engineer by profession and a co-founder of GBR. Robert has worked internationally for Dell in Japan. Rob is a mentor with Enterprise Ireland's network, providing support to high potential start-up entrepreneurs. He is also the founder of Sedicii, which provides 4th level identity protection online, mobile and through call centres. Rob is a source of innovation and strategy in technology products. He was recently selected by the World Economic Forum as a Technology Pioneer for 2015 and invited to talk at Davos.</p> <p><b>Mr. Karl David Pechmann, Company Secretary (Appointment as CFO will commence on or about the completion of the Offer)</b> Karl is a member the Institute of Chartered Accountants, Australia and New Zealand and is an Associate of the Governance Institute of Australia. Karl is a Chartered Accountant and Chartered Company Secretary. He has more than 15 years of diverse business experience across a range of industries including media, labour hire and biotechnology. He commenced his career with KPMG where he gained experience in audit, business advisory and corporate finance roles across a range of clients and industries. He has held senior finance positions at both ASX-listed and multi-national companies, being involved in M&amp;A activity, strategic reviews and performance improvement initiatives.</p> <p><b>Mr Kieran Michael O'Sullivan, Chief Technology Officer</b> BA (hons.) in English &amp; Philosophy, higher diploma in IT from N.U.I Maynooth, Certificate in Cognitive Science &amp; Human Computer Interaction (W.I.T.), Certificate in The Software Business (W.I.T.). Kieran has more than 17 years of experience in complex software products design and development and has been CTO of GBR for nearly five years. All product design and build has been under his direction and management.</p>	Directors and Management





## 1.7 Significant interests of key people and shareholding structure

Topic	Summary			Reference
Significant interests of key people	Name	Number of Securities on completion of the Offer and remuneration of Directors		Offer Details
	Albert Wong	4,930,213 Ordinary Shares 4,000,000 Performance Rights 1,500,000 Performance Options Remuneration : \$100,000 plus super per year		
	Ben Cronin	8,519,129 Ordinary Shares 8,000,000 Performance Shares Remuneration : \$232,500 (€150,000) per annum		
	Robert Leslie	8,940,162 Ordinary Shares 8,000,000 Performance Shares <i>A further 679,085 Ordinary Shares to be issued on or about 23 Nov 2016</i> Remuneration : \$232,500 (€150,000) per annum		
	David Cassidy	4,930,212 Ordinary Shares 4,000,000 Performance Rights 1,500,000 Performance Options Remuneration : \$300,000 plus super per annum		
	John Walsh	250,000 Ordinary Shares Remuneration : \$50,00 per annum		
	Kieran O' Sullivan	None <i>339,542 Ordinary Shares to be issued on or about 23 Nov 2016</i> Remuneration : \$86,800 (€56,000) per annum		
	Karl Pechmann	150,000 Ordinary Shares 1,000,000 Performance Rights 1,000,000 Performance Options Remuneration : \$200,000 plus super per annum		
What is shareholding structure of the Company?	Undiluted shareholding structure on completion of the Offer	Minimum Subscription	Maximum Subscription	Offer Details
	Shares on issue at the date of this Prospectus	34,615,385	34,615,385	
	Shares cancelled under the Share Cancellation <sup>10</sup>	5,912,885	5,912,885	
	Total number of Shares being issued to GBR Shareholders in consideration for GBR Shares <sup>9</sup>	46,297,500	46,297,500	
	Shares to be issued from funds raised from this Prospectus	25,000,000	30,000,000	
	<b>Total Shares on Issue on completion of the Offer (undiluted)</b>	<b>98,981,373</b>	<b>103,981,373</b>	

9. A further 1,018,627 Shares will be issued to Robert Leslie and Kieran O'Sullivan on or about 23 November 2016 for the final 7,500 GBR Shares, which represents 2.41% of the issued capital of GBR. Refer to the BES Share Sale Agreement, a summary of which is set out in Section 10. Following this acquisition, Kyckr will own 100% of GBR and there will be a total of 105,000,000 Shares on issue (assuming no further issue of Shares).

10. Under the Share Cancellation, 5,912,885 Shares will be cancelled prior to completion of the Offer. If the Share Cancellation is not completed, the Offer will not proceed. Full details are set out in Section 2.8.

For personal use only



Topic	Summary	Minimum Subscription	Maximum Subscription	Reference
What is shareholding structure of the Company?	Fully Diluted Capital Structure			Offer Details
	Shares on issue at the date of this Prospectus	34,615,385	34,615,385	
	Shares cancelled under the Share Cancellation <sup>12</sup>	5,912,885	5,912,885	
	Total number of Shares being issued to GBR Shareholders in consideration for GBR Shares <sup>11</sup>	46,297,500	46,297,500	
	Shares to be issued from funds raised from this Prospectus	25,000,000	30,000,000	
	Total number of Broker Options <sup>13</sup> on issue at completion of the Offer	4,000,000	4,000,000	
	Total number of Performance Options <sup>14</sup> on issue at completion of the Offer	4,000,000	4,000,000	
	Total number of Performance Shares <sup>15</sup> on issue at the completion of the Offer	13,000,000	13,000,000	
	Total number of Performance Rights <sup>16</sup> on issue at the completion of the Offer	7,000,000	7,000,000	
	<b>Total Shares on issue on completion of the Offer (fully diluted)</b>	<b>128,000,000</b>	<b>133,000,000</b>	
	Following completion of the GBR Share Sale Agreement and the BES Share Sale Agreement, Ben Cronin will hold between 8.11% and 8.52% and Robert Leslie will hold between 9.16% and 9.62% of the Shares on issue as at the date of completion of the Offer. Accordingly, Ben Cronin and Robert Leslie will be substantial holders of the Shares.			
What escrow provisions are in place?	Approximately 64.29% (including final 1,018,627 shares to be allocated on or about 23 November 2016) of Shares on issue following completion of the Offer and the ASX Listing of the Company will be subject to some form of restriction arrangement under the ASX Listing Rules.			Material Contracts

11. Includes a further 1,018,627 Shares to be issued to Robert Leslie and Kieran O'Sullivan on or about 23 November 2016 for the final 7,500 GBR Shares, which represents 2.41% of the issued capital of GBR. Refer to the BES Share Sale Agreement, a summary of which is set out in Section 10. Following this acquisition, Kyckr will own 100% of GBR and there will be a total of 105,000,000 Shares on issue (assuming no further issue of Shares).

12. Under the Share Cancellation, 5,912,885 Shares will be cancelled prior to completion of the Offer. If the Share Cancellation is not completed, the Offer will not proceed. Full details are set out in Section 2.8.

13. The Broker Options have an exercise price of \$0.20 and an exercise period of four years from the date of issue. Full terms are set out in Section 12.2.

14. The Performance Options have an exercise price of \$0.30 and an exercise period of four years from the date of issue. 50% of the Performance Options are exercisable upon the Company achieving a turnover of \$5 million or more as set out in its yearly or half-yearly financial statements released to ASX and 50% of the Performance Options are exercisable upon the Company achieving a turnover of \$10 million or more as set out in its yearly or half-yearly financial statements released to ASX. Full terms are set out in Section 12.3.

15. 50% of the Performance Shares automatically convert into Ordinary Shares on a one for one basis upon the Company achieving a turnover of \$5 million or more as set out in its yearly or half-yearly financial statements released to ASX and 50% of the Performance Shares automatically convert into Ordinary Shares on a one for one basis upon the Company achieving a turnover of \$10 million or more as set out in its yearly or half-yearly financial statements released to ASX. Full terms are set out in Section 12.4.

16. 50% of the Ordinary Shares to be issued under the Performance Rights are to be issued upon the Company achieving a turnover of \$5 million or more as set out in its yearly or half-yearly financial statements released to ASX and 50% of the Ordinary Shares to be issued under the Performance Rights are to be issued upon the Company achieving a turnover of \$10 million or more as set out in its yearly or half-yearly financial statements released to ASX. Full terms are set out in Section 12.5.

For personal use only



## 1.8 Key terms and conditions of the offer

Topic	Summary	Reference
How do I apply for Shares?	<p>By completing and submitting a valid Application Form, a blank copy of which accompanies and forms part of this Prospectus (including, for Australian residents only, the electronic version of this Prospectus), in accordance with the instructions set out on the Application Form.</p> <p>Only qualified investors residing in the jurisdictions of Hong Kong, Singapore, Ireland and the United Kingdom may participate in the Offer on invitation from the Lead Manager. The application process for Shares by these investors will be managed by the Lead Manager.</p>	Application Form
Is the Offer Underwritten?	No, the Offer is not underwritten.	Offer Details
Is the Offer subject to any conditions?	<p>Yes, the Offer is conditional upon the satisfaction of the following conditions:</p> <ul style="list-style-type: none"><li>• the Company receiving Application Forms and funds for an amount equal to the Minimum Subscription;</li><li>• Shareholders approving the Share Cancellation at the General Meeting and the founding Shareholders approving the Share Cancellation;</li><li>• Share Cancellation Completion; and</li><li>• completion of the GBR Acquisition.</li></ul> <p>If any of the conditions are not satisfied, the Company will not proceed with the Offer and will refund all Application Monies received (without interest).</p>	Offer Details
What is the Share Cancellation?	<p>At the General Meeting to be held on or about 1 July 2016, the Company will seek Shareholder approval for the cancellation of 5,912,885 Shares held by five of the founding Shareholders of the Company (<b>Share Cancellation</b>). The Company will also seek the approval for the Share Cancellation from the five founding Shareholders.</p> <p>Under the Corporations Act, the Company is required to obtain Shareholder approval and the approval of the Shareholders whose Shares are to be cancelled to cancel Shares. The cancellation of the Shares will take effect 14 days after the Company notifies ASIC that the Shareholders have approved the Share Cancellation (<b>Share Cancellation Completion</b>).</p> <p>The Offer is conditional upon Shareholders and the five founding Shareholders approving the Share Cancellation. In the event that this condition is not satisfied, the Company will not proceed with the Offer and will refund all Application Monies received (without interest).</p>	Offer Details
Is there a minimum and maximum subscription?	Applications must be for a minimum of 10,000 Shares (i.e. \$2,000) and thereafter in multiples of 5,000 Shares (i.e. \$1,000). Applications for less than the minimum subscription of 10,000 Shares will not be accepted.	Offer Details
What is the allocation?	The Lead Manager and Directors reserve the right, in their absolute discretion, to allot the Shares applied for under any Application in full or to allot any lesser number or to decline any Application. The Directors may in their absolute discretion give preference to certain Applicants in accepting Applications under the Offer.	Offer Details
Is there any brokerage, commission or stamp duty payable by Applicants?	No brokerage, commission or stamp duty is payable by Applicants on subscription for Shares under the Offer.	Offer Details



## 1.8 Key terms and conditions of the offer contd.

Topic	Summary	Reference
What are the costs of the Offer?	The cash costs of the Offer are estimated at approximately \$1,111,000 (Refer to Section 12.10 for detail). These costs will be paid by the Company out of the Offer Proceeds and existing cash reserves.	Offer Details
What are the tax implications of making an investment in the Company?	The taxation implications of investing in the Company will depend on a Shareholder's individual circumstances. Applicants should obtain their own tax advice prior to making an investment in the Company.	Offer Details

## 1.9 Dividends

Topic	Summary	Reference
When will I receive dividends?	The Directors intend to use the Company's current cash reserves and any surplus cash flow to fund the business, rather than distributing these funds as dividends. The Directors can give no assurance as to the amount, timing, franking or payment of any future dividends by the Company.	Application Form

For personal use only



## 1.10 Further Information and withdrawal of the Offer

Topic	Summary	Reference
How can further information be obtained?	Further information can be obtained by reading this Prospectus in its entirety. For advice on the Offer you should speak to your stockbroker, accountant or other professional adviser. If you require assistance or additional copies of this Prospectus please contact the Share Registry on 1300 737 760.	Offer Details
Contact details	For further contact details, refer to the Corporate Directory of this Prospectus.	Corporate Directory
Can the Offer be withdrawn?	The Company reserves the right not to proceed with the Offer at any time before the issue of Shares to successful Applicants. If the Offer does not proceed, Application Monies will be refunded. No interest will be paid on any Application Monies refunded as a result of the Offer being withdrawn.	Offer Details

## 1.11 Pro Forma Historical Statements of Profit or Loss and Other Comprehensive Income

The table below shows that GBR has realised a revenue growth from FY14 to FY15 of over 37%. The half year for FY16 is 97% of the full FY15 revenue with a small EBITDA positive result of \$59,000. However, previous financial years' EBITDA loss increased from (\$53,000) to (\$182,000), symptomatic of GBR investing in Automation Model capabilities.

\$000	Notes	Historical		
		FY2014 Pro Forma	FY2015 Pro Forma	HY2016 Pro Forma
<b>Revenue</b>		<b>409</b>	<b>561</b>	<b>547</b>
Cost of sales		(164)	(258)	(147)
<b>Gross profit</b>		<b>245</b>	<b>303</b>	<b>400</b>
Salaries and employee benefits expenses		(178)	(365)	(184)
Administration expenses	1	(120)	(120)	(157)
<b>EBITDA</b>		<b>(53)</b>	<b>(182)</b>	<b>59</b>
Depreciation and amortisation		(175)	(150)	(64)
<b>EBIT</b>		<b>(228)</b>	<b>(332)</b>	<b>(5)</b>
Net finance costs		-	-	-
<b>Net profit before tax</b>		<b>(228)</b>	<b>(332)</b>	<b>(5)</b>
Income tax benefit/(expense)	2	184	38	(2)
<b>Net profit after tax</b>		<b>(44)</b>	<b>(294)</b>	<b>(7)</b>

Notes:

- Administrative expenses** includes computer maintenance, sales and marketing expenses and other office overhead costs.
- Income tax benefit/(expense)** - reflects the future income tax benefit of income tax losses recognised to the extent that it is probable that future taxable profits will be available against which the asset can be utilised

For personal use only

# Commercially Proven Suite of KYC Products engaging with Blue Chip Clients.

(Tower81 - Independent Expert Report)

## 2

## Offer Details

This Prospectus relates to an initial public offering of up to 30,000,000 Shares to raise a minimum of \$5,000,000 (before costs) and a maximum of \$6,000,000 (before costs) by the Company at an Issue Price of \$0.20 per Share. All Shares issued pursuant to this Prospectus will be fully paid and will rank equally in all respects with the Shares currently on issue.

## 2.1 The offer

This Prospectus relates to an initial public offering up to 25,000,000 Shares to raise a minimum of \$5,000,000 (before costs) and 30,000,000 Shares to raise a maximum of \$6,000,000 (before costs) by the Company at an Issue Price of \$0.20 per Share. All Shares issued pursuant to this Prospectus will be fully paid and will rank equally in all respects with the Shares currently on issue.

Applications can only be made by completing the Application Form accompanying this Prospectus.

Applications must be for a minimum of 10,000 Shares (i.e. \$2,000) and thereafter in multiples of 5,000 Shares (i.e. \$1,000). Applications for less than the minimum accepted application of 10,000 Shares will not be accepted.

## 2.2 Key terms

The key terms of the Offer are set out as follows:

	Minimum Subscription	Maximum Subscription
Issue Price per Share	\$0.20	\$0.20
Total Number of Shares offered under the Offer	25,000,000	30,000,000
Offer Proceeds	\$5,000,000	\$6,000,000
Total number of Shares being issued to GBR Shareholders in consideration for GBR Shares <sup>17</sup>	46,297,500	46,297,500
Shares on issue as at the date of this Prospectus	34,615,385	34,615,385
Shares cancelled under the Share Cancellation <sup>18</sup>	5,912,885	5,912,885
Total number of Shares on issue at completion of the Offer	98,981,373	103,981,373
Indicative market capitalisation of the Company after completion of the Offer at \$0.20 per Share on an undiluted basis	\$19,796,275	\$20,796,275
Total number of Broker Options <sup>19</sup> on issue at the completion of the Offer	4,000,000	4,000,000
Total number of Performance Options <sup>20</sup> on issue at completion of the Offer	4,000,000	4,000,000
Total number of Performance Shares <sup>21</sup> on issue at completion of the Offer	13,000,000	13,000,000
Total number of Performance Rights <sup>22</sup> on issue at completion of the Offer	7,000,000	7,000,000
Total number of Shares on issue at completion of the Offer on a fully diluted basis	126,981,373	131,981,373
Indicative market capitalisation of the Company at completion of the Offer at \$0.20 per Share on a fully diluted basis	\$25,396,275	\$26,396,275

<sup>17</sup>. Includes a further 1,018,627 Shares to be issued to Robert Leslie and Kieran O'Sullivan on or about 23 November 2016 for the final 7,500 GBR Shares, which represents 2.41% of the issued capital of GBR. Refer to the BES Share Sale Agreement, a summary of which is set out in Section 10. Following this acquisition, Kyckr will own 100% of GBR and there will be a total of 105,000,000 Shares on issue (assuming no further Shares are issued).

<sup>18</sup>. Under the Share Cancellation, 5,912,885 Shares will be cancelled prior to completion of the Offer. If the Share Cancellation is not completed, the Offer will not proceed. Full details are set out in Section 2.8.

<sup>19</sup>. The Broker Options have an exercise price of \$0.20 and an exercise period of four years from the date of issue. Full terms are set out in Section 12.2.

contd. on next page



20. The Performance Options have an exercise price of \$0.30 and an exercise period of four years from the date of issue. 50% of the Performance Options are exercisable upon the Company achieving a turnover of \$5 million or more as set out in its yearly or half-yearly financial statements released to ASX and 50% of the Performance Options are exercisable upon the Company achieving a turnover of \$10 million or more as set out in its yearly or half-yearly financial statements released to ASX. Full terms are set out in Section 12.3.

21. 50% of the Performance Shares automatically convert into Ordinary Shares on a one for one basis upon the Company achieving a turnover of \$5 million or more as set out in its yearly or half-yearly financial statements released to ASX and 50% of the Performance Shares automatically convert into Ordinary Shares on a one for one basis upon the Company achieving a turnover of \$10 million or more as set out in its yearly or half-yearly financial statements released to ASX. Full terms are set out in Section 12.4.

22. 50% of the Ordinary Shares to be issued under the Performance Rights are to be issued upon the Company achieving a turnover of \$5 million or more as set out in its yearly or half-yearly financial statements released to ASX and 50% of the Ordinary Shares to be issued under the Performance Rights are to be issued upon the Company achieving a turnover of \$10 million or more as set out in its yearly or half-yearly financial statements released to ASX. Full terms are set out in Section 12.5.

## 2.3 Purpose of the offer and use of funds

The primary purpose of the Offer and the proposed use of funds raised from the Offer is to:

- Sales expansion in Europe;
- Sales expansion in APAC;
- Fund the further research and development of GBR's technology, in particular blockchains;
- Repay existing debts of GBR;
- Fund the expenses of the Offer and the associated costs of listing the Company on the ASX;
- Fund stamp duty costs associated with the acquisition of GBR;
- Provide a liquid market for Shares and an opportunity for new Shareholders to invest in the Company;
- Provide the Company with access to the equity capital markets; and
- Provide the next two years of working capital for the Company.

The Directors are satisfied that upon completion of the Offer, the Company will have sufficient working capital to carry out its objectives, and in particular, will have sufficient cash reserves to fund the next two years of its working capital. The table below provides as at the date of this Prospectus, a summary of the Company's proposed use of funds from the Offer combined with existing cash reserves for the two year period ending 30 June 2018.

Item	Amount- over 2 year period Minimum Subscription (‘000)	Amount - over 2 year period Maximum Subscription (‘000)
Sales expansion in Europe <sup>Note 1</sup>	\$1,579	\$1,589
Sales expansion in APAC <sup>Note 2</sup>	\$1,116	\$1,287
Research and development of GBR's technology	\$224	\$392
Existing GBR Debt <sup>Note 3</sup>	\$134	\$134
Offer costs (incl. GST & VAT)	\$330	\$396
GBR Acquisition stamp duty <sup>Note 4</sup>	\$181	\$181
Working capital	\$1,436	\$2,021

**Note 1** Open sales offices in Dublin and London.

**Note 2** Open Sales office in Sydney to manage APAC.

**Note 3** Arms length debts of GBR, incurred prior to the incorporation of Kyckr and pre-IPO funding.

**Note 4** To be paid immediately on acquisition of GBR.

For personal use only





## 2.4 Capital structure

Upon completion of the Offer, the capital structure of the Company will be as follows:

### Summary of Capital Structure – Minimum Subscription

Undiluted Capital Structure	Shares	%
Shares on issue at the date of this Prospectus	34,615,385	34.97%
Shares cancelled under the Share Cancellation <sup>24</sup>	5,912,885	N/A
Total number of Shares being issued to GBR Shareholders in consideration for GBR Shares <sup>23</sup>	46,297,500	46.77%
Total number of Shares offered under the Offer	25,000,000	25.26%
<b>Total Shares on Issue (undiluted)</b>	<b>98,981,373</b>	<b>100%</b>

Fully Diluted Capital Structure	Shares	%
Shares on issue at the date of this Prospectus	34,615,385	27.04%
Shares cancelled under the Share Cancellation <sup>24</sup>	5,912,885	N/A
Total number of Shares being issued to GBR Shareholders in consideration for GBR Shares <sup>23</sup>	46,297,500	36.17%
Shares to be issued from funds raised from this Prospectus	25,000,000	19.53%
Total number of Broker Options <sup>25</sup> on issue at the completion of the Offer	4,000,000	3.13%
Total number of Performance Options <sup>26</sup> on issue at completion of the Offer	<b>4,000,000</b>	<b>3.13%</b>
Total number of Performance Shares <sup>27</sup> on issue at completion of the Offer	13,000,000	<b>10.16%</b>
Total number of Performance Rights <sup>28</sup> on issue at completion of the Offer	7,000,000	<b>5.47%</b>
<b>Total Shares on Issue on completion of the Offer (fully diluted)</b>	<b>128,000,000</b>	<b>100%</b>

23. Includes a further 1,018,627 Shares to be issued to Robert Leslie and Kieran O'Sullivan on or about 23 November 2016 for the final 7,500 GBR Shares, which represents 2.41% of the issued capital of GBR. Refer to the BES Share Sale Agreement, a summary of which is set out in Section 10. Following this acquisition, Kyckr will own 100% of GBR and there will be a total of 105,000,000 Shares on issue (assuming no further Shares are issued).

24. Under the Share Cancellation, 5,912,885 Shares will be cancelled prior to completion of the Offer. If the Share Cancellation is not completed, the Offer will not proceed. Full details are set out in Section 2.8.

25. The Broker Options have an exercise price of \$0.20 and an exercise period of four years from the date of issue. Full terms are set out in Section 12.2.

26. The Performance Options have an exercise price of \$0.30 and an exercise period of four years from the date of issue. 50% of the Performance Options are exercisable upon the Company achieving a turnover of \$5 million or more as set out in its yearly or half-yearly financial statements released to ASX and 50% of the Performance Options are exercisable upon the Company achieving a turnover of \$10 million or more as set out in its yearly or half-yearly financial statements released to ASX. Full terms are set out in Section 12.3.

27. 50% of the Performance Shares automatically convert into Ordinary Shares on a one for one basis upon the Company achieving a turnover of \$5 million or more as set out in its yearly or half-yearly financial statements released to ASX and 50% of the Performance Shares automatically convert into Ordinary Shares on a one for one basis upon the Company achieving a turnover of \$10 million or more as set out in its yearly or half-yearly financial statements released to ASX. Full terms are set out in Section 12.4.

28. 50% of the Ordinary Shares to be issued under the Performance Rights are to be issued upon the Company achieving a turnover of \$5 million or more as set out in its yearly or half-yearly financial statements released to ASX and 50% of the Ordinary Shares to be issued under the Performance Rights are to be issued upon the Company achieving a turnover of \$10 million or more as set out in its yearly or half-yearly financial statements released to ASX. Full terms are set out in Section 12.5

For personal use only



## Summary of Capital Structure – Maximum Subscription

Undiluted Capital Structure	Shares	%
Shares on issue at the date of this Prospectus	34,615,385	31.21%
Shares cancelled under the Share Cancellation <sup>29</sup>	5,912,885	N/A
Total number of Shares being issued to GBR Shareholders in consideration for GBR Shares <sup>28</sup>	46,297,500	41.74%
Total number of Shares offered under the Offer	30,000,000	27.05%
<b>Total Shares on Issue (undiluted)</b>	<b>103,981,373</b>	<b>100%</b>

Fully Diluted Capital Structure	Shares	%
Shares on issue at the date of this Prospectus	34,615,385	26.03%
Shares cancelled under the Share Cancellation <sup>29</sup>	5,912,885	N/A
Total number of Shares being issued to GBR Shareholders in consideration for GBR Shares <sup>28</sup>	46,297,500	34.81%
Shares to be issued from funds raised from this Prospectus	30,000,000	22.56%
Total number of Broker Options <sup>30</sup> on issue at the completion of the Offer	4,000,000	3.01%
Total number of Performance Options <sup>31</sup> on issue at completion of the Offer	4,000,000	3.01%
Total number of Performance Shares <sup>32</sup> on issue at completion of the Offer	13,000,000	9.77%
Total number of Performance Rights <sup>33</sup> on issue at completion of the Offer	7,000,000	5.26%
<b>Total Shares on Issue on completion of the Offer (fully diluted)</b>	<b>133,000,000</b>	<b>100%</b>

29. Includes a further 1,018,627 Shares to be issued to Robert Leslie and Kieran O'Sullivan on or about 23 November 2016 for the final 7,500 GBR Shares, which represents 2.41% of the issued capital of GBR. Refer to the BES Share Sale Agreement, a summary of which is set out in Section 10. Following this acquisition, Kyckr will own 100% of GBR and there will be a total of 105,000,000 Shares on issue (assuming no further Shares are issued).

30. Under the Share Cancellation, 5,912,885 Shares will be cancelled prior to completion of the Offer. If the Share Cancellation is not completed, the Offer will not proceed. Full details are set out in Section 2.8.

31. The Broker Options have an exercise price of \$0.20 and an exercise period of four years from the date. Full terms are set out in Section 12.2.

32. The Performance Options have an exercise price of \$0.30 and an exercise period of four years from the date of issue. 50% of the Performance Options are exercisable upon the Company achieving a turnover of \$5 million or more as set out in its yearly or half-yearly financial statements released to ASX and 50% of the Performance Options are exercisable upon the Company achieving a turnover of \$10 million or more as set out in its yearly or half-yearly financial statements released to ASX. Full terms are set out in Section 12.3.

33. 50% of the Performance Shares automatically convert into Ordinary Shares on a one for one basis upon the Company achieving a turnover of \$5 million or more as set out in its yearly or half-yearly financial statements released to ASX and 50% of the Performance Shares automatically convert into Ordinary Shares on a one for one basis upon the Company achieving a turnover of \$10 million or more as set out in its yearly or half-yearly financial statements released to ASX. Full terms are set out in Section 12.4.

34. 50% of the Ordinary Shares to be issued under the Performance Rights are to be issued upon the Company achieving a turnover of \$5 million or more as set out in its yearly or half-yearly financial statements released to ASX and 50% of the Ordinary Shares to be issued under the Performance Rights are to be issued upon the Company achieving a turnover of \$10 million or more as set out in its yearly or half-yearly financial statements released to ASX. Full terms are set out in Section 12.5.

### Substantial Holders

Following completion of the GBR Share Sale Agreement and the BES Share Sale Agreement, Ben Cronin will hold between 8.11% and 8.52% and Robert Leslie will hold between 9.16% and 9.62% of the Shares on issue as at the date of completion of the Offer. Accordingly, Ben Cronin and Robert Leslie will be substantial holders of the Shares.

For personal use only



## 2.5 Structure of the offer

The structure of the Offer is to issue up to 30,000,000 Shares at a price of \$0.20 per Share to raise a minimum of \$5,000,000 and a maximum of \$6,000,000 (before costs). Applications must be for a minimum of 10,000 Shares (i.e. \$2,000) and thereafter in multiples of 5,000 Shares (i.e. \$1,000). The Board of the Company has the sole right to accept or reject any applications received at its discretion.

## 2.6 Underwriting

This Offer is not underwritten.

## 2.7 Oversubscriptions

There is no provision for oversubscriptions under this Prospectus.

## 2.8 Conditions of the Offer

The Offer is conditional upon the satisfaction of the following conditions:

- the Company receiving Application Forms and funds for an amount equal to the Minimum Subscription;
- Shareholders approving the Share Cancellation at the General Meeting and the founding Shareholders approving the Share Cancellation;
- Share Cancellation Completion; and
- completion of the GBR Acquisition.

If any of the conditions are not satisfied, the Company will not proceed with the Offer and will refund all Application Monies received (without interest).

### Share Cancellation

At the General Meeting to be held on or about 1 July 2016, the Company will seek Shareholder approval for the cancellation of 5,912,885 Shares held by five of the founding Shareholders of the Company. The Company will also seek the approval for the Share Cancellation from the five founding Shareholders.

Under the Corporations Act, the Company is required to obtain Shareholder approval and the approval of the Shareholders whose Shares are to be cancelled to cancel Shares. The cancellation of the Shares will take effect 14 days after the Company notifies ASIC that the Shareholders have approved the Share Cancellation.

The Offer is conditional upon Shareholders and the five founding Shareholders approving the Share Cancellation. In the event that this condition is not satisfied, the Company will not proceed with the Offer and will refund all Application Monies received (without interest).

For personal use only



## 2.9 Directors' interests

Details of the relevant interests in securities of the Company held by the Directors and their related parties (either directly or indirectly) as at completion of the Offer (and acquisition of GBR under the GBR Share Sale Agreement) are set out in the table below.

Directors' interest at the completion of the Offer	No. Shares	Performance Options <sup>45</sup>	Performance Shares <sup>46</sup> and Performance Rights <sup>47</sup>	Total	% Shares on Issue (max)
<b>Undiluted Basis</b>					
Mr. Albert Wong	4,930,213	0	0	4,930,213	4.74%
Mr. Ben Cronin	8,519,129	0	0	8,519,129	8.19%
Mr. David Cassidy	4,930,212	0	0	4,930,212	4.74%
Mr. John Walsh	250,000	0	0	250,000	0.24%
Mr. Robert Leslie	8,940,162 <sup>35</sup>	0	0	8,940,162 <sup>35</sup>	8.60%
<b>Total</b>	<b>39,719,779</b>	<b>0</b>	<b>0</b>	<b>39,719,779</b>	<b>26.51%</b>
<b>Total Shares on Issue (Undiluted) - Minimum Subscription</b>	<b>98,981,373</b>	<b>0</b>	<b>0</b>	<b>98,981,373<sup>39</sup></b>	<b>100.0%</b>
<b>Total Shares on Issue (Undiluted) - Maximum Subscription</b>	<b>103,981,373</b>			<b>103,981,373<sup>39</sup></b>	<b>100.0%</b>
<b>Fully Diluted Basis</b>					
Mr. Albert Wong	4,930,213	1,500,000	3,000,000 <sup>39</sup>	9,430,213	7.09%
Mr. Ben Cronin	8,519,129	0	6,500,000 <sup>38</sup>	15,019,129	11.29%
Mr. David Cassidy	4,930,212	1,500,000	3,000,000 <sup>39</sup>	9,430,212	7.09%
Mr. John Walsh	250,000	0	0	250,000	0.19%
Mr. Robert Leslie	8,940,162 <sup>35</sup>	0	6,500,000 <sup>38</sup>	15,440,162 <sup>35</sup>	11.61%
<b>Total</b>	<b>27,569,716</b>	<b>3,000,000</b>	<b>19,000,000</b>	<b>49,569,716</b>	<b>37.27%</b>
<b>Total Shares on Issue (Fully Diluted) - Minimum Subscription</b>	<b>98,981,373</b>	<b>8,000,000<sup>41</sup></b>	<b>20,000,000</b>	<b>128,000,000<sup>40</sup></b>	<b>100.0%</b>
<b>Total Shares on Issue (Fully Diluted) - Maximum Subscription</b>	<b>103,981,373</b>	<b>8,000,000<sup>41</sup></b>	<b>20,000,000</b>	<b>133,000,000<sup>40</sup></b>	<b>100.0%</b>

35. Robert Leslie will be allocated a further 679,085 Ordinary Shares on or about 23 November 2016 under the BES Share Sale Agreement.

36. The Performance Options have an exercise price of \$0.30 and an exercise period of four years from the date of issue. 50% of the Performance Options are exercisable upon the Company achieving a turnover of \$5 million or more as set out in its yearly or half-yearly financial statements released to ASX and 50% of the Performance Options are exercisable upon the Company achieving a turnover of \$10 million or more as set out in its yearly or half-yearly financial statements released to ASX. Full terms are set out in Section 12.3.

37. 50% of the Performance Shares automatically convert into Ordinary Shares on a one for one basis upon the Company achieving a turnover of \$5 million or more as set out in its yearly or half-yearly financial statements released to ASX and 50% of the Performance Shares automatically convert into Ordinary Shares on a one for one basis upon the Company achieving a turnover of \$10 million or more as set out in its yearly or half-yearly financial statements released to ASX. Full terms are set out in Section 12.4.

38. 50% of the Ordinary Shares to be issued under the Performance Rights are to be issued upon the Company achieving a turnover of \$5 million or more as set out in its yearly or half-yearly financial statements released to ASX and 50% of the Ordinary Shares to be issued under the Performance Rights are to be issued upon the Company achieving a turnover of \$10 million or more as set out in its yearly or half-yearly financial statements released to ASX. Full terms are set out in Section 12.5.

39. A further 1,018,627 Shares will be issued to Robert Leslie and Kieran O'Sullivan on or about 23 November 2016 for the final 7,500 GBR Shares, which represents 2.41% of the issued capital of GBR. Refer to the BES Share Sale Agreement, a summary of which is set out in Section 10. Following this acquisition, Kyckr will own 100% of GBR and there will be a total of 105,000,000 Shares on issue (assuming no further issue of Shares).

40. Includes a further 1,018,627 Shares to be issued to Robert Leslie and Kieran O'Sullivan on or about 23 November 2016 for the final 7,500 GBR Shares, that represents 2.41% of the issued capital of GBR. Refer to the BES Share Sale Agreement, a summary of which is set out in Section 10. Following this acquisition, Kyckr will own 100% of GBR and there will be a total of 105,000,000 Shares on issue (assuming no further issue of Shares).

41. Includes 4,000,000 Performance Options and 4,000,000 Broker Options.



The Directors may also participate in the Offer pursuant to this Prospectus.

Further details of Directors' interests and remuneration are provided in Section 12.11 of this Prospectus.

## 2.10 Allotment of shares

Subject to the ASX granting approval for the Company to be admitted to the Official List, the Directors will finalise the allotment of Shares as soon as possible after the Closing Date. The Company reserves the right to authorise the issue of a lesser number of Shares than those for which an Application has been made or to reject any Application.

Any Applicants who sell Shares before they receive their transaction confirmation statements do so at their own risk.

No securities will be allotted or issued under this Prospectus later than 13 months after the date of this Prospectus.

## 2.11 Speculative nature of offer and risk factors

As with any investment in listed securities, an investment in the Company is subject to a number of risks.

Before deciding to invest in the Company, Applicants should read this document carefully and in its entirety, with a particular emphasis on the risk factors detailed in Section 3.

Applicants should consider these matters in light of their personal circumstances (including financial and taxation affairs), their own risk profiles and investment parameters and, where necessary, seek professional advice before deciding whether or not to apply for Shares.

## 2.12 Discretion regarding the offer

The Company may withdraw the Offer at any time before the issue or transfer of Shares to successful Applicants. If the Offer, or any part of it, does not proceed, all relevant Application Monies will be refunded (without interest).

## 2.13 ASX listing

The Company will apply to the ASX within 7 days of the date of this Prospectus for admission to the Official List and for Official Quotation of its Shares.

The fact that the ASX may admit the Company to the Official List is not to be taken in any way as an indication of the value or merit of the Company or the Shares offered under this Prospectus. Official Quotation, if granted, will commence as soon as practicable after the issue of holding statements to successful Applicants.

If the Company has not been admitted for Official Quotation within 3 months of the date of this Prospectus, then the Company will refund all Application Monies received pursuant to this Prospectus in full. Interest will not be paid on Application Monies refunded.

The Directors will not allot Shares unless and until the ASX grants permission for the Shares to be admitted to the Official List.

Subject to certain conditions (including any waivers obtained by the Company from time to time), the Company will be required to comply with the ASX Listing Rules.



## 2.14 Applications Outside Australia, Hong Kong, Singapore, Ireland And The United Kingdom

The Offer under this Prospectus does not constitute an offer in any jurisdiction outside Australia, Hong Kong, Singapore, Ireland and the United Kingdom. This Prospectus does not, and is not intended to constitute, an Offer in any place or jurisdiction in which, or to any person to whom it would not be lawful to make such an Offer or issue this Prospectus. The distribution of this Prospectus in jurisdictions outside Australia, Hong Kong, Singapore, Ireland and the United Kingdom may be restricted by law and persons who come into possession of this Prospectus should seek advice on and observe any such restrictions. Any failure to comply with such restrictions may constitute a violation of applicable securities laws.

It is the responsibility of investors residing outside of Australia, Hong Kong, Singapore, Ireland and the United Kingdom to obtain all necessary approvals for the allotment and issue of Shares pursuant to this Prospectus. The return of a completed Application Form by an Applicant outside Australia, Hong Kong, Singapore, Ireland and the United Kingdom will be taken by the Company to constitute a representation and warranty by the Applicant that all approvals have been obtained. Applicants who are nominees or persons proposing to act as nominees should seek independent advice as to whether governmental or other consents are required, or other formalities need to be observed, before taking up Shares pursuant to this Prospectus.

## 2.15 Chess

The Company will apply to be admitted to participate in the Clearing House Electronic Sub-register System, known as CHESS and will comply with the ASX Listing Rules and the ASX Settlement Rules. ASX Settlement, a wholly-owned subsidiary of the ASX, operates CHESS in accordance with the ASX Listing Rules and ASX Settlement Rules.

On admission to CHESS, the Company will operate an electronic issuer-sponsored sub-register and electronic CHESS sub-register. The two sub-registers together will make up the Company's principal register of Shares.

The Company will not issue certificates to Shareholders. Shareholders who are allotted Shares under this Prospectus will be provided with a transaction confirmation statement that sets out the number of Shares allotted to the Shareholder. Shareholders who elect to hold Shares on the issuer-sponsored sub-register will be provided with a holding statement (similar to a bank account statement), that sets out the number of Shares allotted to the Shareholder under this Prospectus. For Shareholders who elect to hold their Shares on the CHESS sub-register, the Company will issue an advice that sets out the number of Shares allotted to the Shareholder under this Prospectus. At the end of the month of allotment, CHESS, acting on behalf of the Company, will provide Shareholders with a holding statement that confirms the number of Shares held and any transactions executed by the Shareholder during that month.

A holding statement (whether issued by CHESS or the Company) will also provide details of a Shareholder's Holder Identification Number (HIN) in the case of a holding on the CHESS sub-register or Shareholder Reference Number (SRN) in the case of a holding on the issuer-sponsored sub-register. Following distribution of these initial holding statements to all Shareholders, a holding statement will also be provided to each Shareholder at the end of any subsequent month during which the balance of that Shareholder's holding of Shares changes.

A Shareholder may request a holding statement at any other time. However, a charge may be made by the Share Registry for additional statements.

## 2.16 Restricted securities

As a condition of admitting the Company to the Official List, the ASX may classify certain existing securities in the Company as restricted securities in accordance with the ASX Listing Rules. Any such classification will restrict the transfer of effective ownership or control of any restricted securities without the written consent of the ASX and for such period as the ASX may determine.

Prior to Official Quotation, the parties holding restricted securities must enter into restriction agreements with the Company on the terms set out in the ASX Listing Rules. Details of those restriction agreements will be disclosed to the market on the ASX's announcements platform prior to commencement of Official Quotation of the Shares.

As at the date of this Prospectus, the Company believes that approximately 64.29% of Shares on issue following completion of the Offer and the ASX Listing of the Company will be subject to some form of restriction arrangement under the ASX Listing Rules. Details of those restriction agreements will be disclosed to the market on the ASX's announcements platform prior to commencement of Official Quotation of the Shares.



## 2.17 Taxation

The acquisition and disposal of Shares will have taxation consequences which will differ depending on the individual circumstances of each investor. All potential investors in the Company should seek their own independent advice in relation to taxation matters.

The Company is unable to give advice on any taxation matter as each Applicant's position will relate to their own specific circumstances.

It is not necessary for Applicants to quote their tax file number on the Application Form. However, Applicants should read the instructions in the Application Form regarding the provision of their tax file number.

## 2.18 No forecasts in Prospectus

As the Company is at an early stage of development, there are significant uncertainties associated with forecasting the future revenues and expenses of the Company. On this basis, the Directors believe that there is no reasonable basis for the inclusion of financial forecast in this Prospectus.

## 2.19 Enquiries regarding the offer

If Applicants have any queries about the terms of the Offer or how to apply for Shares, they should contact their financial advisor, the Lead Manager on 1300 737 760 (+61 2 9993 8100 overseas) or the Company's Share Registry on 1300 737 760.

The Company is unable to advise Applicants on the suitability or otherwise of an investment in the Company, and for such advice Applicants must contact their own independent professional advisers.

## 2.20 Privacy disclosure

The Company collects information about each Applicant from the Application Form for the purposes of processing the Application and, if the Application is successful, to administer each Applicant's security holding in the Company.

By submitting an Application Form, each Applicant agrees that the Company may use the information provided in the Application Form for the purposes set out in this privacy disclosure statement and may disclose it for those purposes to the Share Registry, the Company's related bodies corporate, agents, contractors and third party service providers, including mailing houses, the ASX, ASIC and other regulatory authorities.

If an Applicant becomes a security holder in the Company, the Act requires the Company to include information about the security holder (name, address and details of the securities held) in its public register. This information must remain in the register even if that person ceases to be a security holder in the Company. Information contained in the Company's registers is also used to facilitate dividend payments and corporate communications (including the Company's financial results, annual reports and other information that the Company may wish to communicate to its security holders) and to comply with legal and regulatory requirements.

If an Applicant does not provide the information required on the Application Form, the Company may not be able to accept or process the Applicant's Application.

For personal use only



## 2.21 Selling Restrictions

No action has been taken to register or qualify this Prospectus, the Shares or the Offer or otherwise permit an offering of the Shares in any jurisdictions outside Australia, Hong Kong, Singapore, Ireland and United Kingdom.

The Shares have not been, and will not be, registered under the US Securities Act or the securities laws of any state or other jurisdiction in the United States and may not be offered or sold in the United States or to, or for the account or benefit of, US Persons, except in accordance with an exemption from, or in a transaction not subject to, the registration requirements of the US Securities Act, and any other applicable securities laws.

Each Applicant will be taken to have represented, warranted and agreed as follows:

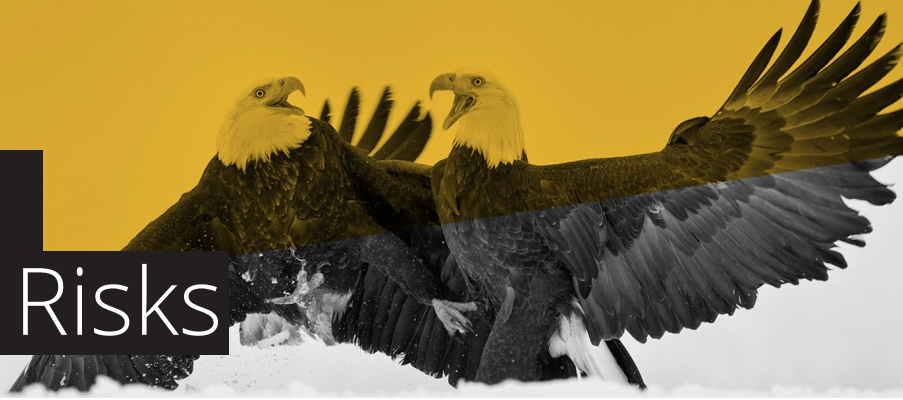
- a. it understands that the Shares have not been, and will not be, registered under the US Securities Act or the securities law of any state of the United States and may not be offered, sold or resold in the United States, or to or for the account or benefit of US Persons, except in a transaction exempt from, or not subject to, registration under the US Securities Act and any other applicable securities laws;
- b. it is not in the United States or a US Person, and is not acting for the account or benefit of a US Person;
- c. it has not and will not send the Prospectus or any other material relating to the Offer to any person in the United States or to any person that is, or is acting for the account or benefit of, a US Person; and
- d. it will not offer or sell the Shares in the United States or to, or for the account or benefit of, any US Person or in any other jurisdictions outside Australia, Hong Kong, Singapore, Ireland and the United Kingdom except in transactions exempt from, or not subject to, registration under the US Securities Act and in compliance with all applicable laws in the jurisdiction in which Shares are offered or sold.

For personal use only



# 3

# Business & Investment Risks



## 3.1 Overview

There are a number of factors that may affect the future operating and financial performance of Kyckr and the value of an investment in Kyckr. Some of these factors can be mitigated by the use of safeguards and appropriate commercial action.

Investors should note that this Section does not purport to list every risk that may be associated with an investment in the Shares, now or in the future. There can be no guarantee that Kyckr will achieve its stated objectives or that any forward-looking statements or forecasts will eventuate.

The selection of risks in this Section has been based on an assessment of a combination of the probability of an event occurring and the impact if it did occur. The assessment is based on the knowledge of the Directors as at the date of this Prospectus, but there is no guarantee or assurance that the importance of the risks will not change or that other risks will not emerge.

Before applying for Shares, you should satisfy yourself that you have a sufficient understanding of these matters, including the risks described in this Section of the Prospectus and consider your own investment objectives, financial circumstances, and taxation position before investing in the Company. If you do not understand any part of this Prospectus, or are in any doubt as to whether to invest in Shares or not, it is recommended that you seek professional advice from your stockbroker, solicitor, accountant or other independent and qualified professional advisor before deciding whether to invest.

## 3.2 Specific Business Risks

### 3.2.1 Intellectual Property Risk

The key intellectual property rights of GBR, being copyright in software, are not registrable in Australia, Ireland or overseas. As a consequence, GBR must rely upon a combination of contractual and licence agreements with its employees, consultants, customers and third parties with whom it has relationships, as well as domain names, trade secrets and copyright laws to protect its intellectual property rights and brands.

Despite precautionary measures, third parties may copy or otherwise obtain and use GBR's intellectual property rights without authorisation or may develop similar technology independently. Third parties using GBR's intellectual property rights without authorisation or developing similar technology independently could adversely affect the Company's business and operating results.

Any legal action that GBR may bring to protect its intellectual property rights could be unsuccessful and expensive and would, in the opinion of the Directors, divert management's attention from its business operations.

### 3.2.2 Lack of Patent Protection

GBR's intellectual property rights are not protected by any registered patents in any jurisdiction. This may allow competitors to develop products functionally similar to GBR's existing products. Even if GBR had a patent, a competitor is free to invent something similar provided that it does not infringe a registered patent. The existence of competitors with products that are functionally similar to GBR's existing products could result in loss of customers and falls of revenue, each of which could adversely affect the Company's business and operating results.

### 3.2.3 Compliance with Data Protection and Privacy Laws

Some of the company data which GBR obtains and on-sells contains personal information. Accordingly, this data is subject to certain data protection and privacy laws. Given the number of jurisdictions from which GBR obtains data and to which GBR provides data, there is a risk that GBR may not be fully compliant with all relevant data protection and privacy laws.

If GBR was found to be in breach of data protection and privacy laws in some or all of the jurisdictions in which GBR operates, this could make GBR's existing products (or the ways in which the products are currently implemented or delivered) less attractive to GBR's customers, which could have a material adverse effect on its business, operations and financial performance, and the price of the Shares.



In light of the potential consequences of GBR being in breach of data protection and privacy laws, GBR undertook a review of its operating procedures and its standard terms and conditions with its customers to ensure that it is fully compliant with data protection laws in Ireland (the main jurisdiction in which GBR operates). This review determined that GBR is fully compliant with data protection laws in Ireland and is adequately protected by its standard terms and conditions with its customers in respect of breaches of data protection and privacy laws by any of its customers. GBR intends to undertake similar reviews in other major jurisdictions in which it operates (for example, Russia) as soon as practicable. Further, GBR uses best endeavours to respond to any breaches or alleged breaches of data protection and privacy laws as soon as practicable after becoming aware of the breach or alleged breach.

### **3.2.4 Compliance with Terms and Conditions of Registers**

GBR acts on behalf of clients to acquire certain publicly available information from 150 registers in 88 countries. Given the number of registers from which GBR acquires information on behalf of its clients, there is a risk that GBR may not be fully compliant with the terms and conditions (if any) of some or all of these registers. If GBR is not fully compliant with the terms and conditions (if any) of some or all of these registers, this could make GBR's existing products (or the ways in which the products are currently implemented or delivered) less attractive to GBR's customers, which could have a material adverse effect on its business, operations and financial performance, and the price of the Shares.

GBR has recently undertaken a review of the registers of Delaware (being the major business register in the United States), Australia, Singapore and New Zealand and has determined that GBR is either able to acquire the information on behalf of its customers under the relevant terms and conditions (if any) or has appropriate agreements in place to ensure that it is not in breach of any such terms and conditions.

Further, the JSFC Agreement enables GBR to access the European Business Register without potentially breaching the terms and conditions (if any) of the relevant registers.

### **3.2.5 Bank of Ireland**

At this point in time, GBR has only entered into an arrangement with Bank of Ireland for the use of its full Automation Model (GBR provides services to Bank of Ireland through a contract with Dell. Please refer to section 10.9 for more information). While Bank of Ireland is currently a small customer of GBR on a revenue basis, it is a cornerstone client of GBR from a reputational basis. Accordingly, if Bank of Ireland (through Dell) was to terminate its arrangement with GBR, GBR's reputation may suffer considerably, which in turn could have a material impact on GBR's business, operations and financial performance.

### **3.2.6 Technology Risk**

There is a risk that, as marketable technologies continue to develop in the KYC industry, there may be certain information technology and product developments that supersede, and render obsolete, the existing product and service offering of GBR. This would negatively affect Kyckr's profitability if Kyckr were unable to respond to these new developments.

### **3.2.7 Limited Operating History**

GBR has only been in operation since 2007. The new Automation Model is in the early stages of development and has only been in operation since June 2015. Accordingly, GBR is essentially a start-up company with a limited trading history. Like many start-up companies, GBR has incurred losses since its inception. No assurance can be given regarding the future commercial viability of GBR and Kyckr through the implementation of its business plan in respect of the Automation Model and other aspects of its business.

### **3.2.8 Competition Risk**

While the Independent Expert Report describes the uniqueness and compelling nature of GBR's existing products and services, this does not preclude GBR's competitors from providing competitive products and services. Any significant competition may adversely affect the Company's ability to meet its business objectives. Competition may result in a reduction of the Company's profit margins. Current or new competitors may adopt certain aspects of GBR's business model thereby reducing GBR's ability to differentiate its services.

### **3.2.9 Key Personnel Risk**

The Directors' and senior managers' ability to successfully manage the Company's performance and the opportunities identified in this Prospectus will directly affect the success of the Company. The Company may be adversely affected if any of the Directors or senior management leave the Company. The Company may not be able to replace its Directors or key employees with persons of equivalent expertise and experience within a reasonable



period of time or at all and the Company may incur additional expenses to recruit, train and retain personnel. Loss of such personnel may also have an adverse effect on the performance of the Company pending replacements being identified and retained by or appointed to the Board of the Company.

The emergence and development of GBR's business has been largely due to the talent, effort, experience and leadership of Ben Cronin and Robert Leslie. Kyckr and GBR are substantially dependent upon the continued service of Ben Cronin and Robert Leslie because of their understanding of the business of GBR and the industry in which it operates. There is no assurance that Kyckr and GBR will be able to retain the services of Ben Cronin and Robert Leslie.

### 3.2.10 Funding

While the Company believes it will have sufficient funds after completion of the Offer to meet all of its growth and capital requirements for the near term, the Company may seek to exploit opportunities of a kind that will require it to raise additional capital from equity or debt sources. There can be no assurance that the Company will be able to raise such capital on favourable terms or at all. If the Company is unable to obtain such additional capital, it may be required to reduce the scope of its anticipated activities, which could adversely affect its business, financial condition and operating results.

### 3.2.11 Contractual Risks

As a party to contracts, the Company and GBR have various contractual rights in the event of non-compliance by a contracting party. However, no assurance can be given that all contracts will be fully performed by all contracting parties and that the Company or GBR will be successful in securing compliance with the terms of each contract by the relevant third party. If a contracting party were to breach certain material contracts (for example, the JFSC Agreement), this could have an adverse effect on GBR's business, operations and financial performance.

### 3.2.12 Development of GBR's business

Achieving a return for investors is highly dependent on successfully growing revenue. Growing revenue is highly dependent on Kyckr developing GBR's business (and finding new customers and obtaining more work from its current customers), which in turn is highly dependent upon Kyckr having the technical and financial resources to support development of GBR's business. While the Company believes it will have sufficient funds after the completion of the Offer to have the technical and financial resources required to support the development of GBR's business in the near term, there is no assurance that the Company will have the technical and financial resources required to develop GBR's business so that the Company may achieve a return for investors.

### 3.2.13 Foreign Exchange Risk

As GBR is based in Ireland, most of its customers pay their fees to GBR in Euros or GBP. Some customers based in the United States pay their fees to GBR in US dollars. Further, Kyckr has costs and expenses denominated in multiple currencies. Kyckr will also report its financial results in Australian dollars. Accordingly, Kyckr's reported financial performance will be influenced by fluctuations in exchange rates between the Australian dollar and its operating currencies, primarily the Euro, the US dollar and the GBP. Any adverse exchange rate fluctuations or volatility in these currencies may have an adverse effect on Kyckr's future financial performance and position.

## 3.3 General Risks

Most of the general risks discussed below are outside the control of the Company and the Directors and cannot be mitigated.

### 3.3.1 Share Market Risk

The price of Shares may rise or fall depending upon a range of factors beyond the Company's control and which are unrelated to the Company's operational performance. Investors who decide to sell their Shares after Listing may not receive the entire amount of their original investment. The price of Shares listed on the ASX may also be affected by a range of factors including the Company's financial performance, and by changes in the business environment specifically affecting the Australian fintech sector and fintech companies.

The Shares carry no guarantee in respect of profitability, dividends, return on capital, or the price at which they may trade on the ASX.

There are a number of national and international market factors that may affect the Share price including movements in international stock markets, economic conditions and the general economic outlook, interest rates and exchange rates, inflation rates, commodity supply and demand, government taxation and royalties, legislation,



monetary and other policy changes, and general investor perception. Neither the Company nor its Directors have control over any of these factors nor can they guarantee that the price of Shares will not be affected by one or more of these factors.

### 3.3.2 General Economic Conditions

Factors affecting the general economic climate may affect the performance of the Company. These factors include the general level of international and domestic economic activity, inflation and interest rates, commodity pricing and the general level of activity within the energy industry. These factors are beyond the control of the Company and their impact cannot be predicted.

### 3.3.3 Changes in Laws and Government Policy

Changes in government regulations and policies may adversely affect the financial performance and/or the current and proposed operations of the Company.

### 3.3.4 Unforeseen Expenses

The proposed expenditure on expansion in Europe and into APAC and on research and development of the Company's technology may be adversely affected by any unforeseen expenses which arise in the future and which have not been considered in this Prospectus.

### 3.3.5 Trading and Liquidity in Shares and Escrowed Shareholders' Interests

There can be no guarantee that an active market for the Shares will develop. There may be relatively few potential buyers or sellers of the Shares on ASX at any given time. This may increase the volatility of the market price of the Shares. It may also impact the prevailing market price at which Shareholders are able to sell their Shares.

Following listing, it is expected that the escrowed Shareholders will hold up to 65.71% of the Shares, which may also impact liquidity. The absence of any sale of Shares by the escrowed Shareholders during the applicable periods may cause, or at least contribute to, limited liquidity in the market for the Shares. This could impact the prevailing market price at which Shareholders are able to sell their Shares. It is important to recognise that, on a disposal, Shareholders may receive a market price for their Shares that is less than the price that they paid under the Offer.

Following release from escrow, Shares held by the escrowed Shareholders will be able to be freely traded on ASX. A significant sale of Shares by the escrowed Shareholders, or the perception that such sales have occurred or might occur, could adversely impact the price of the Shares. The escrowed Shareholders' shareholding may also allow them to, collectively, exert significant influence over the outcome of matters relating to the Company, including the election of Directors and the approval of transactions. The interests of the escrowed Shareholders may be different from the interests of investors who acquire Shares in the Offer.

### 3.3.6 Risk Of Shareholder Dilution

In the future, the Company may elect to issue Shares in connection with fundraisings, including to raise proceeds, to fund business operations or acquisitions the Company may decide to make. While the Company will be subject to the constraints of the ASX Listing Rules regarding the percentage of its capital it is able to issue within a 12-month period (other than where exceptions apply), Shareholders may be diluted as a result of such issues of Shares and fundraisings.

For personal use only

# Unique Product Capabilities

(Tower81 - Independent Expert Report)



Source data in real-time from the official data source.



Real-time monitor service ensuring customer books remain up to date after remediation and cleansing activities are completed.



Do not store or modify sourced data guaranteeing veracity in KYC decisioning.



Adaptive to meet the needs of clients business models and in varying jurisdictions.

## 4.1 Kyckr limited

Kyckr was incorporated specifically with the objective of:

1. Raising pre-IPO funding to underwrite due diligence costs for the acquisition of GBR,
2. Conditional upon satisfactory due diligence, the purchase of GBR, and
3. An Initial Public Offering (IPO) of Kyckr on the ASX.

GBR, which will be a fully-owned subsidiary of Kyckr upon completion of the GBR Share Sale Agreement and the BES Share Sale Agreement, was incorporated in Ireland in March 2007 and has since developed a commercially proven suite of KYC products that provide, to the best of Tower81's knowledge, the most extensive real-time network to official corporate data sources globally. GBR has established a credible client base which include companies such as PayPal, Swift and Stripe. GBR currently employs 10 full-time staff.

## 4.2 Background to Tower81 – Independent Expert Report

Tower81 is an IT consultancy firm that provides strategic, operational and technical advisory services to the public and private sectors with specific expertise within the commercial registry and regulatory domain.

They are experienced in providing consultation on the design, development and management of ICT systems that support business, pension, intellectual property, security interests, aviation and licensing registers across Ireland, the UK, the Middle East, and the US.

They work with European authorities and aid agencies to help undertake full system reviews, feasibility analysis and develop reports to support decisions on investment and sustainability.

Their personnel have provided virtual CTO services to the European Business Register since 2009. The European Business Register (EBR) is a network of national business registers and information providers from 27 European countries. Tower81 is responsible for providing technical counsel to the Executive Board of EBR.

Within the private sector they support clients with the investigation of market opportunities specifically within the Business Registry domain. They work in a number of jurisdictions facilitating access to and retrieval of corporate public data.

## 4.3 What does GBR do and what are Kyckr's plans?

### 4.3.1 GBR Overview & Kyckr's Plans

Global Business Register Limited (GBR) is based in Waterford, Ireland in a technology and innovation hub called the ArcLabs. This center has many technology companies with close links to Irish universities. It manages all product development, sales and operations from this office.

Once Kyckr acquires GBR, Kyckr will open sales offices in Dublin, London and Sydney to support increasing demand for its capabilities. Kyckr will manage its ASX reporting from Sydney which will become its head office. Product development will be managed from the ArcLabs in Ireland.



### 4.3.2 GBRDirect.com

GBR provides aggregated access to over 150 business registers around the world through its web portal www.GBRDirect.com. Accessing information from multiple registers around the world is not unique. What is unique is that GBR does not hold or store any information and as such the information accessed via the portal is sourced directly from the register at the time of the request, every time. This is unique. To the best of our knowledge and that of Tower81, all other sources for company information (apart from the business registers themselves) store data that has been collated and aggregated from multiple sources, which may also include the business registers. Since information changes on a daily basis in business registers any sources that copy and store data are very likely out of date. In addition the provenance of the data is unclear as it may have been derived from multiple sources that are not clearly explained.

### 4.3.3 Changes to regulations that affected use of GBR services

The predominant reason for businesses accessing GBRDirect.com was surrounding legal obligations to perform KYC or “Know Your Customer” due diligence to maintain regulatory compliance. The regulations that sit behind KYC stem from laws and regulations around the world on Anti-Money Laundering (AML) and Counter Terrorism Financing (CTF). Post GFC (Global Financial Crisis) these laws have become significantly more stringent for businesses and not adhering to them have financially and criminally punitive outcomes for businesses and their directors. As such, medium to large businesses around the world with a large number (e.g. over 5,000) of business customers are struggling to rely on people alone to maintain KYC related obligations. This is a particular challenge for banks, where a regional bank would have over 250,000 business customers and a global bank in excess of 1,000,000.

Unless a business is using information that is sourced directly from the register, known as primary source data, to perform KYC checks on their customers they would likely be accessing copied information. This runs the risk of not tracking changes to the company information held in the business register, where filings may have been returned in the interim. As such the KYC decision lacks veracity and with increased KYC related legislation the business runs the risk of not adhering to KYC related regulations and applicable laws.

### 4.3.4 Automation Model

If a business has a large number of business customers then people alone cannot successfully manage the registration of new customers (On-Boarding) and the data management required for existing customers as it is too voluminous, too slow to process and too expensive. The client information held in an organisation’s Customer Books frequently has the wrong information about its customers, having used out-of-date data sources to verify information and/or relied on the customer to provide details about their business which may be incorrect. Furthermore, any changes to the client information stored in the register, since the time of initial data registration will not have been captured and reflected in the Customer Books .

In 2015 GBR developed a set of automated processes (decision engines) that sit on top of its connections to the 150 business registers. These decision engines automate previously manual processes:

- a. Ensuring that all business customers have a unique company number in the Customer Book,
- b. Correcting (Cleansing) any incorrect information in Customer Books relevant to the identity of the customer,
- c. Once cleansed and brought up to date, then the company file held at the register is monitored to capture any events or changes and where such an event happens, updating the Customer Book, and
- d. Other automation or engines for fully or partially registering (On-Boarding), de-registering (Off-Boarding), or categorising customers in the Customer Book.

Information sourced directly from the business registers at the time of the decision is considered to be the most compliant information by the regulators because it has been retrieved from a primary, authoritative source. As such, by using these automation capabilities GBR’s customers realize great efficiencies and minimize their risk for not adhering to KYC related legislation.

Since 2007 over 4,000 medium and large business have accessed and registered with GBR. These form the pipeline of customers who are looking to move from a people based KYC process to automation.



### 4.3.5 The GBR Process

#### Step 1: Diagnose

GBR typically receives a copy of the full Customer Book or an extract of it. The first step is to diagnose the quality of the book by endeavoring to uniquely identify each customer by their number, name, address and any other information supplied. Once successfully identified the company registry code is recorded in the book. The company code is the unique reference number used to identify a business entity in the register. Any records that cannot be uniquely identified must still be manually reviewed by the customer and once identified, fed back into the GBR process.



#### Step 2: Cleanse, Remediate & Categorise

Once an entity has been identified, GBR then accesses the registry retrieving the relevant official company information which can then be used to perform the KYC tasks. This can include the correct legal name, registered address, legal status, directors and directors' addresses and beneficial owners. This is then written into the Customer Book. The client's Customer Book now has the most up-to-date, KYC compliant information on its customers.

#### Step 3: Monitor

In order to ensure that customer information does not lose its veracity, GBR then sets in place a Monitor, which periodically checks the register for changes in the official company record and updates automatically those changes to the Customer Book.

GBR is the only company, that we are aware of, globally that uses direct, real-time access to multiple registers and automation to achieve steps 1-3 above.

GBR can then apply rules to automating the On-Boarding of new customers, removing existing ones or changing their risk category in the Customer Book.

The Independent Expert Report outlines GBR's products in greater detail including how it accesses business information from its connections to over 150 business registers around the world.

The change from people based processes to automation means Kyckr can now service KYC needs using automation for some of the biggest banks and companies in the world. Kyckr plans to build its 24x7 compliance KYC hub to support the world from Ireland for Europe and the US East Coast and Sydney for APAC and the US West Coast. The nature of the Kyckr's automation is such that it does not require a lot of people to process its customers KYC needs. It will require senior business development personnel to engage and work with clients. Kyckr will focus on the larger international banks and companies with large Customer Books and the greatest KYC issues.

For personal use only





### 4.3.6 Revenue Models

In the people based model GBR would realize revenue from people coming to the GBR portal and using their credit cards to pay for reports, accessed directly from registers. The people based model grew slowly from \$409,000 to \$561,000 between FY14 and FY15.

In the new automation model GBR charges for every record it diagnoses, cleanses & remediates, categorises, monitors and applies decisions to. For its first clients this has ranged from \$1.50 to \$2.50 per transaction or click. This forms the basis of the automation's per click business model.

The automation model's ongoing monitoring, on-boarding and other decisions, including obligations to periodically cleanse and remediate high risk parts of customer books, realises material recurring and much greater revenue streams from clients, as part of a much more integrated solution. For FY16 half year to December, GBR realised total revenue of \$547,000, 53% of which has come from the Automation Model. Although still early, it shows sensitivity of the transition of the majority of GBR's revenue to the Automation Model.

As such the cleanse & remediate processes, monitoring of changes and providing automated On-Boarding and other decisions realizes a recurring revenue streams.

Kyckr's per click charge can vary depending on the client's KYC needs but it is always competitive when comparing the costs to on-board customers and manage KYC obligations.

The number of business customers in a client's Customer Book determines the prospective value of a client to Kyckr. Kyckr automation customers fall into 4 categories;

#### **1. Strategic**

Would have less than 200,000 business customers but is of significant strategic value to have as a customer. An example might include an international banking transaction provider such as SWIFT, the global payments processor used by most major banks globally to transfer funds.

#### **2. Small**

Small clients would have less than 600,000 business customers. Bank of Ireland would fit into this category where GBR has a per click charge for each record cleansed and remediated, identifying event changes in the registers and automating the on-boarding of all new customers. Bank of Ireland would make up most of the new automation related revenue realised in the FY2016 half year accounts.

#### **3. Medium**

Medium clients would have less than 1,000,000 business customers in their Customer Book. An example of this might be a regional bank.

#### **4. Large**

Large clients have over 1,000,000 business customers. This might be a global bank or technology company.

For personal use only



### 4.3.7 Growth Strategy and key dependencies

Funds realized from the IPO of Kyckr will, in large part, be used to employ senior business development resources to sell automation related solutions into large global banks and technology companies who have either:

- a. KYC compliance issues with their Customer Book and / or
- b. Can realize greater efficiencies through automation in how they manage their existing customers and On-Board new customers.

Kyckr will not look to pursue many customers and will focus on the biggest global prospects with the above issues. As such Kyckr will require senior business development resources to help navigate customers through the use and benefits of our solutions. Kyckr envisages having 10 of the top banks and technology companies as customers as a result of investment in business development related resources based in Dublin, London and Sydney initially. Once valuable customers have been contracted Kyckr will then extend to other centers globally.

Today, Kyckr only has Bank of Ireland contracted for use of its full Automation Model. Other companies referred to in the Independent Expert Report such as PayPal, Stripe and SWIFT are all in transition to the Automation Model. Kyckr plans to close these opportunities along with other larger prospects this calendar year.

In the short term, Kyckr will look to ensure that opportunities in Europe are contracted. In parallel, Kyckr is already engaging with prospects in APAC and will also look to contract this calendar year.

Kyckr's success is highly dependent on sourcing the best business development and technical resources. Its automation capabilities are already in place, being used and paid for by Bank of Ireland.

Other dependencies include:

- Continued supply of information from the registers,
- Regulation continuing to support the transparency that automation brings and not specifically precluding its use, and
- The banks and other segments adopting use of automation.

### 4.3.8 Complexity of mirroring GBR's capabilities

Any company or individual may access information from business registers around the world. No permission is required and access is open to all. Technically connecting to registers that have the means to support technical connections is not difficult but would require a large amount of work to connect to over 150. The challenges are not technical or access related.

Business registers are, for the most part, established to invigorate business in their country of residence and to provide the authority on top of which a robust commercial environment can exist. Making money from their data is generally a secondary consideration. GBR warrants to its customers in its commercial terms that it will not store or change any data sourced from the registers, thus maintaining its provenance. Business registers support this commercial philosophy since it maintains the integrity of what they consider to be "their data" and are very happy with how we use it for our clients to make decisions, such as those in performing KYC.

As such, GBR's most valuable attribute is how it uses what the registers see as "their data"; the result of which means the registers view GBR very favorably.

Other companies who source registry information would typically copy it once and sell it many times, whereas GBR shares its revenue with the register for most information sourced on a per click basis. The registers are GBR's COGS (Cost of Good Sold) averaging around 10% in the Automation Model.

GBR also presents a single, aggregated monthly bill to its clients and not over 150 bills that otherwise would come directly from each register; all of which may require different forms of payment, in different languages and in different currencies.

For personal use only



## 4.4 Innovation and Blockchains

Kyckr is aiming to become one of the first ASX-listed technology companies that has exposure to the application of blockchains or distributed ledger technology. GBR envisages that the blockchain would continuously track a corporate identity and its associated business related events (e.g. company filings) maintaining a live picture and complete history of changes as they occur. This will allow any organization to ensure that it is always consuming the correct legal data for the entity concerned and also ensure that all others are also consuming exactly the same data.

Many companies globally are adopting Blockchain strategies.

Kyckr's Blockchains will be important for two reasons:

1. They will encrypt valuable information surrounding the identity of the business updated with information in the business registers, forming the most legally compliant corporate identity, and
2. The blockchain network will replicate this corporate identity making it accessible to anyone who wishes to perform KYC checks on the corporate entity or perform any activity with it (e.g. transact).

Having an encrypted single view presents a more secure platform against money laundering and counter terrorism financing activities. In addition other efficiencies may be achievable through the linking of the blockchain to smart contracts and other financial instruments that require legal certainty at a point in time regarding the corporate identity.

### What will the Kyckr blockchain network look like?

A blockchain network needs at least 2 participants but ideally four, five or more to start. Ideally two being banks, the third being Kyckr and the others being the business registers.

- All participants use the same cryptographic formula, with unique private keys for deriving an encrypted number, in order to digitally sign current status and event history activity for all companies
- Kyckr will supply the technology and platform for all participants in the blockchain corporate identity network.
- Kyckr's blockchain platform is in the early stages of research and development. IPO funding will contribute in large part to its progress.

### Kyckr's blockchain plans

Kyckr is currently planning and designing its blockchain needs. In parallel it is also engaging with banks to establish sufficient critical mass for its blockchain network. Kyckr envisages having a working blockchain network in place with partners in calendar 2018. This will be a corporate identity blockchain network for KYC and securely transacting with a body corporate.

Access to the network will be subscription based with each data enquiry having a per click fee. Until this is in place Kyckr will continue to use its highly desirable Automation Model.

For personal use only

## Competition

The services provided by GBR are superior in many ways, particularly in terms of real time access and country coverage.

(Tower81 - Independent Expert Report)



# 5

## Industry Overview

### 5.1 KYC Globally

The obligation for businesses to Know Your Customer (KYC) is a 21st century challenge. The two most significant catalysts for this are:

- **The Internet and globalisation**

Rapid developments in financial information, technology and communication allow money to move anywhere in the world with speed and ease. This makes the task of combating money laundering more urgent and challenging than ever.

The clandestine nature of money laundering makes it difficult to estimate the total amount laundered globally in any given period.

The United Nations Office on Drugs and Crime (**UNODC**) estimates the amount of money laundered globally in one year is 2 - 5% of global GDP, or \$800 billion - \$2 trillion in current US dollars.<sup>1</sup>

- **Terrorism**

Post 9/11, the world's idea of terrorism has changed forever. Since then we have all learned of the sophistication of the financing that sits behind terrorism. It is hard to separate out the size of terrorism financing but this is certainly part of the total money laundering above. It is the most dangerous part of money laundering.

Almost all significant economies globally have Anti-Money Laundering and Counter Terrorism Financing related acts. In Australia it's the 2006 AML/ CTF Act, EU has Money Laundering Directives and in the US it forms part of the Patriot Act.

Financial Institutions are now making significant changes in response to regulatory action and increasingly far-reaching global AML regulations, with numerous new regulations across Asia, the U.S. Foreign Account Tax Compliance Act (FATCA) having an impact, and the Fourth European Money Laundering Directive (4MLD) still to come.

The world of remaining compliant is challenging and continues to evolve with changes to government legislation

<sup>1</sup>.Please refer to <https://www.unodc.org/unodc/en/money-laundering/globalization.html>. UNODC has not provided its consent for this statement to be included in this Prospectus.

For personal use only



There are two sides to KYC;

#### 1. Regulations and compliance obligations

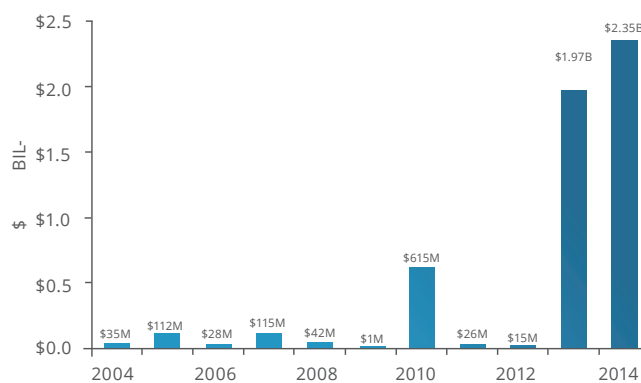
AML laws have permeated down into obligations for organisations to KYC. Not adhering to these laws has very punitive outcomes for organisation and their executives. Most first world economies strongly recommend that an AML officer or equivalent report directly to the Board.

Deloitte has highlighted in its "Meeting new expectation" report<sup>2</sup> that AML sanctions-related fines and penalties imposed in 2013 and 2014 quadrupled the total for the previous nine years.

- The rising costs for non-compliance is material. Recent fines include:
  - BNP Paribas AML related fine of USD\$8.9 billion and 5 years' probation by a US judge,
  - Standard Charter fined USD\$300m for lapses in AML procedures and
- In 2014 alone US and European banks paid nearly USD\$65 billion in AML related fines.

In the UK and Canada, failure to disclose suspicious transactions or behaviour is an offense that can result in a maximum prison term of up to 5 years in addition to fines. In the US, money laundering can realize prison terms from 5 to 20 years. There have been many other cases of imprisonment for money laundering in Spain, the UK and the US.

### Fines for AML and sanctions - related regulatory actions have dramatically increased in recent years<sup>3</sup>



Source: <https://www2.deloitte.com/content/dam/Deloitte/tr/Documents/financial-services/meeting-new-expectations-012915.pdf>

<sup>2</sup> Please refer to <https://www2.deloitte.com/content/dam/Deloitte/tr/Documents/financial-services/meeting-new-expectations-012915.pdf>. Deloitte has not provided its consent for this statement to be included in this Prospectus.

<sup>3</sup> Please refer to <https://www2.deloitte.com/content/dam/Deloitte/tr/Documents/financial-services/meeting-new-expectations-012915.pdf>. Deloitte has not provided its consent for this statement to be included in this Prospectus.

For personal use only

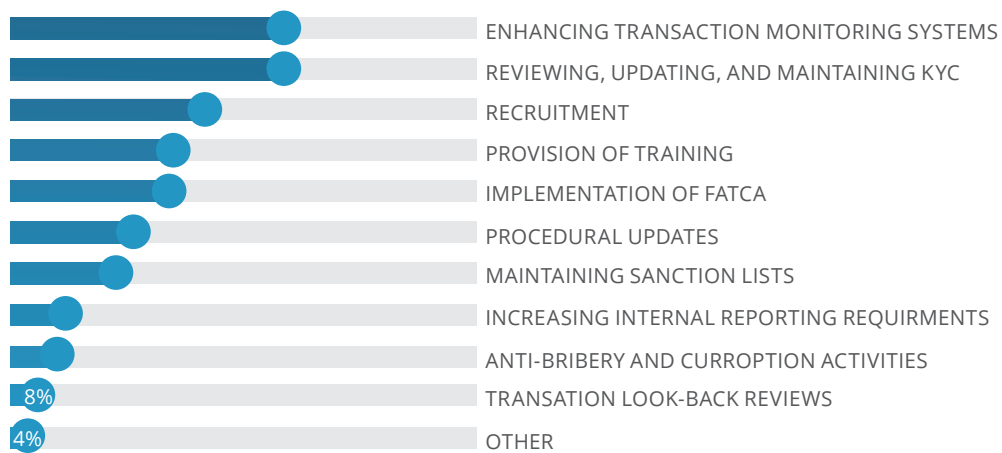


### 1. Revenue and competitiveness

The current regulatory framework for AML/CTF has made the management of existing customers and registration of new customers much more complex. This has slowed down the on-boarding process. The number 1 reason given for a customer dropping out of the on-boarding process is because it took too long to get a credit decision and/or another bank provided a faster response.

KPMG's "Global Anti-Money Laundering Survey 2014"<sup>4</sup> had many points that highlighted how increased obligations were costing more time and money for banks. Some examples include:

- AML-related spend increased by 58% on average from 2013 – 2014
- 70% of participants in the survey indicated that they had been the subject of regulatory visits, and
- 84% of participants stated that money laundering was considered a high-risk area with their business risk assessment.



<sup>4</sup> Please refer to <https://www.kpmg.com/KY/en/IssuesAndInsights/ArticlesPublications/PublishingImages/global-anti-money-laundering-survey-v3.pdf>. KPMG has not provided its consent for this statement to be included in this Prospectus.

For personal use only



## 5.2 Sectors

### Anti- Money Laundering – US\$21.4 billion by 2019

- Anti Money Laundering Market is expected to grow from \$9.62 Billion in 2014 to \$21.4 Billion by 2019, at a CAGR (compound annual growth rate) of 17.4% from 2014 to 2019.
- Having in place detection mechanisms that in real time can inform of significant event changes is central to this. Kyckr's ability to monitor changes based on information with veracity from the most compliant sources is how it can assist its clients to comply with KYC obligations, reduce on-boarding time and accelerate revenue flow.

### SSL (Secure Sockets Layer) Certificate and Domain name providers – US\$58.26 billion by 2020

- The source of a significant amount of online money laundering and fraud comes from illicit use of SSL certificates and domain names.
- Comodo, Symantec, GoDaddy and GlobalSign make up 94.9% of the total global market estimated to be USD\$21.5 billion in 2015 and forecast to grow at 22% CAGR through to 2020 to USD\$58.26 billion.
- Kyckr has a full end-to-end proprietary validation engines for SSL providers.

## 5.3 Competition

Kyckr globally, uniquely, accesses information directly from the business register and maintains up-to-date veracity of the information in our clients' Customer Books. Even though this is unique, other companies continue to supply solutions based on out-of-date information. This is not illegal from a KYC perspective but it is not the most compliant method. Any customer record that is not maintained up-to-date runs the risk of materially differing from the information contained in the business register. Example competitors are detailed in the Independent Expert Report.

Kyckr believes it more likely that competition will be more piecemeal, for example aggregation of several APAC registers. This is less likely to be a threat for global business whose needs require global access to registers.

Kyckr's biggest competitive challenge is ensuring that target customers understand that there is a solution like Kyckr, how it differs from others and that it is commercially competitive.

Please refer to section 4.3.8 for further information on the complexity of mirroring GBR's capabilities..



For personal use only

Founders have demonstrated a strong network of relationships and the ability to influence within the Business registry, financial and compliance sectors.

(Tower81 - Independent Expert Report)

# 6

## Directors and Management

### **Mr. Albert Yueling Wong, Non-Executive Chairman**

Albert has more than 30 years' experience in stockbroking and investment banking. He has worked for Merrill Lynch in Sydney, New York and Chicago, was a Member to the Australian Securities Exchange and the principal of investment house Intersuisse Limited until 1995 before establishing the Barton Capital Group of companies. He has been instrumental in the listing of numerous small cap companies and served on the boards of the same and others over the years. Currently he serves as Deputy Chairman of Prima Biomed Limited, he is a Fellow of the Australian Institute of Company Directors, Fellow of FINSIA and a Member (Master Stockbroker) of the Stockbrokers Association of Australia.

Albert's philanthropic endeavours include serving on the UNSW Foundation Board of Directors, acting President for the University of Sydney's Physics Foundation (appointed as an Honorary Life Governor of the Foundation), and serving on the Board of the Children's Medical Research Institute.

### **Mr. Ben Michael Cronin, Executive Director**

Ben is a founder, CEO and Director of GBR. He fulfills the combined roles of managing all operating activities, personnel and developing prospects and clients.

Ben was a professional Rugby Union player, playing for Munster and Ireland. Prior to setting up GBR, Ben was a successful property developer including bid management roles on Primary Healthcare Centre Projects and a Co-Location Hospital (Public Private Partnerships) Project.

### **Mr. David Gerard Cassidy, Managing Director**

David has over 25 years' experience working in Australia, New Zealand, Asia, Europe and the US in banking, media, new media and Information Communications and Technology. He has worked for Australia's most prolific entrepreneurs, Kerry and James Packer.

He has worked for Citicorp, Price Waterhouse Coopers, Siemens, Consolidated Press Holdings Investments and Publishing Broadcast Limited. He has advised boards and served as CEO on an ASX-listed business and held many executive roles. He is well versed in Business Development, M&A, Marketing and Finance.

### **Mr. John Gerard Walsh, Non-Executive Director**

John is Managing Director of Spiecapag Australia (SCA), which specialises in the delivery of onshore infrastructure for the oil, gas and water industry. John brings important skills to the board including project and change management, risk management and cost control.

John has an Honours degree in Civil Engineering, University College Dublin, and Certificate in Finance, George Washington University.

### **Mr. Robert Henry Leslie, Executive Director**

Robert is a co-founder of GBR. Robert has worked internationally for Dell in Japan.

Rob is a mentor with Enterprise Ireland's network providing support to high potential start-up entrepreneurs. He is also the founder of Sedicii, providing 4th level identity protection online, mobile and through call centres.

Rob is a source of innovation and strategy in technology products and was recently selected by the World Economic Forum as a Technology Pioneer for 2015 and invited to talk at Davos.

### **Mr. Karl David Pechmann, Company Secretary**

Karl is a Chartered Accountant and Chartered Company Secretary. He has more than 15 years of diverse business experience across a range of industries including media, labour hire and biotechnology. He commenced his career with KPMG where he gained experience in audit, business advisory and corporate finance roles across a range of clients and industries. He has held senior finance positions at both ASX-listed and multi-national companies, being involved in M&A activity, strategic reviews and performance improvement initiatives.

Karl is a member the Institute of Chartered Accountants, Australia and New Zealand and is an Associate of the Governance Institute of Australia.

### **Mr Kieran Michael O'Sullivan, Chief Technology Officer**

BA (hons.) in English & Philosophy, higher diploma in IT from N.U.I Maynooth, Certificate in Cognitive Science & Human Computer Interaction (W.I.T.), Certificate in The Software Business (W.I.T.).

Kieran has more than 17 years of experience in complex software products design and development and has been CTO of GBR for nearly five years. All product design and build has been under his direction and management.

A photograph of a bird's nest made of dry grass and twigs. Inside the nest, there are several speckled eggs. The eggs are primarily yellowish-brown with dark brown spots, but some are a pale, mottled grey. A diagonal overlay, consisting of a yellow upper half and a black lower half, is applied to the image. The text is centered in the white space of the yellow overlay.

As of half year FY16, automation model revenue now the majority (i.e. 53%) of total sales.

## 7

# Financial Information

## 7.1 Introduction

This Section contains a summary of the following financial information of the Company (collectively the “Financial information”), which has been prepared by the Directors:

- Pro forma historical statements of Profit or Loss and Other Comprehensive Income of Kyckr Limited for the years ended 30 June 2014 (FY2014), 30 June 2015 (FY2015) and the half-year ended 31 December 2015 (HY2016)
- Pro forma historical Statements of Cash Flows of Kyckr Limited for FY2014, FY2015 and HY2016, (together the Pro Forma Historical Financial Information); and
- Pro forma consolidated historical Statement of Financial Position of Kyckr Limited and its controlled entities as at 31 December 2015,

(the Pro Forma Consolidated Historical Statement of Financial Position).

Kyckr has a 30 June financial year end. As such, any references in this Section to “FY” refer to a 30 June financial year.

The Financial Information has been reviewed by Nexia Court Financial Solutions Pty Ltd. Nexia Court Financial Solutions Pty Ltd’s Investigating Accountant’s Report on the Financial Information is contained in Section 9. Investors should note the scope and limitations of that report (refer to Section 9).

### Overview of Financial Information

Section	Heading
7.2	Basis of Preparation and Presentation of the Financial Information
7.3	Pro Forma Historical Statements of Profit or Loss and Other Comprehensive Income
7.4	Pro Forma Historical Statements of Cash Flows
7.5	Pro Forma Consolidated Historical Statement of Financial Position as at 31 December 2015
7.6	Management discussion and analysis of the Pro Forma Historical Financial Information
7.7	Liquidity and capital resources
7.8	Dividend policy
7.9	Significant accounting policies

The information in this Section 7 should be read in conjunction with the risk factors set out in Section 3 and the other information contained in this Prospectus.

Investors should note that past results do not guarantee future performance.

All amounts disclosed in the tables are presented in Australian dollars, and unless otherwise noted, are rounded to the nearest thousand dollars. All amounts that were incurred in Euros have been converted to Australian dollars at the rate of €1:\$1.55.



## 7.2 Basis of preparation and presentation of the Financial Information

### 7.2.1 Overview

The Directors are responsible for the preparation and presentation of the Financial Information.

Kyckr was incorporated on 16 November 2015 and on Completion of the Offer will acquire GBR. The statutory financial statements of Kyckr for the period ended 31 December 2015 were audited by Nexia Court & Co. Nexia Court & Co issued an unqualified opinion.

GBR prepared special purpose financial statements for the years ended 30 June 2014, 30 June 2015 and six months ended 31 December 2015. The special purpose financial statements have been audited by Nexia Smith & Williamson. Nexia Smith & Williamson's opinion included an emphasis of matter regarding GBR's going concern being dependent on Completion of the Offer.

The Financial Information included in this Section 7 has been prepared in accordance with the recognition and measurement principles prescribed in Australian Accounting Standards (AAS) adopted by the Australian Accounting Standards Board (AASB), which are consistent with International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board, and the accounting policies of the Company. The Financial Information and accompanying commentary presented in this Section has also been disclosed with consideration to regulatory guidance issued by ASIC.

The Financial Information is presented in an abbreviated form insofar as it does not include all of the presentation and disclosures, statements or comparative information as required by AAS and other mandatory professional reporting requirements applicable to general purpose financial reports prepared in accordance with the Corporations Act.

In preparing the Financial Information, the accounting policies of the Company have been applied consistently throughout the periods presented. The significant accounting policies of the Company relevant to the Financial Information are set out in Section 7.9.

### 7.2.2 Preparation of Pro Forma Historical Financial Information

The Financial Information has been prepared solely for the purposes of inclusion in this Prospectus, and have been derived from the statutory financial statements of Kyckr. The Pro Forma Historical Information has pro forma adjustments applied to reflect the impacts of the acquisition of GBR as though the acquisition had occurred on 1 July 2013. The Pro Forma Historical Information has pro forma adjustments applied to reflect the impacts of the acquisition of GBR and the Offer, on Kyckr's Statement of Financial Position as at 31 December 2015 as though the acquisition and the Offer had occurred as at 31 December 2015.

Refer to Sections 7.3 and 7.5 for reconciliations between the Pro Forma Historical Financial Information and the statutory equivalent financial information.

### 7.2.3 Explanation of certain non-IFRS and other financial measures

The Company uses certain measures to manage and report on its business that are not recognised under AAS or IFRS. These measures are collectively referred to as 'non-IFRS financial measures'. Non-IFRS financial measures are intended to supplement the measures calculated in accordance with the AAS and not as a substitute for those measures. As non-IFRS financial measures are not defined by the recognised body of accounting standards, they do not have a prescribed meaning and the way that the Company calculates them may be different to the way that other companies calculate similarly titled measures. Prospective investors should therefore not place undue reliance on non-IFRS financial information.

In the disclosures in this Prospectus, the Company uses the following non-IFRS measures of performance to assist prospective investors with understanding the trends in financial performance and profitability:

- Gross profit is calculated as revenue less costs of sales;
- EBITDA is earnings before interest (including finance costs), tax, depreciation and amortisation expenses; and
- EBIT is earnings before interest (including finance costs) and tax expenses.

For personal use only



## 7.3 Pro Forma Historical Statements of Profit or Loss and Other Comprehensive Income

\$000	Notes	Historical		
		FY2014 Pro Forma	FY2015 Pro Forma	HY2016 Pro Forma
<b>Revenue</b>		<b>409</b>	<b>561</b>	<b>547</b>
Cost of sales		(164)	(258)	(147)
<b>Gross profit</b>		<b>245</b>	<b>303</b>	<b>400</b>
Salaries and employee benefits expenses		(178)	(365)	(184)
Administration expenses	1	(120)	(120)	(157)
<b>EBITDA</b>		<b>(53)</b>	<b>(182)</b>	<b>59</b>
Depreciation and amortisation		(175)	(150)	(64)
<b>EBIT</b>		<b>(228)</b>	<b>(332)</b>	<b>(5)</b>
Net finance costs		-	-	-
<b>Net profit before tax</b>		<b>(228)</b>	<b>(332)</b>	<b>(5)</b>
Income tax benefit/(expense)	2	184	38	(2)
<b>Net profit after tax</b>		<b>(44)</b>	<b>(294)</b>	<b>(7)</b>

Notes:

- Administrative expenses** includes computer maintenance, sales and marketing expenses and other office overhead costs.
- Income tax benefit/(expense)** – reflects the future income tax benefit of income tax losses recognised to the extent that it is probable that future taxable profits will be available against which the asset can be utilised

### Key financial and operating metrics

Key historical financial and operating metrics derived from the pro forma historical statements of profit or loss and other comprehensive income are summarised below:

	Historical		
	FY2014 Pro Forma	FY2015 Pro Forma	HY2016 Pro Forma
Revenue growth %		37.1%	
Gross profit margin	60.0%	54.0%	73.1%
EBITDA margin	(13.0%)	(32.5%)	10.8%
EBIT margin	(55.7%)	(59.2%)	(0.9%)
NPAT margin	(10.8%)	(52.4%)	(1.3%)

For personal use only



### 7.3.1 Pro forma adjustments to statutory historical NPAT

The adjustments made to the statutory historical Statements of Profit or Loss and Other Comprehensive Income in order to present the pro forma historical Statements of Profit or Loss and Other Comprehensive Income are summarised below.

\$000	Notes	Historical		
		FY2014 Pro Forma	FY2015 Pro Forma	HY2016 Pro Forma
<b>Statutory NPAT</b>		-	-	<b>(48)</b>
Pre-acquisition NPAT of GBR	1	(133)	(298)	33
Impairment of intangible assets	2	97	-	7
Finance costs	3	5	5	2
Tax effects of pro forma adjustments	4	(13)	(1)	(1)
<b>Pro Forma NPAT</b>		<b>(44)</b>	<b>(294)</b>	<b>(7)</b>

Notes:

- 1. Pre-acquisition NPAT of GBR** – Kyckr will acquire GBR on Completion of the Offer. Profits generated prior to the acquisition by Kyckr are not reported in Kyckr's statutory results.
- 2. Impairment of intangible assets** – have been excluded as the amounts relate to technologies previously invested in by GBR that are not related to the ongoing operations of the business.
- 3. Finance costs** – finance costs have been excluded on a pro forma basis reflecting the fact all existing loan arrangements will be repaid as part of the Offer.
- 4. Tax effects of pro forma adjustments** – the income tax impact of the above pro forma adjustments is estimated based on the existing Irish Corporate tax rate of 12.5% (after adjusting for permanent differences).

### 7.4 Pro Forma Historical Statements of Cash Flows

A reconciliation of the Pro-Forma Statements of Financial Position for cash is as follows:

\$000	Notes	Historical		
		FY2014 Pro Forma	FY2015 Pro Forma	HY2016 Pro Forma
<b>EBITDA</b>	1	<b>(53)</b>	<b>(182)</b>	<b>59</b>
Change in net working capital	2	(109)	66	(99)
<b>Net cash flow from operating activities before investing activities, financing activities and tax</b>		<b>(162)</b>	<b>(116)</b>	<b>(40)</b>
Purchase of plant and equipment and intangibles	3	(67)	(53)	(37)
<b>Net cash flow before financing activities and tax</b>		<b>(229)</b>	<b>(169)</b>	<b>(77)</b>

Notes:

- 1. EBITDA** – reflects the pro forma adjustments as set out in section 7.3
- 2. Changes in working capital** – reflects the movement in trade receivables and trade payables
- 3. Purchase of plant and equipment and intangibles** – reflects the purchase of office equipment, computer equipment and development costs of the GBR's technology platform.

For personal use only



## 7.4.1 Pro forma adjustments to statutory historical Statements of Cash Flows

The adjustments made to the statutory historical Statements of Profit or Loss and Other Comprehensive Income in order to present the pro forma historical Statements of Profit or Loss and Other Comprehensive Income are summarised below.

\$000	Notes	Historical		
		FY2014 Pro Forma	FY2015 Pro Forma	HY2016 Pro Forma
<b>Statutory net cash flow before financing activities and tax</b>		-	-	<b>(47)</b>
Pre-acquisition net cash flow before financing activities and tax of GBR	1	(229)	(169)	(30)
<b>Pro Forma net cash flow before financing activities and tax</b>		<b>(229)</b>	<b>(169)</b>	<b>(77)</b>

Notes:

1. **Pre-acquisition net cashflow of GBR** – Kyckr will acquire GBR on Completion of the Offer. Net cash flows incurred prior to the acquisition of GBR by Kyckr are not reported in Kyckr's statutory results.

## 7.5 Pro Forma Consolidated Historical Statement of Financial Position

Set out in the table below are the adjustments that have been made to the statutory historical Statement of Financial Position of Kyckr Limited as at 31 December 2015 to present the Pro Forma Consolidated Historical Statement of Financial Position of the Company.

The adjustments include the impact of the change in capital structure that will be in place immediately following completion of the Offer, and the inclusion of the acquisition of Global Business Register Limited as if the acquisition and the Offer had taken place as at 31 December 2015. These adjustments include assumptions relating to matters that are known as at the date of this Prospectus.

For personal use only





## Adjustments

As at 31 December 2015 (\$'000)	Statutory Kyckr Limited (1)	Impact of the Acquisition (2)	Repayment of debt (3)	Impact of the offer (minimum raise) (4)	Impact of the offer (maximum raise) (4)	Pro-forma Consolidated Kyckr Limited (minimum raise)	Pro-forma Consolidated Kyckr Limited (maximum raise)
<b>Current assets</b>							
Cash and cash equivalents	1,163	(392)	(112)	3,955	4,889	4,614	5,548
Trade and other receivables	6	374	-	-	-	380	380
Financial assets	191	(191)	-	-	-	-	-
Deferred tax asset	-	376	-	285	305	661	681
<b>Total current assets</b>	<b>1,360</b>	<b>167</b>	<b>(112)</b>	<b>4,240</b>	<b>5,194</b>	<b>5,655</b>	<b>6,609</b>
<b>Non-current assets</b>							
Plant and equipment	-	3	-	-	-	3	3
Intangibles	-	12,670	-	-	-	12,670	12,670
<b>Total non-current assets</b>	<b>-</b>	<b>12,673</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>12,673</b>	<b>12,673</b>
<b>Total assets</b>	<b>1,360</b>	<b>12,840</b>	<b>(112)</b>	<b>4,240</b>	<b>5,194</b>	<b>18,328</b>	<b>19,282</b>
<b>Current liabilities</b>							
Trade and other payables	5	701	-	-	-	706	706
<b>Total current liabilities</b>	<b>5</b>	<b>701</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>706</b>	<b>706</b>
<b>Non-current liabilities</b>							
Deferred consideration	-	2,600	-	-	-	2,600	2,600
Borrowings	-	930	(930)	-	-	-	-
<b>Total non-current liabilities</b>	<b>-</b>	<b>3,530</b>	<b>(930)</b>	<b>-</b>	<b>-</b>	<b>2,600</b>	<b>2,600</b>
<b>Total liabilities</b>	<b>5</b>	<b>4,231</b>	<b>(930)</b>	<b>-</b>	<b>-</b>	<b>3,306</b>	<b>3,306</b>
<b>Net assets</b>	<b>1,355</b>	<b>8,609</b>	<b>818</b>	<b>4,240</b>	<b>5,194</b>	<b>15,022</b>	<b>15,976</b>
<b>Equity</b>							
Shareholder's equity	1,403	9,056	818	4,090	5,009	15,367	16,286
Minority interest	-	(20)	-	-	-	(20)	(20)
Reserves	-	-	-	472	472	472	472
Retained earnings	(48)	(427)	-	(322)	(287)	(797)	(762)
<b>Total equity</b>	<b>1,355</b>	<b>8,609</b>	<b>818</b>	<b>4,240</b>	<b>5,194</b>	<b>15,022</b>	<b>15,976</b>

Notes:

- Figures extracted from Kyckr's audited financial statements at 31 December 2015.
- Impact of the Acquisition** – as set out in Section 2.2, Kyckr will acquire 97.59% of GBR through the issue of 45,278,873 shares and 13,000,000 performance shares (allocated no sooner than two years after Completion of the Offer), a total consideration of \$11,656,00 of which \$2,600,000 relating to the performance shares will be deferred. At 31 December 2015, GBR had net liabilities of \$811,000. Prior to Completion of the Offer, an amount of \$388,000 (€250,000) owed to Global Business Register Asia Pacific Pte Ltd will be repaid through the issue of shares in GBR. Further to this, included within GBR's net assets is a convertible note owed to Enterprise Ireland. Under the terms of this agreement, convertible notes with a face value of \$388,000 (€250,000) will convert into shares with a fair value of \$818,000 (€527,500). A fair value adjustment has been made to reflect this amount, no other fair value adjustments have been made. Transaction costs of \$569,000 are estimated which is expected to be expensed to the income statement.
- Repayment of debt** – immediately following acquisition, the amounts owing to Enterprise Ireland will be settled through the issue of 4,088,125 shares in Kyckr. As set out in Section 2.3 other borrowings of GBR at the time of acquisition will be repaid out of the IPO proceeds.
- Impact of the Offer** – As set out in Section 2.2, a maximum of 30,000,000 new shares will be issued at \$0.20 a share raising gross proceeds of \$6 million. Transaction costs of \$1,111,000 are estimated of which \$592,000 will be expensed to the income statement and \$519,000 capitalised against equity. In addition to these costs, stock options will be issued to Foster Stockbrokers as set out in Section 12.2. The Directors have determined the fair value of these options to be \$472,000. In the event that the minimum of 25,000,000 new shares are issued at \$0.20 a share, gross proceeds will be \$5 million. Transaction costs of \$1,045,000 are estimated of which \$607,000 will be expensed to the income statement and \$537,000 capitalised against equity. In addition to these costs, stock options will be issued to Fosters Stockbrokers as set out in Section 12.



## 7.5.1 Intangible assets

The pro-forma Intangible assets consist of the following:

Pro-forma Intangible Assets	\$000
Capitalised computer software development costs	181
Goodwill and other intangible assets arising from the Acquisition	12,489
<b>Pro-forma intangible assets</b>	<b>12,670</b>

The excess of the purchase consideration of over the net assets acquired in the Acquisition will be subject to fair value adjustments and determination of identified intangible assets in accordance with AASB 3 Business Combinations.

Both the capitalised computer software development costs and goodwill arising from business combinations will be subject to future impairment review to ensure that the carrying amount is not materially misstated.

## 7.5.2 Deferred consideration

Deferred consideration relates to 13,000,000 Performance Shares issued under the terms of the GBR Share Sale Agreement (being a total of \$2.6 million at \$0.20 per Performance Share).

The Performance Shares will convert into Ordinary Shares on the following basis:

- 50% of the Performance Shares automatically convert into Ordinary Shares on a one for one basis upon the Company achieving a turnover of \$5 million or more as set out in its yearly or half-yearly financial statements released to ASX; and
- 50% of the Performance Shares automatically convert into Ordinary Shares on a one for one basis upon the Company achieving a turnover of \$10 million or more as set out in its yearly or half-yearly financial statements released to ASX.

Further details are set out in Section 12.4.

For personal use only



## 7.6 Management discussion and analysis of the Pro Forma Historical Financial Information

The management discussion and analysis (MD&A) below relates to the pro forma historical Statements of Profit or Loss and Other Comprehensive Income and Statements of Cash Flows and should be read in conjunction with the description of the basis upon which the information has been prepared.

The MD&A provides a brief discussion of the general factors that affected the Company's historical operating and financial performance between FY2014, FY2015 and HY2016. The discussion of these general factors is intended to provide a summary only and does not detail all the factors that affected the Company's historical operating and financial performance.

The information in this Section should also be read in conjunction with the risk factors set out in Section 3 and other information contained in this Prospectus

### Revenue

Revenue increased 37% from \$409,000 in FY2014 to \$561,000 in FY2015. Revenue for HY2016 was \$547,000.

The increase was attributable to an increase in revenue from the sale of company documents via the GBR Direct.com website and partnered sales with KYCNet. During HY2016, revenue is approximately 97% of what was earned in FY2015 reflecting strong growth in the KYC Automation Model (**Automation Model**). Automation Model revenue during HY2016 was 53% of total sales, compared to 12% in FY2015.

### Cost of sales and gross margin

The pro forma gross margin fell from 60% in FY14 to 54% in FY15 and increased to 73.1% in HY2016.

Costs of sales increased during FY2015 as a result of higher cost of sales attributable to income earned through KYCNet sales compared to other income earned by the company. The addition of Automation Model revenue during HY2016 has resulted in lower Cost of Sales compared to previous income streams.

The Directors believe that continued roll out of the Automation Model will continue to improve the gross margin in the future.

### Operating expenses

Operating expenses increased in FY2015 by 62.8% as a result of an increase in personnel and other overheads. This increase was necessary to assist the company in commencing the transition to the Automation Model. Operating expenses have also increased in HY2016 relative to FY2015 as a result of additional staff resources being employed during the period to assist in the further growth of sales revenue.

### EBITDA

EBITDA decreased from (\$53k) in FY2014 to (\$182k) in FY2015 due to reduction in gross margin percentages and an increase in overhead expenditure in transitioning to the Automation Model. As the company has increased Automation Model revenue in HY2016, EBITDA has improved significantly to \$59k. This trend reflects a combination of the factors outlined above.

### Net cash flow from operating activities before investing activities, financing activities and tax

The Company generated negative net cash flow from operating activities before investing activities, financing activities and tax on a pro forma basis in FY2014 and FY2015 and HY2016 of \$229k, \$169k and \$77k respectively. This was largely due to a combination of the operating activities discussed above and movements in the amount invested in working capital.

## 7.7 Liquidity and capital resources

Following the completion of the Offer, the Company's principal sources of funds will be cash flow from operations and proceeds from the Offer. Accordingly, the Directors consider that Kyckr has enough working capital to carry out the entity's stated objectives.

For personal use only



## 7.8 Dividend policy

The Company has no current intention to declare and pay a dividend. It is the Directors' current intention to utilize the Offer proceeds received by the Company and to reinvest future available cash flows in the further development of the business.

Future dividend policy shall be set by the Company's Board of Directors consistent with the business objectives, opportunities for investment and market conditions at that time. The ability of the Company to pay any dividend in the future is dependent upon many factors including future profitability. The Directors are therefore unable to give any assurance regarding the payment of dividends in the future, if at all.

## 7.9 Significant accounting policies

The significant accounting policies adopted in the preparation of the financial information are set out below. These policies have been consistently applied to all the financial periods presented, unless otherwise stated.

### 7.9.1 Revenue recognition

Revenue is recognised when it is probable that the economic benefit will flow to the Company and the revenue can be reliably measured. Revenue is measured at the fair value of the consideration received or receivable.

#### Rendering of services

Revenue derived through licensing arrangements for customers is recognised as the services are provided over the licensing period. The Company has determined that these services are provided evenly over the term of the contract.

Revenue derived from Automation is recognised once the event has occurred.

#### Interest

Interest revenue is recognised as interest accrues using the effective interest method. This is a method of calculating the amortised cost of a financial asset and allocating the interest income over the relevant period using the effective interest rate, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the net carrying amount of the financial asset.

#### Other revenue

Other revenue is recognised when it is received or when the right to receive payment is established.

### 7.9.2 Income tax

The income tax expense or benefit for the period is the tax payable on that period's taxable income based on the applicable income tax rate for each jurisdiction, adjusted by changes in deferred tax assets and liabilities attributable to temporary differences, unused tax losses and the adjustment recognised for prior periods, where applicable.

### 7.9.3 Current and non-current classification

Assets and liabilities are presented in the statement of financial position based on current and non-current classification. An asset is current when: it is expected to be realised or intended to be sold or consumed in normal operating cycle; it is held primarily for the purpose of trading; it is expected to be realised within twelve months after the reporting period; or the asset is cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period. All other assets are classified as non-current.

A liability is current when: it is expected to be settled in normal operating cycle; it is held primarily for the purpose of trading; it is due to be settled within twelve months after the reporting period; or there is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period. All other liabilities are classified as non-current.

### 7.9.4 Cash and cash equivalents

Cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.



### 7.9.5 Trade and other receivables

Trade receivables are initially recognised at fair value and subsequently measured at amortised cost using the effective interest method, less any provision for impairment. Trade receivables are generally due for settlement within 30 days.

### 7.9.6 Intangible assets

Intangible assets acquired as part of a business combination, other than goodwill, are initially measured at their fair value at the date of the acquisition. Intangible assets acquired separately are initially recognised at cost. Indefinite life intangible assets are not amortised and are subsequently measured at cost less any impairment. Finite life intangible assets are subsequently measured at cost less amortisation and any impairment. The gains or losses recognised in profit or loss arising from the derecognition of intangible assets are measured as the difference between net disposal proceeds and the carrying amount of the intangible asset.

The method and useful lives of finite-life intangible assets are reviewed annually. Changes in the expected pattern of consumption or useful life are accounted for prospectively by changing the amortisation method or period.

### 7.9.7 Intellectual property

Significant costs associated with patents and trademarks are deferred and amortised on a straight-line basis over the period of their expected benefit. The Directors have indicated that these assets are indefinite infinite life assets and assess them annually for indications of impairment.

### 7.9.8 Plant and equipment

Plant and equipment is stated at historical cost less accumulated depreciation and impairment. Historical cost includes expenditure that is directly attributable to the acquisition of the items. The method used to depreciate assets is prime cost. The depreciation rate used is 20% to 25%.

The residual values, useful lives and depreciation methods are reviewed, and adjusted if appropriate, at each reporting date.

An item of plant and equipment is derecognised upon disposal or when there is no future economic benefit to the Company. Gains and losses between the carrying amount and the disposal proceeds are taken to profit or loss.

### 7.9.9 Leases

The determination of whether an arrangement is or contains a lease is based on the substance of the arrangement and requires an assessment of whether the fulfilment of the arrangement is dependent on the use of a specific asset or assets and the arrangement conveys a right to use the asset.

A distinction is made between finance leases, which effectively transfer from the lessor to the lessee substantially all the risks and benefits incidental to ownership of leased assets, and operating leases, under which the lessor effectively retains substantially all such risks and benefits.

Finance leases are capitalised. A lease asset and liability are established at the fair value of the leased assets, or if lower, the present value of minimum lease payments. Lease payments are allocated between the principal component of the lease liability and the finance costs, to achieve a constant rate of interest on the remaining balance of the liability.

Leased assets acquired under a finance lease are depreciated over the asset's useful life or over the shorter of the asset's useful life and the lease term if there is no reasonable certainty that the Company will obtain ownership at the end of the lease term.

Operating lease payments, net of any incentives received from the lessor, are charged to profit or loss on a straightline basis over the term of the lease.

### 7.9.10 Borrowings

Loans and borrowings are initially recognised at the fair value of the consideration received, net of transaction costs. They are subsequently measured at amortised cost using the effective interest method.

Where there is an unconditional right to defer settlement of the liability for at least 12 months after the reporting date, the loans or borrowings are classified as non-current.



### 7.9.11 Trade and other payables

These amounts represent liabilities for goods and services provided to the Company prior to the end of the financial year and which are unpaid. Due to their short-term nature they are measured at amortised cost and are not discounted. The amounts are unsecured and are usually paid within 30 days of recognition.

### 7.9.12 Employee benefits

#### Short-term employee benefits

Liabilities for wages and salaries, including non-monetary benefits, annual leave and long service leave expected to be settled within 12 months of the reporting date are recognised in current liabilities in respect of employees' services up to the reporting date and are measured at the amounts expected to be paid when the liabilities are settled.

#### Other long-term employee benefits

The liability for annual leave and long service leave not expected to be settled within 12 months of the reporting date is recognised in non-current liabilities, provided there is an unconditional right to defer settlement of the liability. The liability is measured as the present value of expected future payments to be made in respect of services provided by employees up to the reporting date using the projected unit credit method. Consideration is given to expected future wage and salary levels, experience of employee departures and periods of service. Expected future payments are discounted using market yields at the reporting date on national government bonds with terms to maturity and currency that match, as closely as possible, the estimated future cash outflows.

#### Share-based payments

Equity-settled share-based compensation benefits, such as, performance rights, may be introduced (subject to applicable shareholder approval) to employees and directors.

Equity-settled transactions are awards of shares, or options over shares that are provided to employees in exchange for the rendering of services. Cash settled transactions are awards of cash for the exchange of services, where the amount of cash is determined by reference to the share price.

The cost of equity-settled transactions is measured at fair value on grant date. Fair value is independently determined using either the Binomial or Black Scholes option pricing model that takes into account the exercise price, the term of the option, the impact of dilution, the share price at grant date and expected price volatility of the underlying share, the expected dividend yield, and the risk-free interest rate for the term of the option, together with non-vesting conditions that do not determine whether the Company receives the services that entitle the employees to receive payment. No account is taken of any other vesting conditions.

The cost of equity-settled transactions is recognised as an expense with a corresponding increase in equity over the vesting period. The cumulative charge to profit or loss is calculated based on the grant date fair value of the award, the best estimate of the number of awards that are likely to vest, and the expired portion of the vesting period. The amount recognised in profit or loss for the period is the cumulative amount calculated at each reporting date less amounts already recognised in previous periods.

Market conditions are taken into consideration in determining fair value. Therefore any awards subject to market conditions are considered to vest irrespective of whether or not that market condition has been met, provided all other conditions are satisfied.

If an equity-settled award is modified, then as a minimum an expense is recognised as if the modification had not been made. An additional expense is recognised, over the remaining vesting period, for any modification that increases the total fair value of the share-based compensation benefit as at the date of modification.

If the non-vesting condition is within the control of the Company or employee, the failure to satisfy the condition is treated as a cancellation. If the condition is not within the control of the Company or employee and is not satisfied during the vesting period, any remaining expense for the award is recognised over the remaining vesting period, unless the award is forfeited.

If an equity-settled awards is cancelled, then it is treated as if it had vested on the date of cancellation, and any remaining expense is recognised immediately. If a new replacement award is substituted for the cancelled award, the cancelled and new awards are treated as if they were a modification.



### 7.9.13 Issued capital

Ordinary shares are classified as equity.

Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

### 7.9.14 Goods and Services Tax (GST) and other similar taxes

Revenues, expenses and assets are recognised net of the amount of associated GST, unless the GST incurred is not recoverable from the tax authority. In this case it is recognised as part of the cost of the acquisition of the asset or as part of the expense.

Receivables and payables are stated inclusive of the amount of GST receivable or payable. The net amount of GST recoverable from, or payable to, the tax authority is included in other receivables or other payables in the statement of financial position.

Cash flows are presented on a gross basis. The GST components of cash flows arising from investing or financing activities which are recoverable from, or payable to the tax authority, are presented as operating cash flows.

Commitments and contingencies are disclosed net of the amount of GST recoverable from, or payable to, the tax authority.

For personal use only

For personal use only

8

# Independent Expert Report



For personal use only

# GLOBAL BUSINESS REGISTER – SERVICE OFFERING

*Independent Expert Review*

---

Tower 81 Associates Limited

**Reference:**  
KYCKR-2001-1002

**Date:**  
10 May 2016



### **Confidentiality and Non-disclosure**

The Client proposes to conduct an initial public offering (“**IPO**”) on the Australian Securities Exchange. Immediately prior to completion of the IPO, the Client will purchase the entire issued share capital of Global Business Register Limited, a company incorporated in Ireland with company number 436024.

Tower81 consents to the inclusion of:

1. this document in full or in part, in the prospectus for the IPO; and
2. all references to information contained in this document.

The independent review, presented within this document, is comprehensive within the boundaries of the defined scope and provides a clear and unbiased perspective of the findings of our analysis.

This document contains confidential information belonging to Tower81 Associates Limited (“**Tower 81**”). No part of this document or its attachments may be reproduced, in whole or in part, without the prior written consent from Tower 81.

Registered Office: The LINC Centre, ITB, Blanchardstown Road North, Dublin 15, Ireland. Registered in Ireland number 516388.

### **Disclaimer**

The commentary and expert analysis provided within this document are provided as the professional opinion of Tower 81 and are provided as accurate to the best of our knowledge.

Some of the information contained in this document has been obtained from third party sources. Neither Tower 81 nor any of their respective associates, officers, employees or agents (Group) takes any responsibility nor do they make any representation or warranty as to the accuracy, completeness, timeliness, fairness or reliability of information sourced from third parties.

To the maximum extent permitted by law, no member of the Group accepts any liability (including without limitation, any liability arising from fault or negligence on the part of any of them) for any loss whatsoever arising from matters arising outside the scope of our work relevant to this document

This document is solely for information purposes only. Any recipients should consider it along with all other facts, advice and its own insights before making its own independent decisions. Tower 81 accepts no responsibility to update any person regarding any inaccuracy, omission or change in information in this document or any other information made available to a person nor any obligation to furnish the person with any further information.

For personal use only

## Table of Contents

1	INTRODUCTION .....	5
1.1	PURPOSE OF THIS DOCUMENT .....	5
1.2	APPROACH .....	5
1.3	SCOPE .....	5
1.4	DOCUMENT STRUCTURE .....	6
1.5	ABOUT THE AUTHOR .....	7
1.6	CONTACT INFORMATION .....	7
2	EXECUTIVE SUMMARY .....	8
3	GLOBAL BUSINESS REGISTER NETWORK .....	12
3.1	OBJECTIVE .....	12
3.2	SUMMARY OF ANALYSIS .....	12
3.3	DETAILED ANALYSIS .....	12
3.3.1	GBR Information Connections .....	12
3.3.2	Complete List of Global Information Providers .....	16
3.3.3	Pertinence of GBR's Current Connections .....	16
3.3.4	Constraints in the Domain .....	18
4	GBR KYC VALUE CHAIN .....	20
4.1	OBJECTIVE .....	20
4.2	SUMMARY OF ANALYSIS .....	20
4.3	DETAILED ANALYSIS .....	20
4.4	BEST IN CLASS KYC .....	20
4.5	EVALUATING GBR PRODUCTS .....	21
5	GLOBAL BUSINESS REGISTER LIMITED .....	25
5.1	OBJECTIVE .....	25
5.2	SUMMARY OF ANALYSIS .....	25
5.3	DETAILED ANALYSIS .....	25
5.3.1	Organisational Chart .....	25
5.3.2	Background .....	26
5.3.3	Core Competency .....	26
5.3.4	Innovation .....	27
5.3.5	Strategic Partnerships .....	27
5.3.6	Jersey Financial Services Commission & EBR .....	28
5.3.7	Influence Within Industry .....	29
6	GLOBAL BUSINESS REGISTER PRODUCTS .....	30

For personal use only

6.1	OBJECTIVE .....	30
6.2	SUMMARY OF ANALYSIS .....	30
6.3	DETAILED ANALYSIS .....	30
6.3.1	GBR Product Overview .....	30
6.3.2	Product Delivery .....	31
6.3.3	Product Details.....	32
7	GLOBAL BUSINESS REGISTER COMPETITOR ANALYSIS.....	37
7.1	OBJECTIVE .....	37
7.2	SUMMARY OF ANALYSIS .....	37
7.3	DETAILED ANALYSIS .....	37
7.3.1	GBR Unique Selling Proposition .....	37
7.3.2	KYC Registries .....	38
7.3.3	Competitor profiles.....	40
7.3.4	Legacy Business Information Services .....	42
8	RECOMMENDATIONS .....	47
	APPENDICES .....	49
	APPENDIX A: KNOW YOUR CUSTOMER ("KYC") .....	49
	What is KYC? .....	49
	Driving Factors .....	52
	APPENDIX B: REFERENCES .....	54
	APPENDIX C: ANALYSIS – DETAILED INFORMATION .....	56
	APPENDIX D: TOP 20 BANKS .....	62
	APPENDIX E: BEST IN CLASS KYC EVALUATION METHODOLOGY.....	63

For personal use only

# 1 INTRODUCTION

---

## 1.1 Purpose of this document

This document presents the results of an Independent Expert Review commissioned by Kyckr Limited and undertaken by Tower81 Associates Limited (“**Tower 81**”) of the service offering from Global Business Registers Limited (“**GBR**”).

The purpose of this review is to provide an unbiased perspective of GBR’s services and to support the evaluation of information provided to the market as documented within the IPO Prospectus.

The focus of this assignment is to undertake an independent expert review of GBR, its capabilities and ability to deliver existing and proposed solutions to key clients.

This document has been developed as a result of consultation between personnel from Tower 81 and GBR.

## 1.2 Approach

The independent review and commentary documented within this report was achieved through the execution of the following processes and techniques:

1. Analysis of GBR Product Documentation
2. Desk Based Research (Quantitative Analysis)
3. Live Testing of GBR Services
4. Observation of Service Fulfilment
5. Inspection of Business Processes
6. Walk through of GBR Code Base
7. Onsite Interviews with GBR Staff
8. Workshops with GBR Technical Staff
9. Competitor Analysis

## 1.3 Scope

The Scope of this report involves reviewing GBR’s service offering. The primary focus is on their connections to global information sources and an evaluation of their ability to deliver services that support best in class Know Your Customer (“**KYC**”) compliance.

Financial, Sales & Marketing, IT, HR systems and processes are considered out of scope of this review.

For personal use only

## 1.4 Document Structure

This report is structured to provide the highlights of the findings from our analysis, following with comprehensive details regarding the output of our review including the GBR Services; their ability to facilitate the KYC process and our findings regarding their competitors.

The main sections of the document are highlighted as follows with the specified objective:

Section	Objective
<b>Executive Summary</b>	Highlights of our review, providing a summary of our commentary and analysis
<b>Global Business Register Network</b>	Within this section we provide our analysis of GBR's connections to the Official Data Sources globally. In addition, we provide our analysis on indicators of connections that are an important focus for KYC and how GBR are with respect to coverage; and any gaps or issues that exist.
<b>Global Business Register KYC Value Chain</b>	Provide an overview of Best In Class ("BIC") KYC and the barriers that exist in achieving BIC KYC processes. Compare GBR's ability to support best in class KYC compliance as defined within our model of BIC KYC processes.
<b>Global Business Register Limited</b>	Provide a brief analysis of the company's operational structure with a primary focus on their resource and ability to deliver its service offering. Financial, Sales & Marketing, IT & HR functions were not fully explored during the review and are considered out of scope.
<b>Global Business Register Products</b>	Provide a definition of the GBR Products and the Business Processes and high-level IT systems that underpin these services. A full review of IT systems is not within the scope of this report.
<b>Global Business Register - Competitor Analysis</b>	Provide our analysis of GBR's competitors, the differences between their offerings and provide our commentary on their unique selling point(s) ("USP").
<b>Recommendations</b>	Presentation of our recommendations for change to support growth and development within the GBR business.

Within each of the above sections, where we have provided analysis of the Global Business Register, we have structured our findings in the following manner:

1. Objective (Objective of the section)
2. Summary of Analysis

For personal use only

### 3. Detailed Analysis

Within the appendices to this report, we provide an introduction to KYC including our commentary on driving factors, market trends and developments within the legislative landscape.

#### 1.5 About the Author

Tower 81 is an IT consultancy firm that provides strategic, operational and technical advisory services to the public and private sectors with specific expertise within the commercial registry and regulatory domain. We have significant experience providing consultation on the design, development and management of ICT systems that support business, pension, intellectual property, security interests, aviation and licensing registers across Ireland, the UK, the Middle East, and the US.

Within the business registry domain, we support public authorities with the review of ICT systems and business processes in order to establish robust and resilient systems that can respond to the changing requirements of industry. We also work with European authorities and aid agencies to help undertake full system reviews, feasibility analysis and develop reports to support decisions on investment and sustainability.

Tower 81 personnel have provided virtual CTO services to the European Business Register since 2009. The European Business Register (EBR) is a network of national business registers and information providers from 27 European countries. Tower 81 is responsible for providing technical counsel to the Executive Board; for the definition and execution of the EBR IT strategy and ultimately to ensure a resilient and progressive network through the management of the IT and support teams.

Within the private sector we support clients with the investigation of market opportunities specifically within the Business Registry domain. We are working in a number of jurisdictions to facilitate the negotiation of B2B connectivity for the access and retrieval of corporate public data.

#### 1.6 Contact Information

For further information about this report please contact:

**Kevin Kerrigan**

Managing Director  
Tower 81 Associates Limited  
Telephone: +353 1 899 1781  
Mobile: +353 86 841 9833  
Email: [kfk@tower81.ie](mailto:kfk@tower81.ie)  
Web: [www.tower81.ie](http://www.tower81.ie)

For personal use only

## 2 EXECUTIVE SUMMARY

Global Business Register Limited (“GBR”) have developed a commercially proven suite of KYC products that provide, to the best of our knowledge, the most extensive real-time network to official corporate data sources globally. They have established a credible client base including blue chip companies such as PayPal, Swift, and Stripe. GBR have built up a physical network providing real-time access to over 70 million legal entities, from 150 registers in 88 countries.

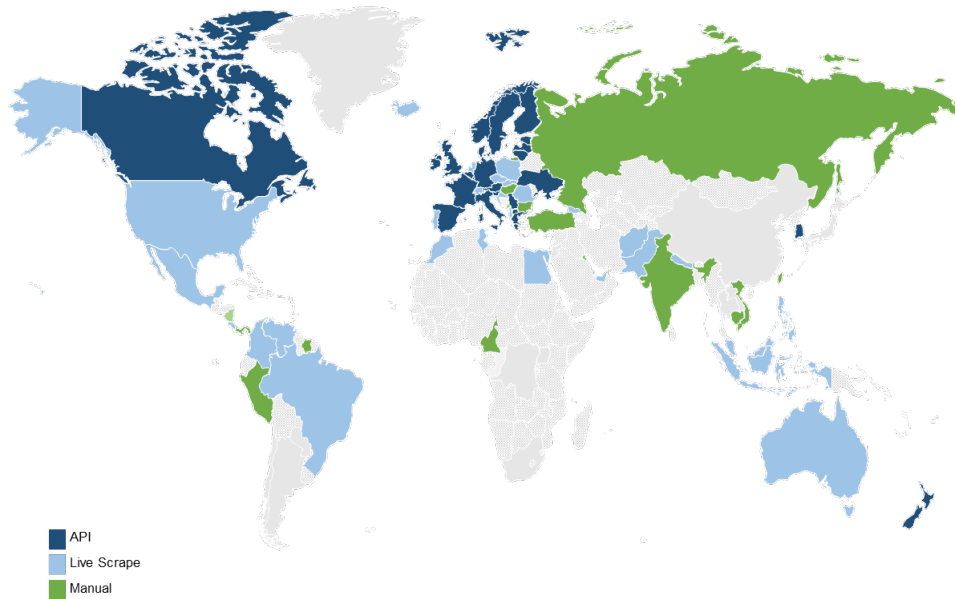


Figure 1 GBR Global Information Network

### KYC Product Offering

The GBR suite of KYC products guarantee the veracity of data and provide the building blocks to ensure compliance with AML/CTF requirements. Unique to their competitors, GBR sources every customer request for official information directly from the local business registry authority in real-time.

A plethora of constraints exist that provide barriers for organisations to achieve Best in Class KYC. Both regulatory and process constraints restrict the achievement of Best In Class KYC for many organisations. The following table presents examples of regulatory and process constraints impacting Best In Class KYC.

Constraint	2.1.1.1	Type
Wide range of legislation / regulation applies to this area of operation including AML, Tax compliance, investor protection, cross border regulation and issues related to reputational risk	Regulatory	
Changing legislation / regulation in terms of remit of the legislation as well as increasing accountability and	Regulatory	

For personal use only



<b>scope</b>	
<b>Unequal legislation / regulation in different jurisdictions</b>	Regulatory
<b>Multiple legislative approaches require compliance at an increasingly deeper level of data</b>	Regulatory
<b>Growing and expanding KYC requirement beyond major clients to include all clients of an institution</b>	Regulatory
<b>Quality, timeliness and consistency of data and updates of company information</b>	Process
<b>Legal framework in individual countries defines accessibility and content of data collected</b>	Process
<b>Manual, decentralised processes are not suitable to demands of a centralised compliance system</b>	Process
<b>Elicitation of data and matching to multiple internal and external sources</b>	Process
<b>Rapid integration of data changes into disparate internal company data silos</b>	Process
<b>Non KYC data compliance and administration</b>	Process
<b>Fraud avoidance and the onus on the institution to verify the data and proof of identity during on boarding</b>	Process

Since their inception in 2007, GBR have developed innovative solutions to overcome data access and quality issues so that their customers can easily integrate; and more importantly access accurate and up-to-date official information to maintain their customer books.

GBR have prioritised the jurisdictions that they integrate to their global network based on market demands and the requirements of their customers. Based on our analysis, they currently provide KYC Product coverage to 18 of the top 20 jurisdictions where the 20 largest global banks have most commercial activity. In our professional opinion they are well positioned to service their target KYC market and with adequate funding they will be able to continue with their expansion and maintain their competitive advantage.

Within their network expansion, the team are leveraging their knowledge and systems to establish connections in jurisdictions that lack statutory registry competency and are therefore less serviced by GBR competitors. These jurisdictions often rate high with respect to AML/CTF risk and are of significant value to GBR customers.

### **Investment for Growth**

GBR founders are well respected within the global Business Registry domain and have a track record of delivery. The company has been in operation since 2007 and has grown from then providing access to 12 national business registers to 150 registers globally today. It was the first official commercial distributor for the European Business Register (EBR) and retains strong relationships with registers globally. It has established business relationships with leading companies such as Bureau Van Dijk, Dell Services, Graydon, the

For personal use only

Jersey Financial Services Commission and has secured contracts with blue chip organisations such as PayPal, Swift and Stripe. The company has multiple awards from industry included being a finalist in Red Herring Top 100 Europe Award, SWIFT Innotribe, Stevie Awards and the Net Visionary Awards

The wider GBR team is comprised of skilled and experienced professionals who have an in-depth knowledge of the business and its objectives; however, the company is in a classic early stage of development and requires further investment to formalise and scale the business.

The business is well positioned for growth, however, investment is required within a number of key areas to realise the potential of the business. Within Section 8 of this report we present a number of key recommendations for change. In addition, the below graphic presents an overview of our SWOT analysis of the business.



The following extracts summarise our findings in a number of additional key areas. The following statements are substantiated within our detailed analysis presented within this report.

**GBR Product Suite**

- GBR have leveraged their global network to provide KYC Product offering that provides their clients with the building blocks to achieve Best In Class KYC Compliance
- The existing customer base of GBR's Portal Based products provide a set of qualified leads with the opportunity for conversion to integrated services customers (Core API) and the full KYC Product offering

For personal use only

### GBR USP / Competitive Advantage

- GBR does not have the most extensive level of access to company data, however they are unique to their competitors in that they only source data in real-time from the official data source. To the best of our knowledge they have the most extensive set of real-time access connections to official company data sources.
- GBR do not store data or modify the data that they retrieve from the official data source and can therefore guarantee the veracity of the data and ensure that customers remain compliant with AML legislation
- GBR have a real-time monitor service that ensures customer books remain up to date after remediation and cleansing activities are completed.
- GBR provides constantly updated records of incorporated entities across 150 registers in a single solution and is not based on transactional information
- GBR's offering is a real-time view of an entity with up to date documentation and can be adapted to meet the needs of internal client jurisdiction or systems

### General Comments

- A lot of knowledge and expertise developed within resources and systems to facilitate the access and interpretation of company information
- There is a significant amount of work undertaken which has established a commercially proven products. Further investment is critical in scaling the business and realising the potential for growth. Recommendations have been provided for areas identified as requiring resource and development
- The management team has built up strong relationships, reputational capital and awareness within the Business Registry domain. They have demonstrated the ability to develop business relationships and overcome barriers to establish access to official company data sources

For personal use only

## 3 GLOBAL BUSINESS REGISTER NETWORK

---

### 3.1 Objective

The purpose of this section of the report is to present our findings with respect to the company's global information network and provide their level of access to official data sources globally. We classify the different types of connections that are in place; highlight the pertinence of their connection for KYC purposes and identify gaps or issues with their global reach.

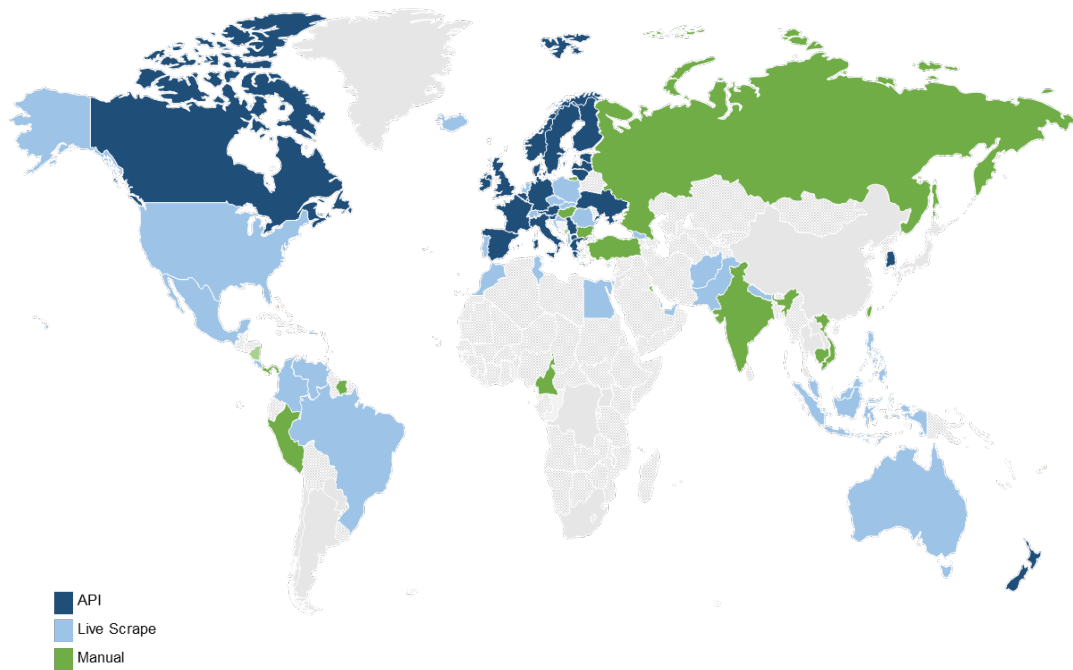
### 3.2 Summary of Analysis

- GBR coverage of official Business Registers is estimated at over 70 million legal entities in 150 registers (includes some sub-registers e.g. Brazil)
- GBR does not have the most extensive level of access to company data, however they are unique to their competitors in that they only source data in real-time from the official data source. To the best of our knowledge they have the most extensive set of real-time access connections to official company data sources (see Section 7 for detailed and supporting analysis)
- We have identified the pertinence of the GBR information network with respect to KYC target jurisdictions. As a proxy indicator we were able to extrapolate that GBR have access to 18 of the top 20 jurisdictions in which the top 20 global banks are most active
- GBR are working to continuously expand their global network and monitor the requirements of their clients to prioritise this expansion

### 3.3 Detailed Analysis

#### 3.3.1 GBR INFORMATION CONNECTIONS

For personal use only



GBR have connections to retrieve information from 150 official sources of business register information globally. The above graphic highlights the jurisdictions and connection types that GBR have established in order to access real-time official data. A comprehensive list of the connections and classifications is also provided.

	Countries	Jurisdictions
<b>Live API</b>	27	40
<b>Live Scrape</b>	46	95
<b>Manual</b>	15	15

Due to domain constraints (see section 3.3.4), it is not always possible to have a sophisticated system to system (or API) link to the official information sources. In order to provide services based on real-time data, GBR have built a platform that employs the following mechanisms to provide an official and real-time data source.

### LIVE API – Connections

Austria	Belgium	Denmark	Estonia	Finland	France	Germany	Gibraltar
Guernsey	Ireland	Italy	Jersey	Latvia	Lithuania	Luxembourg	Macedonia (FYR)
Malta	Norway	Serbia	Slovenia	Spain	Sweden	Ukraine	United Kingdom
Federal (CA)	Alberta (CA)	British Columbia (CA)	Manitoba (CA)	New Brunswick (CA)	Newfoundland & Labrador (CA)	Northwest Territories (CA)	Nova Scotia (CA)
Nunavut (CA)	Ontario (CA)	Prince Edward Island (CA)	Quebec (CA)	Saskatchewan (CA)	Yukon (CA)	New Zealand	South Korea

For personal use only

## LIVE Scrape - Connections

Albania	Croatia	Cyprus	Czech Republic	Georgia	Iceland	Isle of Man	Israel
Liechtenstein	Monaco	Montenegro	Netherlands	Poland	Portugal	Romania	Slovakia
Switzerland	Abu Dhabi	Afghanistan	Australia	Bahrain	Cayman Islands	Dubai	Egypt
Hong Kong	Indonesia	Malaysia	Mauritius	Morocco	Nepal	Pakistan	Philippines
Singapore	Tunisia	Aruba	Bonaire	Brazil	Colombia	Costa Rica	Curacao
Mexico	Saba	Sint Eustatius	Tonga	Venezuela	Alabama (US)	Alaska (US)	Arizona (US)
Arkansas (US)	California (US)	Colorado (US)	Connecticut (US)	Delaware (US)	Florida (US)	Georgia (US)	Hawaii (US)
Idaho (US)	Illinois (US)	Indiana (US)	Iowa (US)	Kansas (US)	Kentucky (US)	Louisiana (US)	Maine (US)
Maryland (US)	Massachusetts (US)	Michigan (US)	Minnesota (US)	Mississippi (US)	Missouri (US)	Montana (US)	Nebraska (US)
Nevada (US)	New Hampshire (US)	New Jersey (US)	New Mexico (US)	New York (US)	North Carolina (US)	North Dakota (US)	Ohio (US)
Oklahoma (US)	Oregon (US)	Pennsylvania (US)	Rhode Island (US)	South Carolina (US)	South Dakota (US)	Tennessee (US)	Texas (US)
Utah (US)	Vermont (US)	Virginia (US)	Washington (US)	West Virginia (US)	Wisconsin (US)	Wyoming (US)	

## Manual - Connections

Bulgaria	Hungary	Russia	Cambodia	India	Taiwan	Vietnam	Cameroon
Uganda	British Virgin Islands	Panama	Peru	Kuwait	Turkey	Suriname	

We have undertaken live sampling on the above data sources and can confirm that from this exercise, and to the best of our knowledge, GBR have connections in place for these jurisdictions. Access to the live GBR system and data services was provided throughout the evaluation process. A series of searches were systematically undertaken across all Live API and Live Scrape connections to ensure that a real-time search and retrieval of company information was possible. During the onsite inspection, a visual inspection of previous client orders across a sample of the manual jurisdictions

For personal use only

was undertaken to validate GBR's ability to provide access to the 15 manual jurisdictions. No live testing of manual services was undertaken. During the visits to the GBR offices, an inspection of the systems codebase was undertaken to verify the routing of services and the source of information for the above jurisdictions.

It is our understanding that GBR are currently in the process of establishing access to the following jurisdictions: Argentina, Bermuda, Chile, China, Japan, Jordan and Uganda. Within the review we did not evaluate the status or expected timeline to bring these jurisdictions online.

In addition, we have been informed that the technicians within GBR continue efforts to convert current manual searches to automated services; and to leverage new API links as and when suitable connections and technology is brought online by the Official Information providers, example jurisdictions of this include India and Delaware (US).

#	Facility	Description
1	Live API	In jurisdictions where the official information source maintains a modern and accessible IT system, GBR establishes connections for information retrieval via a system to system link known as an API – Application Programming Interface. In this instance an API is used to automatically return details from a fully searchable database in each Registry / Competent Authority.
2	Live Scrape	Web scraping is a software technique used for extracting information directly from websites. Where an API is not available, GBR undertakes a live scrape of jurisdictions of the live website of the official information provider. This is only possible where the official provider maintains an online presence that is searchable. When a client makes a request to GBR, they undertake a live scrape of the register and return the results to the user.  This is a practical approach by GBR to overcome the lack of an appropriate channel to connect or retrieve real-time access to the official source of data. It is our understanding that GBR, through their relationships with the global registers, have requested permission to access data in this manner. GBR have also confirmed that they are in the process of creating an internal Data Governance Officer role. This function will be responsible for monitoring registry access rights and conditions and ultimately ensuring that GBR is compliant and permitted to access and distribute data acquired in this manner.
3	Manual	Finally where no online presence is maintained; or a website is not automatically “Scrapable”; or where

For personal use only

certain products are not available online, GBR will undertake a manual search and order. This involves a customer service member of staff to undertake the manual retrieval of the document. This can be undertaken by manually accessing the website or emailing/calling the Official Information Provider. In some cases a local agent is instructed to physically walk into the official information provider Office to retrieve a physical copy and return this in digital copy format to the customer.

### 3.3.2 COMPLETE LIST OF GLOBAL INFORMATION PROVIDERS

There is no single global directory of business registers or official company information sources. It is therefore difficult to provide a definitive answer on the number of registers that exist globally.

In the preparation of this report, we have undertaken a significant amount of desk research, based upon our knowledge of the domain, in order to provide our opinion to the level of global coverage that GBR have within the business register domain.

Based upon our research and to the best of our knowledge we were able to identify official business registers in over 200 countries<sup>1</sup>. Business Register structures vary within each country and in many scenarios a country that adopts a federated business registry model may not provide a single access or search facility to access the individual register databases. Our analysis has shown that there are an additional 160 federated registers across 5 countries US, Canada, China, Brazil and the Central African Republic. This provides us with an estimate of over 350+ individual registers globally.

Of the total number of registries identified, we believe that 78 do not support an online search facility.

### 3.3.3 PERTINENCE OF GBR'S CURRENT CONNECTIONS

In order to formalise an opinion on the pertinence of GBR's subset of global connections to official information sources we have undertaken analysis on the banking sector and made deductions based on the activity and the geographical presence of the top 20 global banks.

KYC and enhanced due diligence ("**EDD**") was formalised initially in the banking industry. The global banking network is a well-established infrastructure and gives a clear indication of demand for KYC in formalised banking and financial services.

A true indicator for the full set of business register jurisdictions required to support a complete KYC service would involve an analysis of the geographical breakdown that forms the global banking network customer

<sup>1</sup> See appendix C for our methodology in identifying the set of global business registers

For personal use only



books. As this is not accessible, we have had to make assumptions to provide insights and commentary within this report. Using the top 20 global bank networks as a proxy indicator for global KYC demand, it is possible to identify areas of high and low demand.

GBR Access method	Country	Top 20 Global Banks Operating (count)
API	Germany	20
Scrape	Singapore	20
API	United Kingdom	20
Scrape	United States of America	20
Scrape	Australia	19
Scrape	Hong Kong	18
API	South Korea	18
API	France	17
No Access <sup>2</sup>	Japan	17
Manual	Russian Federation	17
Scrape	United Arab Emirates	17
API	Italy	16
Scrape	Brazil	15
API	Canada	15
No access <sup>3</sup>	China	15
Manual	India	15
API	Spain	15
Manual	Taiwan	15
Scrape	Indonesia	14
Scrape	Malaysia	14

Table 1 Top 20 Global Bank Operating locations and service availability

KYC is in demand in many countries where verification services are not yet available through the GBR product suite. Based on our analysis the most significant opportunity for development of GBR service is in Pacific Rim jurisdictions as well as South American and across the Middle East.

Country	Top 20 Global Banks Offices	Search Status of jurisdiction registers
Japan	17	Online

<sup>2</sup> GBR are currently undertaking analysis to establish a reliable connection to Japanese data. There is a commercial need to gain access to Japanese data, however, Japan has extremely poor registry competency; lacks a central official register; and there is no single true source of data.

<sup>3</sup> It is our understanding that GBR has developed a connection to Chinese company data in test, however this is not yet ready for release to the production service.

For personal use only

China	15	Online
South Africa	14	Online
Argentina	12	Manual
Thailand	12	Online
Qatar	11	Manual
Chile	9	Online
Saudi Arabia	8	Online
Greece	7	Online
Bangladesh	5	Manual
Kazakhstan	5	Manual
Sri Lanka	5	Online
Uruguay	5	Online
Lebanon	4	Online
Nigeria	4	Manual

Table 2 Top 15 Demand opportunities by country

### 3.3.4 CONSTRAINTS IN THE DOMAIN

The Business Registry (BR) domain refers to the global collection of official company information providers. It contains a diverse set of governing authorities from central and distributed administrative offices; through to the incorporation and subsequent registration of legal entities via judicial proceedings operating under the auspices of the Ministries of Justice.

In addition, the Global business registration authorities operate under different business and cost-covering models. The EU business registries are required under EU directive to operate under a non-profit cost-recovery approach; while other counterparts within the domain act in a more commercial manner and are effectively a tax-collector for the jurisdiction.

This diverse group within what is a relatively small global domain provides both opportunities and constraints which requires market quantification, qualification and prospective customer classification when evaluating the establishment of a connection.

Each registry varies significantly with respect to the maturity and level of investment which impact the sophistication of business processes; legislative base; ICT systems and customer service. A wide spectrum of variance exists with some jurisdictions supporting open and free data, such as the UK, to offices that provide no digital format or access to the public register.

A number of different barriers exist to the facilitation of KYC that are often the responsibility of the Registry Domain. These can be summaries as follows:

- Difficulty to Gain Access
  - Legal constraints to distribute data
  - Archaic and antiquated IT systems (or no IT systems)

For personal use only

- Lack of API interface and blocking of scraping bots (objective to prevent harvesting of public registers)
  - Limited resources to support
  - Lack of appetite to facilitate commercial connections to the public register
  - Restricted access (Data Protection – fear of breach)
- Poor Registry Data Quality
- Registry processing back log / data within the register is not up to date
  - Lack of enforcement within jurisdictions (Legal reform required)
  - Misfiling/ Human Error
  - Data not keyed up

## 4 GBR KYC VALUE CHAIN

### 4.1 Objective

In the following sections, we examine the GBR KYC value chain and evaluate GBR's product offering against the recognised features of a best in class ("BIC") KYC solution.

### 4.2 Summary of Analysis

We have detailed each of the key features of a best in class solution and defined how these principles are achieved. We have subsequently evaluated the GBR products indicating where the offering is aligned or where they are lacking with respect to the BIC KYC solution.

The results of our evaluation of GBR KYC offering against our definition of BIC KYC principles is as follows:

- Know Your Customer – At All Times [Supports Principle]
- Know Your Data [Supports Principle]
- Data Completeness and Accuracy [Supports Principle]
- Reduced On-boarding Timeframes [Supports Principle]
- Transparency [Supports Principle]
- Minimise Operational Burden [Supports Principle]
- Adaptive [Improvement Possible]
- Configurable [Improvement Possible]

### 4.3 Detailed Analysis

In this section, we provide a direct comparison as to how the GBR service offerings stand up to the recognised BIC features of a KYC solution. Prior to evaluating the GBR product offering we must first consider, what is Best In Class?

### 4.4 Best In Class KYC

The characteristics of a best in class KYC solution, as identified by our research and experience in the domain, are presented in the following table.


#	Feature	Description
1	Know your Customer – At all times	Demonstrate that you know your customer on an ongoing basis. This includes acting as a Gatekeeper during the on-boarding of customers but also the ongoing monitoring of customer profiles throughout the full lifetime of the engagement.
2	Know your Data	Source your information from independent and verifiable data sources and have traceability of this data at all times. The veracity of this data is

For personal use only



		paramount as it underpins the organisation's risk management and compliance procedures.
3	Data Completeness and Accuracy	The data gathered for the purposes of identifying your customer must be accurate and complete and must provide clear and definitive identification of the customer as per the AML / CFT requirements of the operational jurisdiction.
4	Reduced On-boarding Timeframes	Reduce the timeframe required to on-board the customer. This is achieved through the streamlining of KYC processes as well as the automation of data processing and risk assessment.
5	Transparency	Make the on-boarding (and indeed the off-boarding) process as transparent as possible for the customer. This will aid the customer in completing the on-boarding process.
6	Minimise Operational Burden	Where appropriate, reduce the manual data collection, processing and verification activities from the operational units.
7	Adaptive	The complete KYC process from the acquisition of data through to the risk assessment and rule based decision making processes should be as flexible as possible to allow for the accommodation of ever changing AML / CTF legislation and regulations.
8	Configurable	The best in class KYC solution should apply the relevant compliance according to the jurisdiction. This is particularly relevant to organisations operating in global markets.




#### 4.5 Evaluating GBR Products

The below table highlights GBR Products performance when evaluated against the Best in Class principles. The BIC Indicator column highlights where the GBR Product offering satisfies the BIC principle (GREEN) or where the product can be improved (AMBER); or where the product does not support the principle (RED). The methodology used to evaluate GBR Products is presented in Appendix E of this document.



#	Feature	Description	GBR Evaluation	BIC Indicator
1	Know your Customer – At All Times	Demonstrate that you know your customer on an	GBR's monitoring service provides up to date company information	

For personal use only

		ongoing basis. Monitoring of customer profiles is essential.	directly from source. Updates are triggered by company filings processed by the Business Registries thus ensuring that the client is provided with company real-time data at all times.	
2	Know your Data	Source your information from independent and verifiable data sources and have traceability of this data at all times. The veracity of this data is paramount as it underpins the organisation's risk management and compliance procedures.	GBR retrieves the company data directly from the Business Registries. These are the ultimate and true verifiable sources of company data and provides users of this service with the assurance that they possess an accurate and an 'on the spot' account of a company's profile and status.	
3	Data Completeness and Accuracy	The data gathered must be accurate and complete and must provide clear and definitive identification of the customer.	<p>GBR acts purely as a conduit to the official company data repositories. The data provided is factual and unaltered. Through the website portal and API processes, the user can avail of a complete suite of application services, including:</p> <ul style="list-style-type: none"> <li>• Company Search</li> <li>• Company Profile</li> <li>• Director (and other company) Appointments</li> <li>• Filing Search and Filing Order</li> <li>• Credit Reports</li> <li>• VAT Checks</li> </ul> <p>These services facilitate the user to develop a full, accurate and comprehensive profile of</p>	

			the target company.	
4	Reduced On-boarding Timeframes	Reduce the timeframe required to on-board the customer. This is achieved through the streamlining of KYC processes as well as the automation of data processing and risk assessment.	The provision of verified company data reporting through API services allows users to seamlessly integrate with their own in-house or 3 <sup>rd</sup> party risk profiling and assessment systems. This supports a degree of automation and has a significant knock-on effect on the overall on-boarding timeframes.	
5	Transparency	Make the on-boarding (and indeed the off-boarding) process as transparent as possible for the customer. This will aid the customer to 'stay the course' during the on-boarding process.	The available core API and Web Portal services provide the user with immediate and verified (source and timestamped) company data allowing them to keep their customer informed as to the status and progression of their on-boarding process.	
6	Minimise Operational Burden	Release operational units from data collection processing and verification activities. These units should be focussed on business growth and service delivery.	GBR's cleansing and remediation processes provide the client with an accurate and verified baseline to work from. This automated process produces a sanitized and authenticated customer book and allows operational resources to focus on other core activities besides the manual collection and validation of company data.  The monitoring service itself acts as a "quasi"	

For personal use only

			remediation process where submitted company filings activate an automatic reporting of changes to registered company data.	
<b>7</b>	Adaptive	The complete KYC process from the acquisition of data through to the risk assessment and rule based decision making processes should be as flexible as possible to allow for the accommodation of ever changing AML/CTF and KYC legislation and regulations.	The GBR APIs and Portals provide the building blocks to facilitate BIC KYC compliance. Although the ICT systems are out of scope of this review, it is our understanding that the GBR APIs are not backward compatible with respect to changing data requirements (i.e. we expect that the addition of new fields/data ,to facilitate a new AML / CFT requirement, would break clients integration and therefore this would not make the API's configurable.	
<b>8</b>	Configurable	The best in class KYC solution should apply the relevant compliance according to the jurisdiction. This is particularly relevant to organisations operating in global markets.	GBR's current KYC Offering does not manage AML/CTF regulations on behalf of the financial institutions.  The GBR APIs and Portals provide the building blocks to facilitate BIC KYC compliance.  Further investment and enhancement of the APIs may be required to ensure a global solution that can be rolled out across a multi-national while localisation applied at a configurable administration level.	



## 5 GLOBAL BUSINESS REGISTER LIMITED

---

### 5.1 Objective

The purpose of this section of the report is to present our findings with respect to the company's ability to operationally resource and deliver its service offering. Financial, Sales, Marketing & HR functions were not explored during the review and are considered out of scope of this analysis.

### 5.2 Summary of Analysis

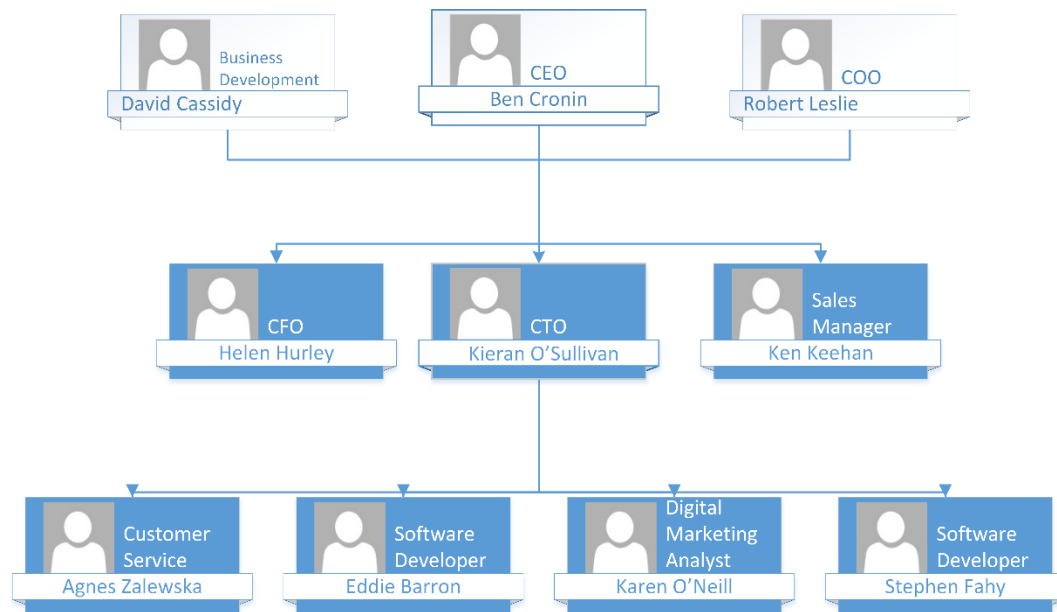
- The GBR team currently has 10 members of staff
- The GBR team are all skilled & experienced professionals who have an in-depth knowledge of the business and its objectives
- The company is in a classic early stage where a number of individuals are undertaking multiple roles to ensure the activities and dealings of the company are a success
- The founders are personally known and respected globally within the Business Registry domain
- The management team has built up strong relationships, reputational capital and awareness within the Business Registry domain. They have demonstrated the ability to develop business relationships and overcome barriers to establish access to official company data sources
- A lot of knowledge and expertise developed within resources and systems to facilitate the access and interpretation of company information
- Single point of failure exists in the team within a number of roles (identified within technical functions– and anticipated in other functions due to company structure)
- Good team moral and spirit experienced within the office

### 5.3 Detailed Analysis

#### 5.3.1 ORGANISATIONAL CHART

The following graphic highlights the hierarchy and positions currently held by the staff of GBR. During our onsite review we were informed that a number of

For personal use only



### 5.3.2 BACKGROUND

Global Business Register Limited (GBR) is an Irish owned company incorporated in March 2007. Initially, GBR was the first private commercial distributor of the European Business Register (EBR), distributing and selling official corporate data on companies all over the EU.

The GBR network has expanded from its initial group of 12 national business registers to 150 business registers globally. The GBR team has grown to 10 members of staff and has generated revenues and funding in excess of €700,000.

The company has developed innovative information service solutions and is widely regarded as the leading provider of official corporate data globally.

### 5.3.3 CORE COMPETENCY

GBR has some key strategic capabilities that provide the company with a competitive advantage in the marketplace. One of these is the ability to provide official corporate data in real-time direct from the competent authorities.

The company has overcome the challenges of gaining access to the official sources and how to semantically interpret the corporate information provided.

Through the innovative information services produced, the company has acquired a thorough understanding of the full KYC lifecycle and has developed the information building blocks to facilitate best in class KYC processes to establish and maintain accurate customer books.

For personal use only

### 5.3.4 INNOVATION

The founders and senior management within the company show evidence of producing new and innovative solutions within the corporate information and identification space since the inception of the company in 2007.

Examples of this include the GBRDirect public portal access; the suite of company information APIs; the verified website identity solution 'Trust Passport' and the comprehensive cleansing and remediation managed solution. See section 6.3.3.7 for more information on these products and services.

### 5.3.5 STRATEGIC PARTNERSHIPS

The below table presents a list of the strategic partners that GBR have established commercial agreements with for the delivery and distribution of their products.

#	Partner	Description of Partnership	Benefits Derived by GBR
1	Dell Services	As part of Dell's KYC due diligence service to a financial services client, GBR was contracted to provide corporate information services via the GBRDirect portal access.	(New Business) - The provision of Information services by GBR to DELL
2	KYCNet	Supporting Partner	KYCNet provide additional support services in terms of an overflow capacity (availability/time critical) for company search services
3	Graydon	Credit Report Information Provider	Credit report provider via GBRDirect web portals
4	CreditSafe	External Company Search and Filing retrieval facility	Provides a cost effective and resilient failover for Company Search and filing retrieval services
5	Sedecii	Provider of e-Identity Management Solutions	Ability to integrate solution in future iterations of GBR products
6	Veda	Corporate Information services partner in the APAC region	Veda provide GBR with company data registered on the ASIC (Australian Securities & Investments Commission) register
7	ESC	Corporate Information services	ESC provide GBR with company data in

For personal use only

		partner	jurisdictions across Canada
8	ERS	Supporting Partner	ERS provide GBR with technical and operational support related to EBR connectivity and further consultation on the wider BR domain
9	Business Registers	Providers of real-time accurate corporate data. Either as part of the EBR network or global registers.	Access to the real-time corporate data stored on the competent authorities allowing the commercial resale of the aggregated data
10	JFSC	GBR became the first commercial non-EBR member to receive a 3rd party distribution licence with the European business Register, through a commercial agreement entered between GBR and the Jersey Financial Services Commission ("JFSC")	Provides direct API access to EBR information services of the 27 member countries

### 5.3.6 JERSEY FINANCIAL SERVICES COMMISSION & EBR

GBR became the first commercial non-EBR member to receive a 3<sup>rd</sup> party distribution licence with the European business Register, through a commercial agreement entered between GBR and the Jersey Financial Services Commission ("**JFSC**"). The European Business Register (EBR) is a network of national business registers and information providers from currently 27 European countries.

The EBR Information Sharing Agreement ("**ISA**") is the basis for cooperation between national business registers. Registries in the member countries provide access to the data stored in their business registers. Data from across Europe is then made available through EBR in standardised reports.

Any member of the EBR ISA has the rights to become a distributor of EBR information services, either directly or via a contracted 3<sup>rd</sup> party. On 22<sup>nd</sup> April 2016, GBR negotiated an amendment to their original agreement to become the JFSC's exclusive distributor of the EBR Products which in our opinion provides commercial benefits to GBR for the following reasons:

- The JFSC is both the Financial Regulator and Business Register in Jersey which yields opportunities for considerable knowledge transfer; market awareness; and reputations benefits

For personal use only

- The Director of Registry within the JFSC is a Board member of EBR and is therefore directly involved with the strategic management and direction of the network
- The ability of Business Registers and competent authorities to engage commercially, especially within Europe, is very limited due to a number of restrictions such as legal, capability and capacity to service. The JFSC have a strong appetite to engage and service commercial agreements within this area. There are also geared up with a modern infrastructure and professional operational resources to efficiently support a 3<sup>rd</sup> Party distributor with appropriate service levels
- It is important to note that within Europe there is a transition within the BR domain with the establishment of the Business Registers Interconnection System (“**BRIS**”) that is being developed by the European Commission. The objective of the BRIS is to support Directive 2012/17/EU on the interconnection of Business Registers. This development yields some uncertainty to the future of EBR. Although this provides a risk whereby, GBR may need to develop additional direct API or alternative connections to some jurisdictions, it may be possible to acquire a strategic role in the support, operation or sustainability of the EBR network.

### 5.3.7 INFLUENCE WITHIN INDUSTRY

The founders of GBR have demonstrated a strong network of relationships and the ability to influence within the Business registry, financial and compliance sectors. Evidence of this was highlighted through:

- GBR Chief Operations Officer invited to attend Summer Davos and speak at Sibos is the annual conference, exhibition and networking event organised by SWIFT for the financial industry
- Present at the 2016 conference of the International Association of Commercial Administrators Operations –Officer Speaker at Davos and Sibos (COO)
- Speakers, Sponsorship and attendance at all major global conferences within the Business Registry domain since 2007 including: past 7 years
  - **IACA:** The International Association of Commercial Administrators is a professional association for government administrators of business organization and secured transaction record systems at the state, provincial, territorial, and national level in any jurisdiction which has or anticipates development of such systems
  - **CRF:** The Corporate Registers Forum is an association of international corporate registries
  - **ECRF:** The European Commerce Registers' Forum is a non-profit, self-financing interest organization for co-operation in Europe.

For personal use only

## 6 GLOBAL BUSINESS REGISTER PRODUCTS

### 6.1 Objective

The purpose of this section of the report is to provide a definition of the GBR Products and the business processes and high-level systems that underpin these products. A full review of IT systems is not within the scope of this report.

### 6.2 Summary of Analysis

- It is our understanding that the KYC Offering, i.e. the facilitation of Best In Class KYC through GBR information services, is the key area of growth in which the company is focussed. GBR has validated this concept with traction gained in the Irish and UK market where its services are being consumed for this purpose. Further investment is required to establish a regional sales network with local expertise in the intricacies and variances of AML / CTF and KYC requirements in the target markets of the business
- GBR have developed a complementary set of information products that collectively provide the ability to facilitate Best In Class KYC compliance
- GBR have established access to the official data source elements which they have abstracted into their Core API – this provides a foundation with building blocks to provide rich value added services such as their KYC offering
- The existing customer base of GBR's Portal Based products provide a set of qualified leads with the opportunity for conversion into integrated services customers (Core API) and the full KYC Offering

### 6.3 Detailed Analysis

#### 6.3.1 GBR PRODUCT OVERVIEW

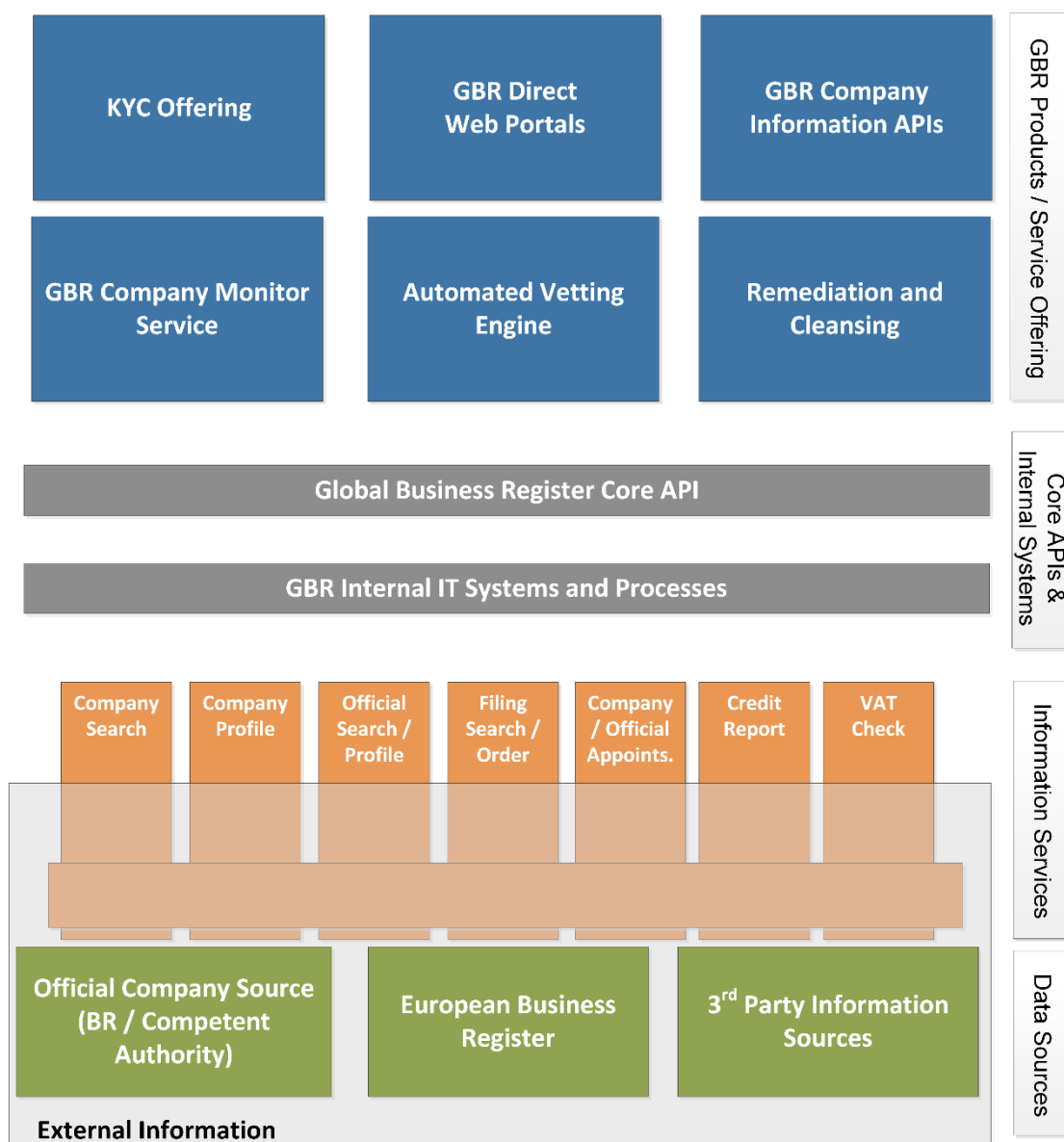
#	GBR Product	Overview
1	KYC Offering	Cleansing and Remediation of Customer Book Client On-boarding (Search and Documents) Client Monitor (Updates & Off-boarding)
2	GBR Direct Web Portals	Public portal access delivering company search and information product ordering and delivery with account and inline payment options.
3	GBR Company Information APIs	System to System (as above) – specific APIs available for different purposes, Company information, KYC, On-boarding, Remediation & Cleansing
4	GBR Company Monitor Service	Subscription services to notify interested parties on company events.
5	Automated	Verification and cleansing of address details

For personal use only

	Vetting Engine	(including address parsing) acquired from the competent data sources.
6	Remediation and Cleansing	Manual service – delivered stand alone or as part of the KYC offering. Involves taking receipt of customer book and undertaking cleansing and remediation using Company Information APIs.

### 6.3.2 PRODUCT DELIVERY

The below graphic provides an overview of the GBR products and highlights the business processes, systems, information services and underlying data sources that support the delivery of the EBR product range.



For personal use only

### 6.3.3 PRODUCT DETAILS

Within this section we provide additional details regarding each of the GBR services. Specifically we provide information on:

- Coverage: Where data is sourced from (countries)
- Information: The Information that is provided within the specific service
- Fulfilment: The internal processes and systems that support the delivery of the service

#### 6.3.3.1 GBR KYC Offering

Description	<p>The GBR KYC offering includes a full suite of KYC services to address a client's KYC obligations. The services include:</p> <ul style="list-style-type: none"> <li>• Customer Book Cleansing &amp; Remediation</li> <li>• Customer On-Boarding</li> <li>• Monitoring and Event Reporting</li> <li>• Ongoing Cleansing &amp; Remediation</li> <li>• Customer Off-Boarding</li> </ul>	
Coverage	Information Services	Fulfilment
All countries supported (see section 3.3.1)	<p>The following services are provided:</p> <ul style="list-style-type: none"> <li>• Company Search</li> <li>• Company Profile</li> <li>• Filing Search</li> <li>• Filing Order</li> <li>• Company Appointments</li> <li>• VAT Check</li> <li>• Director Search</li> <li>• Director Appointments</li> <li>• Credit Reports</li> <li>• Address Cleansing</li> </ul>	<p>The GBR KYC offering is serviced predominantly by the Core API but is supported with extra functionality provided via the On-boarding API.</p>

#### 6.3.3.2 GBR Direct Web Portals

Description	<p>GBR offer direct online access (GBRDirect) to official company information via its Web portals (<a href="http://www.gbrdirect.eu/">http://www.gbrdirect.eu/</a>; <a href="http://www.gbrdirect.co.uk/">http://www.gbrdirect.co.uk/</a>; and <a href="http://www.gbrdirect.com/">http://www.gbrdirect.com/</a>). Users may search for companies and subsequently order any of the listed orders/profiles. The user may also order a KYC compliance pack which contains the most up to date and accurate legal documents</p>
-------------	---

For personal use only



	relating to the specified company. There are three available types of compliance packs (Superfast; Standard; and Full) and the incurred cost of each depends on the content provided and the delivery time.	
<b>Coverage</b>	<b>Information Services</b>	<b>Fulfilment</b>
All countries supported (see section 3.3.1)	The information services provided are: <ul style="list-style-type: none"> <li>• Company Search</li> <li>• Company Profile</li> <li>• Filing search</li> <li>• Filing Order</li> <li>• Director Search</li> <li>• Director Appointments</li> <li>• Company Appointments</li> <li>• Credit Report</li> <li>• EU Vat Number Check</li> </ul>	A cascading approach is implemented on all available services to provide the best possible customer service. Depending on the target jurisdiction, a direct API to the jurisdiction (or via the European Business Register) is used. Failing that a live scrape or manual order is processed in order to fulfil the order.

### 6.3.3.3 GBR Company Information APIs

<b>Description</b>	This service is provided to customers who have specific KYC needs that are either 1) completely fulfilled by GBR's Core API or 2) require customisation that is not provided as part of the Core API functionality. Pricing for these services consists of an annual licence fee in the case of a Core API implementation and a varied price per customisation project.	
<b>Coverage</b>	<b>Information Services</b>	<b>Fulfilment</b>
Competent Data sources within the UK and Ireland	The information services provided are: <ul style="list-style-type: none"> <li>• Company Search</li> <li>• Company Profile</li> <li>• Filing search</li> <li>• Filing Order</li> <li>• Director Search</li> <li>• Director Appointments</li> <li>• Company Appointments</li> </ul>	The Global Business Register Core API is implemented as part of this service delivery. A leaner version of the Core API with added customisation is provided for specific customer projects.

	<ul style="list-style-type: none"> <li>• Credit Report</li> <li>• EU Vat Number Check</li> </ul>	
--	--	--

#### 6.3.3.4 GBR Company Monitor Service

<b>Description</b>	The GBR Monitor Service provides a monitoring capability where customers can request that specific companies are added to a nightly watch list service. This service checks the competent authority data sources on a daily basis for new company filings and notifies the subscribed parties of the existence of any such filings or updates to the company status. Upon notification, the user may consequently order a specific filing.	
<b>Coverage</b>	<b>Information Services</b>	<b>Fulfilment</b>
All countries supported (see section 3.3.1)	The information provided is based on the available company profile – company name, address, legal status (comparison). An updated filings list is provided.	The monitoring service is delivered as part of the Core API functionality.

#### 6.3.3.5 Automated Vetting Engine

<b>Description</b>	This Automatic Vetting Engine was initially developed as a specific client project. The vetting engine verifies a company's address against the registered address from a competent source. The service also includes address parsing and cleansing functionality as required. Automatic letter sending, phone call and SMS capabilities are provided as part of this service.	
<b>Coverage</b>	<b>Information Services</b>	<b>Fulfilment</b>
All countries supported (see section 3.3.1)	The following information services are provided: <ul style="list-style-type: none"> <li>• Company Search</li> <li>• Company Profile</li> <li>• Address Parsing</li> <li>• Letter Sending</li> <li>• Phone Call</li> </ul>	An independent API exists to consume the Automated Vetting Engine services. The specific company related services (Company Search and Company Profile) are provided via the Core

For personal use only

- Automated SMS API.

### 6.3.3.6 Remediation and Cleansing

<b>Description</b>	GBR provides a manual remediation and cleansing service whereby a client's entire customer book is processed. From the customer data supplied, the company name is identified and verified against the appropriate company authority. Additional processing is provided in relation to Name and Address cleansing. Probability matching and scoring is presented and poor data quality is highlighted where possible.	
<b>Coverage</b>	Information Services	Fulfilment
All countries supported (see section 3.3.1)	Identification and verification of Company Name; Legal Status; and Full Registered Address. Cleansing service applied to both name and address.	The Remediation and Cleansing service is delivered implementing both Core API and on-boarding API functionality.

### 6.3.3.7 Services under Research & Development

GBR has stated that they are seeking opportunities to leverage their experience and capabilities as one of the global leading providers of official company registered information services. In the following sections, we will examine some of the services and technologies that are currently under development or being researched.

#### 6.3.3.7.1 GBR Meta-Register

The Meta-Register project is in the first phase of development whereby company data is currently being amalgamated and stored.

GBR have indicated that once initially built, the Meta-Register data set will be maintained on an ongoing basis and various data analysis techniques (data mining; network analysis; pattern analysis) will be performed with the view of generating pattern profiles, risk analysis and profiles of both companies and persons of interest.

GBR envisages that this new service will be utilised by AML/CTF experts or consumed by associated AML/CTF and/or risk processing systems.

#### 6.3.3.7.2 Trust Passport

GBR has developed a verified Website Identity solution which provides website authentication for online users. Visitors to a website can click on the available fingerprint icon and are provided with instant verification of the

For personal use only

website and associated company using globally recognised and trusted sources in real time.

#### 6.3.3.7.3 Blockchain Technologies

GBR has indicated that it is conducting research into the application of a future Blockchain model relating to company registered data. GBR envisages that the Blockchain would continuously track business related events (e.g. company filings) thus maintaining a live picture and complete history of changes.

For personal use only

## 7 GLOBAL BUSINESS REGISTER COMPETITOR ANALYSIS

### 7.1 Objective

The objective of this section is to present an overview of our analysis of GBR competitors and to highlight the USP that GBR have within the KYC space.

### 7.2 Summary of Analysis

- GBR are an emerging business and therefore have the advantage of a single focus on the provision of global entity data with a cohesive set of operational procedures and product offerings
- They have established modular information APIs that act as building blocks to enable Best in Class KYC processes and can be configured based upon the local AML / CFT regulations
- GBR have established a global network (currently 150 registers) of official company information sources based on real-time access – they certainly have first-mover advantage with respect to the scale of their connection network and must continue to expand access to include strategic jurisdictions while also ensure product development build upon this information set
- GBR have a competitive advantage due to their relationships with Business Registers globally
- GBR has a distribution opportunity to supply or challenge the KYC challenges based on the superiority of its information network (based on real-time access and global coverage)

### 7.3 Detailed Analysis

#### 7.3.1 GBR UNIQUE SELLING PROPOSITION

Little direct competition exists with few companies offering full KYC capabilities but alternatives are now emerging. KYC registries and traditional business information services now offer an expanding array of KYC solutions with added benefits of complex AML, risk management services and audit trails.

Many competitors are limited to certain geographical locations, specific market segments or are focused on the individual rather than corporate entities. Global coverage and universal real time access to data remains difficult to achieve. A lack of standardisation of KYC across jurisdictions as well as data quality and veracity issues pose problems for many providers and customers.

GBR's Unique Selling Point (“**USP**”) can be summarised as follows:

- GBR has established a global network to access in real-time official company information from 150 registers

For personal use only

- They have established modular information APIs that act as building blocks to enable Best in Class KYC processes and can be configured based upon the local AML / CFT regulations
- In addition, many of the companies in direct competition with GBR are business units of large multinational corporations with the incumbent pressures of integration with internal and external systems. GBR has the advantage of a single focus on the provision of global entity data with a cohesive set of operational procedures and product offerings
- GBR have a competitive advantage due to their relationships with Business Registers globally. This is partially due to the GBR fulfilment model, which is favoured by the business register and competent authorities, whereby GBR act as a proxy on behalf of their customer and pass information synchronously, for a one time use, and do not harvest data to build a local database

### 7.3.2 KYC REGISTRIES

Central KYC registries currently require many of the services available through GBR such as legal entity verification, customer book cleansing, on-boarding, event monitoring and off-boarding. More complex services are being introduced by leading financial services companies to provide streamlined Software as a Service ("SaaS") provisioning promising cost savings, single entity recording and a lowering of the work place involvement within KYC.

The most dynamic companies in the sector such as KYC.com, Swift, Alcara or Clariant currently have a narrow focus on high value companies listed on stock exchanges, rated by Moody's and similar agencies or clients of leading banks and financial institutions.

KYC is often simply a building block in a more sophisticated implementation of data control and management. Outsourced services typically provide for single or multiple client centralised data repositories and generally offer a wide range of consolidated financial services information and EDM services.

Reach for these companies is currently limited, in the main, to the USA, UK and other leading stock market countries. For example, KYC.com, backed by Markit and Genpact, initialised their services in 2014 with just the USA, UK and Australia and in 2016 added Hong Kong and Singapore as jurisdictions in which they can provide full KYC services.

While the KYC registries may be considered as direct competition for GBR it is also evident that the services provided by GBR are superior in many ways, particularly in terms of real time access and country coverage. In addition, the KYC registers are unable to guarantee the veracity of data as, to the best of our knowledge they currently store data from the company registers and intermediate data providers prior to undertaking analysis. Few have real-time access to business registries unless they use the services of GBR within their service provision to clients. GBR acts as a real-time data provider with guaranteed veracity to validate the output from these newly introduced services.

For personal use only

### GBR Competitive advantage

- GBR sources company data from the official company data sources with real-time access to over 70 million legal entities
- GBR offers a single focus. Interfacing with current in-house systems and the potential to require limited (if any) adaptation of internal systems
- Usage of the GBR services can be integrated with clients' systems with little need for additional training
- GBR also offers cleansing, remediation and on-boarding services
- GBR can act a supplier of information streams to key KYC registry services

**Table 3: Leading KYC Registry competitors**

Company	Launch	Focus	Country Coverage	Legal entities covered	Data Partners	Real-Time business registry access
<b>KYC.com</b>	2014	Financial services	US, UK, Australia, Hong Kong and Singapore	169,000	N/A	N/A
<b>Alacra</b>	1996	Financial Services	66 countries	5,000,000	Experian, Dun & Bradstreet, Equifax, Markit, Thomson Reuters, Swift	Yes, through Bureau van Dijk/GBR Direct
<b>Swift</b>	1973	Correspondent Banking	200+ countries	1,300,000	N/A	Access request to GBR Services
<b>Accelus</b>	2014	Financial services	80 countries	150,000	Thomson Reuters OrgID and World-Check, InfoCredit, Graham & Whiteside	Access request Thomson Reuters to GBR Services
<b>Clarient</b>	2015	Financial services	140 countries	1,700,000	DTCC, Swift, Avox	No
<b>SmartStream</b>	2015	Financial services, KYC and SSL	US, Europe	Unknown	20 data sources	No

For personal use only

### 7.3.3 COMPETITOR PROFILES

	<b>Company Profile</b>
<p>KYC.com was launched in 2014 through a joint venture between financial information service provider Markit and Genpact, a specialist in business process management and services. Its target market is Tier 1 financial services companies such as banks, corporates, asset managers and hedge funds. KYC.com was one of the first companies to launch dedicated mutualised services where clients can upload internal data for use among all subscribers in relation to KYC requirements and due diligence. The company leverages the infrastructure, knowledge and service of its founders. Its design partnership with leading global banks gives it credibility and aids in increasing client awareness, purchase and loyalty. The company promise is of standardisation, cost savings and wide industry coverage as well as strong data tracking suitable for full regulation compliance. KYC.com aims to increase its share of Tier 1 financial services clients and expand the geographical reach of its source data to suit its client's needs.</p>	
Full name	KYC.Com
Coverage	USA, UK, Australia, Hong Kong, Singapore
Key clients	Standard Chartered, Deutsche Bank, HSBC, Morgan Stanley, BNP Paribas, Citi and UBS
Key products	KYC, KY3P
Service Type	SaaS
Website	www.kyc.com
Activities	Data sharing utility, mutualised service

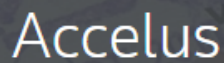
	<b>Company Profile</b>
<p>Alacra specialises in compliance workflow and reference data utilities. The company focuses on the financial and professional services sectors. It sells access to 200 databases aggregating data into a single source to the desktop. It promises to streamline on-boarding, refresh, remediation and monitoring processes by providing a single clean entity database for rated, regulated or listed companies (LEIs) worldwide. It focuses only on the companies of interest to its client base. Its parent company, Opus Global, continues to provide early stage funding and investment in technology companies, downstreaming technology advances to its subsidiaries. Alacra is a lean</p>	

For personal use only



organisation that may become part of Hiperos, a third party performance solutions company owned by Opus Capital, and is awaiting investment for expansion.

Full Name	Alacra
Coverage	66 Countries
Key clients	Data vendors; Exchanges; Regulator; Rating agencies and LOUs
Key products	Alacra Compliance Enterprise (ACE), Resolve
Service Type	SaaS
Website	www.alacra.com
Activities	Compliance and reference data utilities




### Company Profile

Accelus, a compliance management solution from Thomson Reuters, provides governance, risk management and compliance solutions including KYC managed services. The service provides for on-boarding, remediation, on-going monitoring and ultimate beneficial owner for public and private entities with a single unique ID. Data is updated every 12 or 36 month if event monitoring has not triggered a refresh. The service is backed by the wide array of information, technology and expertise offered by Thomson Reuters.

Full Name	Accelus from Thomson Reuters
Coverage	240 countries
Key clients	Asset Managers, Hedge Funds, Correspondent Banks, Corporates and other clients of Financial Institutions
Key products	Accelus Org Id, Compliance Manager
Service Type	Information portal
Website	www.accelus.thomsonreuters.com
Activities	Compliance and reference data utilities

For personal use only

	<p><b>Company Profile</b> [A GBR Customer]</p>
<p>Swift, the Society for Worldwide Interbank Financial Trade, operates a KYC registry backed by 12 leading global banks. The KYC Registry is a data and document repository, with content qualification and sharing features. Data must be updated by clients each year and re-submitted. SWIFTRef provides a single and unique source for all the reference data and financial information held by SWIFT or its repository and services and supports the global payments system providing entity and payment data.</p>	
Full Name	SWIFT
Coverage	200+ countries
Key clients	Supervised financial institutions
Key products	KYC registry, SWIFTRef
Service Type	Information portal
Website	www.swift.com
Activities	Financial messaging services

### 7.3.4 LEGACY BUSINESS INFORMATION SERVICES

Traditional business information services such as Dun & Bradstreet, Thomson Reuters and Experian focus on the provision of comprehensive, country based, company and consumer information for entity verification. Like the newer market entrants these companies also sell a wide range of other services but have a much wider market scope in terms of the industry sectors they service as well as the reach and country coverage they provide.

Companies such as Dun & Bradstreet and Experian originally grew out a need for credit information about companies or individuals. These services have created continually expanding databases of commercial entities and their business transactions. Dun and Bradstreet now boast a database of 240 million businesses worldwide. Their resources are primarily focused on credit worthiness and are often used for marketing purposes or as a support for credit decisions in the financial sector.

However, these companies are generally reliant on relatively static records that are updated with transactional information or the outcome of a trigger event. GBR can also act as a data provider or partner to these business information services.

For personal use only

### GBR Competitive advantage


- GBR does not have the most extensive level of access to company data, however they are unique to their competitors in that they only source data in real-time from the official data source. To the best of our knowledge they have the most extensive set of real-time access connections to official company data sources.
- GBR do not store data or modify the data that they retrieve from the official data source and can therefore guarantee the veracity of the data and ensure that customers remain compliant with AML legislation
- GBR have a real-time monitor service that ensures customer books remain up to date after they have been cleansed
- GBR provides constantly updated records of incorporated entities across 150 registers in a single solution and is not based on transactional information
- GBR's offering is a real-time view of an entity with up to date documentation and can be adapted to meet the needs of internal client jurisdiction or systems.

Company	Launch	Focus	Country Coverage	Legal entities covered	Data Partners	Real-Time business registry access
<b>GBR</b>	2007	Real-time access to official company data source	88	70m+	Business Registers, EBR, ESC, CreditSafe	Yes
<b>Dun &amp; Bradstreet</b>	1841	Business Information	240 countries	121m active companies	30,000 data sources	Access request to GBR
<b>Experian</b>	1996	Creditworthiness and marketing services	225 countries	890m consumers, 103m businesses	Credit information providers, Yellow pages, Thomson Information, State and federal records, Tele-verification	Access requested through GBR
<b>Bureau Van Dijk</b>	1991	Business services	23 countries	180 million companies, 65,000 listed companies, 100 million consumers	140 sources, Dun & Bradstreet, Thomson Reuters, Experian, Exchange Data International, Edgar Online, Veda, InfoCredit, Global Data, GBR, OpenCorporates	Yes, through partnership with GBR

For personal use only

<b>Equifax</b>	1901	Business services	19 countries	80m businesses, 600m consumers	Electoral Roll, Insight and Court data, SIRAN, CIFAS and FraudScan	No
<b>Kompany</b>	2012	Live Search	USA and Europe	50m	Commercial and business registers	Yes
<b>Kompass</b>	1946	Enriched information services	68 countries	12m companies	Unknown	No
<b>GlobalData</b>	1961	Data and analytics	50 countries	11,000 private companies worldwide	Unknown	No

### 7.3.4.1 Competitor profiles

	
<p><b>Strategic Direction</b></p> <p>The company has developed a suite of services to assist corporates and financial institutions. D&amp;B Onboard allows for customer due diligence (CDD), entity verification and screening processes to be put in place supported by the D&amp;B central database. It also delivers beneficial ownership information and supports screening against more than 400 sanctions, PEP and adverse media lists. The company also offers risk management solutions. Full corporate entity type and ownership details are only available for the USA. Business registrations are only available for companies domiciled in the USA with data gathered from central filing locations and contract collectors at state level. Company profiles are available for a wider set of countries with two forms: risk and marketing. The risk version of the company profile is more frequently updated than the marketing version.</p>	
Full Name	Dun & Bradstreet
Coverage	240 countries
Key clients	Corporates and Financial institutions
Key products	D&B Onboard, D&B DUNS® number, D&B Direct
Service Type	Consultancy, SaaS, access on a metered basis
Website	www.dnb.com
Activities	Commercial information services

For personal use only



### Strategic Direction

The company provides detailed consumer and business credit risk reporting. Data from UK, Western Europe and the US form the foundation of the services provided but the company offers company profiles in many other countries through a set of partner companies. Certified public records, trade payment and collections information and performance comparisons are the basis for all reporting. International data is sourced from sister credit agencies and 11 European business information providers

Full Name	Experian
Coverage	225 Countries
Key clients	Consumers, businesses, marketing companies
Key products	File One, BusinessIQ, Global data network for UK and USA, FusionIQ
Service Type	Web based interface with pay as you go, subscription or premium subscription offering real time data access
Website	<a href="http://www.experian.com">www.experian.com</a>
Activities	Information services



### Strategic Direction

The company was founded in 2012 and received US\$4.3m in funding from LIVAG GmbH, AC & Friends and others in 2014. It uses its BREX Enterprise API to provide live access to commercial and business entities from 80 countries with up to 30m company verifications completed each month. It provides basic company information with monitoring and alerting services as part of premium subscriptions. "Kompany (through BREX.io) is an official and registered Clearing Office of the Republic of Austria, an official contracting partner of the Common Register Portal of the German States, a distributor of the European Business Register (EBR), the Swiss Federal Commercial Registry Office, the UK Companies House, and the Irish Companies Registration Office." (Kompany, 2016)

For personal use only

Full Name	Kompany
Coverage	80 countries
Key clients	Corporates and Financial institutions
Key products	BREX, Verify360
Service Type	API
Website	www.kompany.com
Activities	Verification of trading partners

## KOMPASS

### Strategic Direction

Kompass has been established for almost 70 years and operates internationally through a series of subsidiary companies. It delivers enriched information about companies with detailed industry classification in 68 countries. The data is sourced from registries, company surveys and published information as well as company supplied information and is specifically designed to support B2B marketing activities. Service are offered on a subscription basis. It is owned by Natixis HCP, part of the Natixis Group

Full Name	Kompass
Coverage	68 countries
Key clients	Data services, Marketing and content management
Key products	Finder, Target, Boost
Service Type	Subscription service
Website	www.kompass.com
Activities	Marketing and business classification

For personal use only

## 8 RECOMMENDATIONS

The below list present our recommendations for change to support growth and development within the GBR business. The production of this recommendations is a direct output of our onsite analysis and inspection of the GBR service offering and underlying systems.

As stated above a number of business functions including Financial, Sales & Marketing, IT, and HR systems are out of scope of this report and as a result this list is not exhaustive nor qualified and should be appraised as such.

- Opportunity to productise the Core API – structure the team need to change to adopt clear product (internal) and project teams for external client delivery
- Operational changes required ensure that the GBR team is ready to scale
  - Define and document standard operating procedures(e.g. Remediation & Cleansing)
  - Recruit to provide resilience within the team and ability to scale. Particular focus on the resourcing of additional support in the following roles: Developments Operations Engineer, Product Managers, ICT Strategy, Customer Service
  - Although outside the scope of this review it is expected that additional resources will be required in Sales & Marketing roles
- Step-up the adoption of Agile Development methodologies across the team to support the development of internal products
- A single point of failure exists, primarily due to a lack of resource and capacity, within service delivery within the areas of resourcing and IT systems
- There is a potential anomaly within the Monitor service. It is our understanding that the web portal and API implementations differ slightly with respect to the events that trigger a notification. One implementation triggers a notification based on the submission of registry filings only; the other triggers based on the change in status and any new submitted filings. The internal logic and processes must be reviewed to ensure that BR enforcement actions, such as strike-off etc. that may not be associated with a filing, are captured and should trigger an appropriate event
- The Remediation and Cleansing products/service, is a resource intensive process. Each Customer book brings different challenges and issues to overcome. This provides GBR with a valuable opportunity to gain intellectual insights to thoroughly understand their clients and market needs; to ensure commercials are appropriately structured; and to continuously enhance their services and offering. Although the GBR process leverages the Core APIs it is a heavily manual process. Improvements are possible to take advantage of further automation.

For personal use only

In addition, processes and procedures should be defined and resourcing should be undertaken so that they are executed by staff of an appropriate level – with oversight from senior resources for quality purposes. Currently due to resource limitations this work is being undertaken by the CTO and this is not an efficient use of this resource. It is important to note that any automation of this service must ensure that the process do not prevent GBR from accessing the intellectual insights currently gained from the hands-on analysis. In addition, all automated processes must sustain the high level of quality review currently applied by the team

For personal use only



## APPENDICES

---

### Appendix A: Know Your Customer (“KYC”)

#### WHAT IS KYC?

Know Your Customer (“**KYC**”) or Customer Due Diligence is the process of a business verifying the identity of its customers. KYC is a regulatory and legal requirement with the objective of verifying the identification of customers through independent and authoritative data sources.

Globally there is a continued rise in regulatory pressures concerning Anti-Money Laundering (“**AML**”), with a number of high profile fines and investigations. Compliance with AML, Politically Exposed Persons (“**PEPs**”), sanctions and KYC requirements continues to be a key focus area and management must ensure they are following appropriate compliance procedures to meet the increasing regulatory demands.

It is the responsibility of financial institutions, payment service providers, and certification authorities (issuers of electronic identification including providers of SSL certificates and domain names) to determine the veracity of the identity information provided by their personal and corporate customers.

The KYC process assists these organisations in both understanding their customers’ profile and monitoring them as part of their ongoing risk management activities. Ultimately, KYC policies and guidelines support the establishment of processes that protect against identity theft, money laundering and terrorist financing.

#### Legislation & Policy

Legislation has been enacted to specifically target the activities of money laundering and the financing of terrorism. These regulations are commonly referred to as AML and Counter Terrorist Financing (“**CTF**”) and are enforced in the majority of jurisdictions globally.

KYC regulations and guidelines are tightly coupled with and form an integral part of the overall AML / CTF legislation.

KYC relates to an institutions capability to effectively identify and subsequently authenticate its customers as well as their associated financial transactions. The legislation also requires institutions to actively monitor its customers on an ongoing basis relative to their evaluated propensity of money laundering and involvement with the financing of terrorism.

KYC falls under the responsibility of each financial institution and/or regulated company. KYC regulations are local, and differ from country to country. Jurisdiction is also, on a country to country basis.

There is a myriad of AML and CTF regulations worldwide that govern the enforcement of KYC policy and requirements.

For personal use only

The following list provides an overview of some of the foremost referenced pieces of legislation and guidelines that impact compliance requirements within the AML / CTF and KYC space.

#	Legislation
1	<p><b>Anti-Money Laundering</b> Anti-money laundering rules are part of the Bank Secrecy Act in the US. In the UK, the Financial Action Task Force's (FATF) 40 recommendations on money laundering provide a complete set of counter-measures against money laundering covering the criminal justice system and law enforcement; the financial system and its regulation; and international co-operation.</p> <p><b>(US Securities and Exchange Commission, 2016), (FAFT, 2016)</b></p>
2	<p><b>Know Your Customer</b> Know Your Customer covers the activities of customer due diligence that financial institutions and other regulated companies must perform to identify their clients and ascertain relevant information pertinent to doing financial business with them. KYC legislation and regulation require organisations to obtain evidence of identity of a customer at take-on and to maintain a record of that evidence for as long as there is a relationship with a customer. Legislation and regulation also require a firm to keep up to date its knowledge of a customer throughout the life of the relationship, so that changes in the customer's activity can be assessed and dealt with - all with the principal aim of preventing Money Laundering and Financial Crime</p> <p><a href="http://www.irs.gov/Businesses/International-Businesses/List-of-Approved-KYC-Rules">www.irs.gov</a> <a href="http://www.irs.gov/Businesses/International-Businesses/List-of-Approved-KYC-Rules">http://www.irs.gov/Businesses/International-Businesses/List-of-Approved-KYC-Rules</a></p>
3	<p><b>FATCA (Foreign Account Tax Compliance Act)</b> The Foreign Account Tax Compliance Act (FATCA) will require US taxpayers with specified foreign financial assets that exceed certain thresholds to report those assets to the IRS. In addition, FATCA will require foreign financial institutions to report directly to the IRS information about financial accounts held by US taxpayers, or held by foreign entities in which US tax payers hold a substantial ownership interest.</p>
4	ISDA contracts for trading OTC derivatives
5	Third / Fourth European Union Anti-Money Laundering Directive
6	<p><b>FinCEN (Financial Crimes Enforcement Network)</b> and requirement for Ultimate Beneficial Ownership registry across EU member states: The mission of the Financial Crimes Enforcement network (FinCEN) is to enhance US national security, deter and detect criminal and terrorist activity, and safeguard financial systems from abuse by promoting transparency in the US and international financial systems.</p>
7	<p><b>The Basel Committee of Banking Supervision (BCBS) 239</b> The purpose of BCBS is to encourage convergence toward common approaches and standards. The Committee is not a classical multilateral</p>

For personal use only

	organization, in part because it has no founding treaty. BCBS does not issue binding regulation; rather, it functions as an informal forum in which policy solutions and standards are developed. Banks in member countries Argentina, Australia, Belgium, Brazil, Canada, China, France, Germany, Hong Kong SAR, India, Indonesia, Italy, Japan, Korea, Luxembourg, Mexico, the Netherlands, Russia, Saudi Arabia, Singapore, South Africa, Spain, Sweden, Switzerland, Turkey, the United Kingdom and the United States. Bank for International Settlements (BIS)
<b>8</b>	<b>OFAC:</b> Office of Foreign Assets Control is an agency of the United States Department of the Treasury and is under the auspices of the Under Secretary of the Treasury for Financial Intelligence. OFAC administers and enforces economic and trade sanctions based on U.S. foreign policy and national security goals against designated foreign states, organizations, and individuals.

## What does KYC really involve?

In simple terms KYC is about maintaining your customer book. Are you confident that your customers are who they say they are and have you taken adequate due process and complied with the local AML / CTF legislation when on-boarding and maintaining your customer book for the lifetime of your customer engagement?

In many cases, customer book management would require a full KYC programme to be put in place to both remedy legacy issues and ensure best KYC practice is employed throughout the full customer lifecycle.

The following table presents the component activities of a comprehensive KYC programme.

#	Component	Description
<b>1</b>	Initiation	At a preliminary stage of the KYC programme, institutions must develop and enhance business processes to remedy both legacy issues and challenges of not knowing their existing customers, but also to know new customers as they on-board. Initially, this would involve a comprehensive cleansing and remediation exercise of the existing customer book to provide a valid baseline of customer data.
<b>2</b>	Classification	Determine in what capacity a customer will on-board. Customers are representing themselves either as a natural person or a legal entity. A customer may be the beneficiary of transactions that are conducted by official intermediaries such as solicitors, stock brokers, chartered accountants or other entities permitted by law.
<b>3</b>	Identification	Are customers who they say they are? They must provide legitimate and verified proof for

For personal use only

		the classification of customer type above.
4	Authorisation	Customers must provide verified proof that they are authorised to act in the capacity that they are purporting (either as a representative of a corporate body or indeed another natural person).
5	Verification	Institutions must be able to positively identify their customers. For legal entities, this must be achieved through independent and verifiable data sources. Beneficial owners must be identified where applicable.
5	Processing	Having completed customer due diligence and compliance processes, new customers may now complete the on-boarding process. Existing customers may also be off boarded through either an automated process such as change in status or inactivity; or via a manual off-boarding customer request.
6	Maintenance	To truly know your customer, the KYC process should include periodic monitoring of customer profiles to determine any substantive or relevant change in circumstances. This will maintain the integrity and accuracy of client data going forward.
7	Governance	Treating KYC as an ongoing process, it is critically important to have the required governance controls, policies and standards setup in order to maintain the quality, availability and security of the customer data.

## DRIVING FACTORS

KYC compliance and due diligence continues to evolve globally and is shaped by regulatory authorities, industry best practice, standardisation of report requirements and policy development at both government and industry levels. For large multinational corporations effective on-boarding and KYC compliance are a global requirement and is forcing standardisation of processes and information services.

## Industry trends

The development of the industry servicing KYC requirements is influenced and, in part, determined by regulatory activity in the different jurisdictions.

The expanding number of regulators with increasing budgets and greater enforcement powers is seeing a growth in active sanction application, more stringent on-boarding documentation submission as well as Enhanced Due Diligence (“**EDD**”) requirements in many jurisdictions.

There is an increasing need to demonstrate continuing compliance as well as acceptance of regional variation for cross border compliance. The growing

For personal use only

harmonisation of tax regimes worldwide is slowly leading to the standardisation of processes and KYC worldwide.

Centralisation of registries and data in relation to supervised financial institutions is now well underway and, in the future, is likely to extend beyond this specialised sector and lead to the development of global unique identifiers for all companies. For example, a government backed centralised registry for KYC data for Indian investor data ("**CERSAI**").

Mutualisation of services, particularly among financial institutions, is growing out of the faster payments movement which has spurred the growth of interoperability, greater financial sector integration and rapid messaging services. The drive to lower operating costs as well as lowering the work and process repetition demanded by KYC from all institutions supports the growth of mutualised services.

Increased outsourcing of KYC documentation and verification is now becoming established as the growing need for comprehensive monitoring of basic KYC reference data and changes becomes essential to many operational procedures within larger companies.

Other trends and market drivers offer disruptive technologies that will have impact in this market sector, including:

- Heralding of Blockchain services such as R3CEV, Digital Asset Holdings, and Ripple Labs as the new technology of the future compounded with the entry of major corporations into this market will drive rapid growth in this sector.
- Movement from point in time certification to real time verification
- Changing nature of electronic payment systems which attempt to bypass the traditional banking sector and links to credit card services in favour of automated clearing houses to transfer money e.g. Tokken, CurrentC and Moven
- Growth of activities and reach of SSL Certification Authorities e.g. thought the Internet of Things (IoT)
- Growth of Secure eCommerce and the need for authentication
- Development of merchant support systems for rapid on-boarding

## Non-Compliance / Penalties

The consequences for the organisations and financial institutions that do not comply with the AML and KYC regulations vary across different jurisdictions. This may lead to compliance investigations and can culminate with at the lowest level bad press and reputational damage, right up to regulatory fines, criminal prosecution and even imprisonment.

The following table highlights some of the largest penalties and fines that have been levied against non-compliant entities in recent years.

Year	Institution	Reason	Fine
2014	BNP Paribas	Violation of US Sanctions	\$9 bln

For personal use only

2012	HSBC	Breach of US AML rules	\$1.9 bn
2014	JPMorgan	Failed AML compliance	\$1.7 bn
2012	Standard Chartered	Violation of US sanctions	\$340 m
2014	Clearstream Banking SA	Violation of US Sanctions	\$152 m
2015	Barclays	Failed AML compliance	£72 m
2014	Standard Bank PLC	AML related enforcement	£7 m
2013	EFG Private Bank Ltd	Failed AML compliance	£4.2 m
2015	State Bank of India Hong Kong Branch	Violation of AML/CFT laws	\$1 m
2015	MoneyGram Payment Systems Inc.	Contravention of Australian AML/CTF laws	AUD\$459,000

## Appendix B: References

Aite. (2014). *Putting the client at the center: changing dynamics in legal entity data and onboarding*. USA: DTCC. Retrieved from ClariantGlobal.com.

Alacra. (2016, February 20). *Periodic table of bank regulation and compliance*. Retrieved from [www.alacra.com](http://www.alacra.com):  
<https://www.alacra.com/bank-regulation-and-compliance-periodic-table>

Andy Peters. (2016, February 17). Morning Scan. *Payment Sources*, p. 1.

Dun & Bradstreet. (2016, February 22). *D&B Onboard*. Retrieved from [www.dnb.com](http://www.dnb.com): [http://www.dnb.com/business-credit/enterprise-solutions/corporate-compliance/streamline.html?\\_\\_utma=180721266.317011573.1456149715.1456149715.1456149715.1&\\_\\_utmb=180721266.11.10.1456149715&\\_\\_utmz=180721266&\\_\\_utmx=-&\\_\\_utmz=180721266.1456149715.1.1.utmcsr=y](http://www.dnb.com/business-credit/enterprise-solutions/corporate-compliance/streamline.html?__utma=180721266.317011573.1456149715.1456149715.1456149715.1&__utmb=180721266.11.10.1456149715&__utmz=180721266&__utmx=-&__utmz=180721266.1456149715.1.1.utmcsr=y)

Experian. (2016, February 22). *About Experian*. Retrieved from [www.experian.com](http://www.experian.com): [http://www.experian.com/corporate/about-experian.html?intcmp=hpft\\_ae](http://www.experian.com/corporate/about-experian.html?intcmp=hpft_ae)

FAFT. (2016, February 20). *The FATF Recommendations*. Retrieved from [www.fatf-gafi.org](http://www.fatf-gafi.org): <http://www.fatf-gafi.org/publications/fatfrecommendations/documents/fatf-recommendations.html>

IRS. (2016, February 19). *List of Approved KYC Rules*. Retrieved from [WWW.IRS.GOV](http://www.irs.gov): <https://www.irs.gov/Businesses/International-Businesses/List-of-Approved-KYC-Rules>

Kompany. (2016, February 22). *kompany.com extends its service to cover US company filings, now connecting commercial registers in 80 jurisdictions*. Retrieved from [www.kompany.com](http://www.kompany.com):  
<https://www.kompany.com/pr/kompany-com-extends-service-cover>

For personal use only

- us-company-filings-now-connecting-commercial-registers-80-jurisdictions/
- kompas. (2016, February 22). *About us*. Retrieved from [www.kompas-international.com](http://www.kompas-international.com): <http://www.kompas-international.com/DigitalFactory/en/sites/kompas/home.html>
- KYC.com. (2016, February 22). *Overview*. Retrieved from [www.kyc.com](http://www.kyc.com): <http://www.kyc.com/Overview>
- SWIFT. (2016, February 20). *KYC Registry, service description*. Retrieved from [www2.swift.com](http://www2.swift.com): [https://www2.swift.com/uhbonline/books/public/en\\_uk/kyc\\_reg\\_sd/index.htm?subpage=b5.htm](https://www2.swift.com/uhbonline/books/public/en_uk/kyc_reg_sd/index.htm?subpage=b5.htm)
- Tan, A. (2015, 05 03). *Enterprise innovation*. Retrieved from [www.enterpriseinnovation.net](http://www.enterpriseinnovation.net): <http://www.enterpriseinnovation.net/article/tools-combat-money-laundering-asia-560698172/page/0/1>
- The Banker. (2016, May 09). *Top 50 Banks in Top 1000 World Banks*. Retrieved from [www.thebankerdatabase.com](http://www.thebankerdatabase.com): <http://www.thebankerdatabase.com/index.cfm?fuseaction=top50.default>
- Thomson Reuters. (2016, February 20). *ACCELUS ORG ID KYC*. Retrieved from [www.info.accelus.thomsonreuters.com](http://www.info.accelus.thomsonreuters.com): [http://images.info.accelus.thomsonreuters.biz/Web/ThomsonReutersGRC/%7Bd33f71c5-dbbb-4093-a66a-f754ed027aed%7D\\_GRC01347.pdf](http://images.info.accelus.thomsonreuters.biz/Web/ThomsonReutersGRC/%7Bd33f71c5-dbbb-4093-a66a-f754ed027aed%7D_GRC01347.pdf)
- US Securities and Exchange Commission. (2016, February 20). *Anti-money laundering source tool for broker-dealers*. Retrieved from [www.sec.gov](http://www.sec.gov): <http://www.sec.gov/about/offices/ocie/amlsourcetool.htm>
- w3techs. (2016, February 19). *Market share trends for SSL certificate authorities for websites*. Retrieved from [www.w3techs.com](http://www.w3techs.com): [http://w3techs.com/technologies/history\\_overview/ssl\\_certificate](http://w3techs.com/technologies/history_overview/ssl_certificate)
- Financial Conduct Authority (FCA) UK  
<http://www.fca.org.uk/firms/being-regulated/enforcement/fines>
- U.S. Department of the Treasury  
<https://www.treasury.gov/resource-center/sanctions/CivPen/Pages/civpen-index2.aspx>
- Australian Government (AUSTRAC)  
<http://www.austrac.gov.au/enforcement-action/infringement-notices-issued-austrac>
- Hong Kong Monetary Authority  
<http://www.hkma.gov.hk/eng/key-information/press-releases/2015/20150731-5.shtml>

For personal use only

## Appendix C: Analysis – Detailed Information

The below table presents a highlight of our analysis of the global business registers. The table highlights where GBR have a data connection and the type of link established. In addition, we highlight the count of top 20 global banks that have operations within that jurisdiction. Finally the table indicates our analysis of whether the register has an online presence and can be searchable online.

The methodology executed to compile the list of global registers with company information, and their online capabilities, is detailed as follows:

- Initially, a search for an official government backed company registry was undertaken using a list of global jurisdictions compiled from several online and offline sources including
  - The international registry fora membership (ECRF, CRF, IACA, ASORLAC)
  - Internet keyword search by country using a variety of alternative titles and keywords
  - Compiled and published lists of official national company registers provided by UK, Swiss, French, USA and Canadian authorities
- The above sources were cross-referenced and verified by individual research and then used as a starting point to create the worldwide list of company registers.
- Verified official government registries and alternatives were listed with an indication of the level of electronic accessibility
- Regional registries are noted individually where appropriate
- Where no official registry was immediately identified, government websites were combed for a department within which the duty for company registration was held
- Alternate company or trade registers, often run by the Tax Authority, Chamber of Commerce or another public authority such as a Social Security Department including labour and employment registers, central trade register, industry associations, utility providers, central banks were identified in the absence of a dedicated company registry service
- Officially backed and assigned compilers of corporate information are also identified through reference material on government websites or organisation websites
- Where neither government backed registries or officially assigned competent authorities were identified commercial organisations providing this service were then identified and listed

Access method	All Registers	Top 20 banks presence	Searchable (online)
Scrape	Afghanistan	0	Yes
Scrape	Albania	1	Yes
	Algeria	3	Yes

For personal use only



	Andorra	1	Yes
	Angola	0	
	Anguilla	0	Yes
	Antigua and Barbuda	0	Yes
	Argentina	12	
	Armenia	1	Yes
<b>Scrape</b>	Aruba	0	Yes
<b>Scrape</b>	Australia	19	Yes
<b>API</b>	Austria	8	Yes
	Azerbaijan	0	
	Bahamas	1	Yes
<b>Scrape</b>	Bahrain	8	Yes
	Bangladesh	5	
	Barbados	1	Yes
	Belarus	0	Yes
<b>API</b>	Belgium	13	Yes
	Belize	0	
	Benin	0	Yes
	Bermuda	1	
	Bhutan	0	
	Bolivia	0	Yes
<b>Scrape</b>	Bonaire		Yes
	Bosnia and Herzegovina	0	Yes
	Botswana	1	Yes
<b>Scrape</b>	Brazil	15	Yes(5)
<b>Manual</b>	British Virgin Islands	1	
	Brunei	2	Yes
<b>Manual</b>	Bulgaria	4	Yes
	Burkina Faso	1	Yes
	Burundi	0	
<b>Manual</b>	Cambodia	5	Yes
<b>Manual</b>	Cameroon	1	Yes
<b>API</b>	Canada	15	Yes
	Cape Verde	0	
<b>Scrape</b>	Cayman Islands	4	Yes
	Central African Republic	0	
	Chile	9	Yes
	China	15	Yes
<b>Scrape</b>	Colombia	7	Yes
	Congo, Democratic Republic of the	1	
	Congo, Republic of the	0	
	Cook Islands	1	

For personal use only

<b>Scrape</b>	Costa Rica	1	Yes
	Côte d'Ivoire	0	
<b>Scrape</b>	Croatia	1	Yes
	Cuba	0	
<b>Scrape</b>	Curaçao	0	Yes
<b>Scrape</b>	Cyprus	0	Yes
<b>Scrape</b>	Czech Republic	8	Yes
<b>API</b>	Denmark	5	Yes
	Djibouti	0	
	Dominica	0	Yes
	Dominican Republic	1	Yes
	Ecuador	2	Yes
<b>Scrape</b>	Egypt	7	
	El Salvador	1	Yes
	Eritrea	0	
<b>API</b>	Estonia	0	Yes
	Ethiopia	0	
	Federated States of Micronesia	0	Yes
	Fiji	0	Yes
<b>API</b>	Finland	5	Yes
<b>API</b>	France	17	Yes
	Gabon	2	
	Gambia	0	Yes
<b>Scrape</b>	Georgia	0	Yes
<b>API</b>	Germany	20	Yes
	Ghana	2	Yes
<b>API</b>	Gibraltar	0	Yes
	Greece	7	Yes
	Greenland	0	Yes
	Grenada	0	
	Guatemala	1	Yes
<b>API</b>	Guernsey, Channel Islands	3	Yes
	Guinea	1	
	Guyana	1	
	Haiti	1	Yes
	Honduras	1	
<b>Scrape</b>	Hong Kong	18	Yes
<b>Manual</b>	Hungary	6	Yes
<b>Scrape</b>	Iceland	0	Yes
<b>Manual</b>	India	15	Yes
<b>Scrape</b>	Indonesia	14	Yes
	Iran	3	Yes

For personal use only

	Iraq	0	
<b>API</b>	Ireland	13	Yes
<b>Scrape</b>	Isle of Man	2	Yes
<b>Scrape</b>	Israel	8	Yes
<b>API</b>	Italy	16	Yes
	Jamaica	1	Yes
	Japan	17	Yes
<b>API</b>	Jersey, Channel Islands	5	Yes
	Jordan	1	Yes
	Kazakhstan	5	
	Kenya	2	
	Kiribati	0	
	Kosovo	0	Yes
<b>Manual</b>	Kuwait	4	Yes
	Kyrgyzstan	0	Yes
	Laos	1	Yes
<b>API</b>	Latvia	0	Yes
	Lebanon	4	Yes
	Lesotho	0	Yes
	Liberia	0	
<b>Scrape</b>	Liechtenstein	0	Yes
<b>API</b>	Lithuania	0	Yes
<b>API</b>	Luxembourg	10	Yes
	Macau	0	
<b>API</b>	Macedonia	0	Yes
	Madagascar	0	
	Malawi	0	
<b>Scrape</b>	Malaysia	14	Yes
	Maldives	1	Yes
	Mali	1	
<b>API</b>	Malta	2	Yes
	Marshall Islands	0	Yes
	Mauritania	0	
<b>Scrape</b>	Mauritius	3	Yes
<b>Scrape</b>	Mexico	13	Yes
	Moldova	0	Yes
<b>Scrape</b>	Monaco	4	Yes
	Mongolia	3	Yes
<b>Scrape</b>	Montenegro	0	Yes
	Montserrat	0	
<b>Scrape</b>	Morocco	3	Yes
	Mozambique	1	
	Myanmar	3	Yes

For personal use only

	Namibia	0	
	Nauru	0	
<b>Scrape</b>	Nepal	0	Yes
<b>Scrape</b>	Netherlands	14	Yes
	Nevis	0	
<b>API</b>	New Zealand	7	Yes
	Nicaragua	0	Yes
	Niger	0	Yes
	Nigeria	4	
	Niue	0	Yes
<b>API</b>	Norway	5	Yes
	Oman	1	Yes
<b>Scrape</b>	Pakistan	6	
	Palau	0	
	Palestinian territories	0	Yes
<b>Manual</b>	Panama	3	Yes
	Papua New Guinea	0	Yes
	Paraguay	1	Yes
<b>Manual</b>	Peru	10	Yes
<b>Scrape</b>	Philippines	11	Yes
<b>Scrape</b>	Poland	12	Yes
<b>Scrape</b>	Portugal	10	Yes
	Qatar	11	
<b>Scrape</b>	Romania	4	Yes
<b>Manual</b>	Russian Federation	17	Yes
<b>Scrape</b>	Rwanda	0	Yes
<b>API</b>	Saba	0	Yes
	Saint Kitts	0	
	Saint Lucia	0	Yes
	Saint Vincent and the Grenadines	0	
	Samoa	0	Yes
	San Marino	0	Yes
	São Tomé and Príncipe	0	
	Saudi Arabia	8	Yes
	Senegal	2	
	Serbia	3	Yes
	Seychelles	1	
	Sierra Leone	0	
<b>Scrape</b>	Singapore	20	Yes
<b>Scrape</b>	Sint Eustatius	0	Yes
	Sint Maarten	0	
<b>Scrape</b>	Slovakia	2	Yes

For personal use only

<b>API</b>	Slovenia	0	Yes
	Solomon Islands	0	Yes
	South Africa	14	Yes
<b>API</b>	South Korea	18	Yes
	South Sudan	0	
<b>API</b>	Spain	15	Yes
	Sri Lanka	5	Yes
	Sudan	0	
<b>Manual</b>	Suriname	0	
	Swaziland	0	Yes
<b>API</b>	Sweden	9	Yes
<b>Scrape</b>	Switzerland	11	Yes
<b>Manual</b>	Taiwan	15	Yes
	Tajikistan	0	Yes
	Tanzania	2	
	Thailand	12	Yes
	Timor-Leste	0	
	Togo	0	Yes
<b>Scrape</b>	Tonga	0	Yes
	Trinidad & Tobago	1	Yes
<b>Scrape</b>	Tunisia	3	Yes
<b>Manual</b>	Turkey	12	Yes
	Turks and Caicos Islands	0	
<b>Manual</b>	Uganda	2	Yes
<b>API</b>	Ukraine	4	Yes
<b>Scrape</b>	United Arab Emirates	17	Yes
<b>API</b>	United Kingdom	20	Yes
<b>Scrape</b>	United States of America	20	Yes
	Uruguay	5	Yes
	Uzbekistan	0	
	Vanuatu	0	Yes
<b>Scrape</b>	Venezuela	4	
<b>Manual</b>	Vietnam	14	
	Yemen	0	Yes
	Zambia	2	Yes
	Zimbabwe	1	

For personal use only

### Jurisdictions with Approved KYC Rules

Andorra	Canada	Greece	Liechtenstein	Singapore
Anguilla	Cayman Islands	Guernsey	Luxembourg	Slovakia
Antigua	Chile	Hong Kong	Malta	Slovenia
Argentina	Colombia	Hungary	Mexico	South Africa
Aruba	Croatia	Iceland	Monaco	Spain
Australia	Curacao	Ireland	Netherlands	St. Maarten
Austria	Cyprus	Isle of Man	New Zealand	St. Lucia
Bahamas	Czech Republic	Israel	Norway	Sweden
Bahrain	Denmark	Italy	Panama	Switzerland
Barbados	Estonia	Japan	Poland	Taiwan
Belgium	Finland	Jersey	Portugal	Turks and Caicos Island
Bermuda	France	Kazakhstan	Russia	United Arab Emirates
British Virgin Islands	Germany	South Korea	Saint Vincent and the Grenadines	United Kingdom
Brunei	Gibraltar	Latvia	San Marino	Uruguay

Source: IRS 2016

## Appendix D: Top 20 Banks

The below table presents the ranking of the Top 20 Banks, from the listed Top 1000 World Banks 2015, as published in the July issue of The Banker Magazine. The publication references the Banker's database, which is a service of the Financial Times. The database tracks banks in more than 160 jurisdictions representing 90% of the world's total banking assets and offers detailed itemised breakdowns of banks' balance sheets, profit and loss statements, capital structures and other indicators.

Data is supplied by banks using The Banker's online data entry system. This data is verified against audited annual reports by The Banker's dedicated in-house research team and normalised for regional accounting inconsistencies. It is then screened by research editors and by more than 30 advanced data tests before passing through the quality control system into the database. A link to the cited publication is provided in Appendix B.

Rank	Bank
1	ICBC
2	China Construction Bank
3	JP Morgan Chase & Co
4	Bank of China
5	Bank of America
6	Agricultural Bank of China
7	Citigroup

For personal use only

8	Wells Fargo & Co
9	HSBC Holdings
10	Mitsubishi UFJ Financial Group
11	Credit Agricole
12	BNP Paribas
13	Barclays
14	Goldman Sachs
15	Banco Santander
16	Deutsche Bank
17	Bank of Communications
18	RBS
19	Sumitomo Mitsui Financial Group
20	Morgan Stanley

## Appendix E: Best in Class KYC evaluation methodology

Tower 81 has established a methodology and tools for the evaluation of KYC processes and has used this methodology to objectively evaluate the GBR Product suite for its ability to support Best In Class KYC. The methodology is based on the following 8 key principles that we have identified based on our research and knowledge of the domain, as the critical components of effective KYC:

1. Know your Customer – At All Times
2. Know your Data
3. Data Completeness and Accuracy
4. Reduced On-boarding Timeframes
5. Transparency
6. Minimise Operational Burden
7. Adaptive
8. Configurable

Within each of the above principles we have identified the key attributes that define the behaviour that encompasses principle and this provides the evaluation criteria to scrutinise KYC processes and products.

Best In Class – KYC Principle	8.1.1.1 Key Attribute / Evaluation Criteria	8.1.1.2 Marks Available
<b>Know your Customer</b>		
<b>8.1.1.1.3 – At All Times</b>		
	Data Updates (Post On-board)	10
	Frequency of Updates	5
	Remediation Support	5
	Evidence Available	10
<b>Know your Data</b>		
	Official Source & Auditability	10
	Integrity of data	10

For personal use only

	Timeliness / Validity	10
<b>Data Completeness and Accuracy</b>		
	Identification	10
	Supporting Evidence	10
	Quality Control	10
<b>Reduced On-boarding Timeframes</b>		
	Real-time Service Levels	10
	Integrated Process	10
	Automated Business Rules	10
<b>Transparency</b>		
	Governance	10
	Open Processes	10
	Codified Business Rules	10
<b>Minimise Operational Burden</b>		
	Integrated Services	10
	Automatic Updates	10
	Inline Evidence	10
<b>Adaptive</b>		
	Process Review	10
	Intelligent Business Rules	10
	Data Sources	10
<b>Configurable</b>		
	Localisation	10
	Process Design	10
	Controlled Environment	10

The majority of criteria are evaluated against the following 5 point evidence based marking scheme.

- No evidence of compliance (0 Pts)
- Poor evidence of compliance (3 Pts)
- Good evidence of compliance (5 Pts)
- Very good evidence of compliance (8 Pts)
- Excellent evidence of compliance (10 Pts)

In the scenario of the Frequency of updates, Remediation Support and Evidence criteria a specific and dedicated marking scheme is applied.

The process and product is evaluated against each principle with the allocated points assigned to the simplified traffic light scoring system to provide an indicator if the Best In Class principle is satisfied:









Performance Indicator	Allocated Points	Interpretation
Red	0 to 10	Not compliant – principle not supported

For personal use only



<b>Amber</b>	10 to 20	Partially compliant – room for improvement, principle partially satisfied
<b>Green</b>	20 to 30	Fully compliant – principle supported

The results of the GBR Product evaluation against the above methodology is summarised as follows:

8.1.1.1.4	#	8.1.1.1.5 Principle	8.1.1.1.6 GBR Score Achieved	8.1.1.1.7 BIC Performance Indicator
8.1.1.1.8	1	Know your Customer – At All Times	27	
8.1.1.1.9	2	Know your Data	24	
8.1.1.1.10	3	Data Completeness and Accuracy	25	
8.1.1.1.11	4	Reduced On-boarding Timeframes	24	
8.1.1.1.12	5	Transparency	24	
8.1.1.1.13	6	Minimise Operational Burden	30	
8.1.1.1.14	7	Adaptive	19	
8		Configurable	19	

For personal use only

For personal use only

9

# Investigating Accountant's Report

10 June 2016

The Directors  
Kyckr Limited  
Level 7  
151 Macquarie Street  
Sydney NSW 2000

Dear Sirs

### **Investigating Accountant's Report on Kyckr Ltd's pro forma historical financial information**

We have been engaged by Kyckr Limited ("Kyckr" or "the Company") to report on the pro forma historical financial information of the Company for inclusion in the prospectus dated on or about 10 June 2016 relating to the issue of up to 30,000,000 shares at \$0.20 a share to raise up to \$6,000,000 (the "Prospectus").

Expressions and terms defined in the Prospectus have the same meaning in this report.

Nexia Court Financial Solutions Pty Ltd ("NCFS") holds an Australia Financial Services Licence (AFS Licence Number 247300) issued by Australian Securities and Investments Commission for providing financial product advice, including investigating accountant's reports.

#### **Scope**

##### *Pro Forma Historical Financial Information*

You have requested that NCFS review the following Pro Forma historical financial information of the Company to be included in the Prospectus.

- the pro forma historical statements of profit or loss and other comprehensive income for the years ended 30 June 2014, 30 June 2015 and the half-year ended 31 December 2015;
- the pro forma historical statements of cash flows for the years ended 30 June 2014, 30 June 2015 and the half year ended 31 December 2015; and
- the pro forma consolidated historical Statement of financial position as at 31 December 2015

collectively referred to as the Pro Forma Historical Financial Information.

The Pro Forma Historical Financial Information has been derived from the statutory historical financial information of the Company extracted from the financial report of the Company for the six months ended 31 December 2015, after adjusting for the effects of pro forma adjustments described in Sections 7.3 to 7.5 of the Prospectus. Nexia Court & Co Partnership audited the report for the period ended 31 December 2015 in accordance with the Australian Auditing Standards and issued an unqualified opinion.

The pro forma adjustments include adjustments for the historical statutory financial information of Global Business Register Limited ("GBR"). GBR prepared special purpose financial statements for the years ended 30 June 2014, 30 June 2015 and the six months ended 31 December 2015. The special purpose financial statements have been audited by Nexia Smith & Williamson. Nexia Smith & Williamson's opinion included an emphasis of matter regarding GBR's going concern being dependent on Completion of the Offer.

#### **Nexia Court Financial Solutions Pty Ltd**

AFSL 247300  
Level 16, 1 Market Street, Sydney NSW 2000  
PO Box H195, Australia Square NSW 1215  
p +61 2 9251 4600, f +61 2 9251 7138  
info@nxiacourt.com.au, www.nexia.com.au

Independent member of Nexia International



Nexia Court Financial Solutions Pty Ltd (ABN 88 077 764 222), Australian Financial Services Licence No. 247300 is an independent New South Wales firm using the Nexia International trademark under licence. It is affiliated with, but independent from, Nexia Australia Pty Ltd, which is a member of Nexia International, a worldwide network of independent accounting and consulting firms. Neither Nexia International nor Nexia Australia Pty Ltd provide services to clients. Liability limited by a scheme approved under Professional Standards Legislation other than for the acts or omissions of financial services licensees.

For personal use only

The historical financial information has been prepared in accordance with the stated basis of preparation, being the recognition and measurement principles contained in Australian Accounting Standards (“AAS”) and the Company’s adopted accounting policies.

The pro forma adjustments described in Sections 7.3.1, 7.4.1 and 7.5 of the Prospectus are applied as if those events or transactions had occurred as at the date of the statutory historical financial information. Due to its nature, the Pro Forma Historical Financial Information does not represent the Company’s actual or prospective financial position.

### **Responsibility**

The directors of the Company are responsible for the preparation of the Pro Forma Historical Financial Information, including the selection and determination of pro forma adjustments made to the statutory historical financial information and included in the Pro Forma Historical Financial Information. This includes responsibility for such internal controls as the directors determine are necessary to enable the preparation of the Pro Forma Historical Financial Information that are free from material misstatement, whether due to fraud or error.

### **Our responsibility**

Our responsibility is to express a limited assurance conclusion on the financial information based on the procedures performed and the evidence we have obtained. We have conducted our engagement in accordance with the Standard on Assurance Engagement ASAE 3450 Assurance Engagements involving Corporate Fundraisings and/or Prospective Financial Information.

A review consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with AAS and consequently does not enable us to obtain reasonable assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Our engagement did not involve updating or re-issuing any previously issued audit or review report on any financial information used as a source of the financial information.

### **Conclusions**

#### *Pro Forma Historical financial information*

Based on our review, which is not an audit, nothing has come to our attention that causes us to believe that the Pro Forma Historical Financial Information, as described in Section 7 of the Prospectus, and comprising:

- the pro forma historical statements of profit or loss and other comprehensive income for the years ended 30 June 2014, 30 June 2015 and the half-year ended 31 December 2015;
- the pro forma historical statements of cash flows for the years ended 30 June 2014, 30 June 2015 and the half year ended 31 December 2015; and
- the pro forma consolidated historical statement of financial position as at 31 December 2015

are not presented fairly, in all material respects, in accordance with the stated basis of preparation, as described in Section 7.2 of the Prospectus.

For personal use only

**Restriction on Use**

Without modifying our conclusions, we draw attention to Section 7 of the Prospectus, which describes the purpose of the financial information, being for inclusion in the Prospectus. As a result, the financial information may not be suitable for use for another purpose.

**Consent**

NCFS has consented to the inclusion of this assurance report in the Prospectus in the form and context in which it is included.

**Declaration of Interest**

NCFS does not have any interest in the outcome of this offer other than in the advisory services performed in preparing this report for which normal professional fees will be received.

Yours faithfully

**Nexia Court Financial Solutions Pty Ltd (AFSL 247300)**



**Brent Goldman**

Authorised Representative

For personal use only

## FINANCIAL SERVICES GUIDE

**Dated: 10 June 2016**

### **What is a Financial Services Guide (“FSG”)?**

This FSG is designed to help you to decide whether to use any of the general financial product advice provided by Nexia Court Financial Solutions Pty Ltd ABN 88 077 764 222, Australian Financial Services Licence Number 247300 (“NCFS”).

This FSG includes information about:

- NCFS and how they can be contacted
- the services NCFS is authorised to provide
- how NCFS are paid
- any relevant associations or relationships of NCFS
- how complaints are dealt with as well as information about internal and external dispute resolution systems and how you can access them; and
- the compensation arrangements that NCFS has in place.

Where you have engaged NCFS we act on your behalf when providing financial services. Where you have not engaged NCFS, NCFS acts on behalf of our client when providing these financial services and are required to provide you with a FSG because you receive a report or other financial services from NCFS.

### **Financial services that NCFS is authorised to provide**

NCFS holds an Australian Financial Services Licence, which authorises it to provide, amongst other services, financial product advice for securities and interests in managed investment schemes, including investor directed portfolio serves, to retail clients.

We provide financial product advice when engaged to prepare a report in relation to a transaction relating to one of these types of finance products.

### **NCFS's responsibility to you**

NCFS has been engaged by the independent directors of Kyckr Limited (“Kyckr” or the “Client”) to provide general financial product advice in the form of an Investigating Accountant’s Report (“Report”) to be included in the Prospectus.

You have not engaged NCFS directly but have received a copy of the Report because you have been provided with a copy of the Prospectus. NCFS or the employees of NCFS are not acting for any person other than the Client.

NCFS is responsible and accountable to you for ensuring that there is a reasonable basis for the conclusions in the Report.

### **General Advice**

As NCFS has been engaged by the Client, the Report only contains general advice as it has been prepared without taking into account your personal objectives, financial situation or needs.

You should consider the appropriateness of the general advice in the Report having regard to your circumstances before you act on the general advice contained in the Report.

For personal use only

You should also consider the other parts of the Prospectus before making any decision in relation to the Scheme.

### **Fees NCFS may receive**

NCFS charges fees for preparing reports. These fees will usually be agreed with, and paid by, the Client. Fees are agreed on either a fixed fee or a time cast basis. In this instance, the Client has agreed to pay NCFS \$55,000 (excluding GST and out of pocket expenses) for preparing the Report. NCFS and its officers, representatives, related entities and associates will not receive any other fee or benefit in connection with the provision of this Report.

### **Referrals**

NCFS does not pay commissions or provide any other benefits to any person for referring customers to them in connection with a Report.

### **Associations and relationships**

Through a variety of corporate and trust structures NCFS is controlled by and operates as part of the Nexia Court & Co Partnership. NCFS's directors and authorised representative may be partners in the Nexia Court & Co Partnership. Mr Brent Goldman, authorised representative of NCFS and partner in the Nexia Court & Co Partnership, has prepared this report. The financial product advice in the Report is provided by NCFS and not by the Nexia Court & Co Partnership.

From time to time NCFS, the Nexia Court & Co Partnership and related entities (Nexia entities) may provide professional services, including audit, tax and financial advisory services, to companies and issuers of financial products in the ordinary course of their businesses.

Over the past two years no professional fees have been received from the Client.

No individual involved in the preparation of this Report holds a substantial interest in, or is a substantial creditor of, the Client or has other material financial interests in the Proposed Transaction.

### **Complaints resolution**

If you have a complaint, please let either NCFS know. Formal complaints should be sent in writing to:

Nexia Court Financial Solutions Pty Ltd  
Head of Compliance  
PO Box H195  
Australia Square NSW 1215

If you have difficulty in putting your complaint in writing, please telephone the Complaints Officer, Craig Wilford, on +61 2 9251 4600 and they will assist you in documenting your complaint.

Written complaints are recorded, acknowledged within 5 days and investigated. As soon as practical, and not more than 45 days after receiving the written complaint, the response to your complaint will be advised in writing,

### **External complaints resolution process**

If NCFS cannot resolve your complaint to your satisfaction within 45 days, you can refer the matter to the Financial Ombudsman Service (FOS). FOS is an independent company that has been established

to provide free advice and assistance to consumers to help in resolving complaints relating to the financial services industry.

Further details about FOS are available at the FOS website [www.fos.org.au](http://www.fos.org.au) or by contacting them directly at:

Financial Ombudsman Service Limited  
GPO Box 3, Melbourne Victoria 3001  
Telephone: 1300 56 55 62  
Facsimile (03) 9613 6399  
Email: [info@fos.org.au](mailto:info@fos.org.au)

The Australian Securities and Investments Commission also has a free call infoline on 1300 300 630 which you may use to obtain information about your rights.

### **Compensation arrangements**

NCFS has professional indemnity insurance cover as required by the *Corporations Act 2001*(Cth).

### **Contact Details**

You may contact NCFS at:  
Nexia Court Financial Solutions Pty Ltd  
PO Box H195  
Australia Square NSW 1215

For personal use only



This Section contains a summary of contracts which have been entered into by the Company or GBR and which have been identified as being material and relevant to potential investors in the Company.

### 10.1 GBR Share Sale Agreement

On 18 April 2016, the Company entered into a share sale agreement (as amended by a deed of amendment dated 6 June 2016) with the GBR Shareholders to acquire 97.59% of the issued share capital of GBR (**GBR Share Sale Agreement**). Completion of the acquisition of the GBR Shares under the GBR Share Sale Agreement is conditional upon the Company:

- receiving share application forms and funds under this Prospectus for between \$5,000,000 and \$6,000,000; and
- being admitted to the Official List subject to the satisfaction of customary conditions.

The conditions precedent to the GBR Share Sale Agreement must be satisfied or waived by no later than 30 July 2016 (or such later date agreed between all of the parties to the GBR Share Sale Agreement in writing). If the conditions precedent are not satisfied or waived by that date, any party may terminate the GBR Share Sale Agreement by written notice to the other parties.

All of the GBR Shareholders have given standard warranties under the GBR Share Sale Agreement in respect of their title to, and their authority to sell, their GBR Shares. Ben Cronin and Robert Leslie also give standard warranties in respect of the GBR Shares, the status of GBR, permits and compliance with statute, title, the business, intellectual property rights, property, related party contracts, contracts, assets, financing arrangements, employees, work health and safety, litigation, compliance with law, accounts, records, insurance, tax and competition. The maximum liability of the GBR Shareholders (except for Ben Cronin and Robert Leslie) under the GBR Share Sale Agreement is the value of their Consideration Shares. The liability of Ben Cronin and Robert Leslie is the value of their Consideration Shares and any Shares which they receive upon the conversion of any of their Performance Shares.

If completion of the acquisition of the GBR Shares occurs under the GBR Share Sale Agreement, the Company will issue the Consideration Shares to the GBR Shareholders. The Consideration Shares may be subject to escrow restrictions in accordance with Chapter 9 of the ASX Listing Rules. It is a term of the GBR Share Sale Agreement that the Company may only issue the Consideration Shares upon receipt of restriction agreements duly executed by the GBR Shareholder, if such restriction agreements are required by ASX.

Otherwise, the GBR Share Sale Agreement contains terms and conditions that would be considered customary for an agreement of this nature.

The GBR Share Sale Agreement is governed by the laws of Ireland.

### 10.2 BES Share Sale Agreement

On 18th April 2016, the Company entered into a share sale agreement (as amended by a deed of amendment dated 6 June 2016) with Robert Leslie and Kieran O'Sullivan to acquire 2.41% of the issued share capital of GBR (**BES Share Sale Agreement**). Completion of the acquisition of the BES Share Sale Agreement is conditional upon completion of the GBR Share Sale Agreement. Completion of the BES Share Sale Agreement will occur on 23 November 2016 or such later date as determined by the Company.

Robert Leslie and Kieran O'Sullivan have given standard warranties under the BES Share Sale Agreement in respect of their title to, and their authority to sell, their GBR Shares. The maximum liability of Robert Leslie and Kieran O'Sullivan under the BES Share Sale Agreement is the value of their Consideration Shares.

If completion of the acquisition of the GBR Shares occurs under the BES Share Sale Agreement, the Company



will issue the Consideration Shares to Robert Leslie and Kieran O'Sullivan in their respective proportions. The Consideration Shares may be subject to escrow restrictions in accordance with Chapter 9 of the ASX Listing Rules. It is a term of the GBR Share Sale Agreement that the Company may only issue the Consideration Shares upon receipt of restriction agreements duly executed by Robert Leslie and Kieran O'Sullivan, if such restriction agreements are required by ASX.

Otherwise, the BES Share Sale Agreement contains terms and conditions that would be considered customary for an agreement of this nature.

The BES Share Sale Agreement is governed by the laws of Ireland.

### 10.3 Agreement with Lead Manager

On 6 November 2015, Kyckr engaged Foster Stockbroking to act as an exclusive lead manager for the purpose of the Offer (**Foster Mandate**). The fees payable by Kyckr to Foster Stockbroking in consideration for performing its role as Lead Manager under the Foster Mandate is:

- 6% (plus GST) of the total gross proceeds of the Offer; and
- 4,000,000 Broker Options.

Further, Foster Stockbroking will be appointed as the corporate advisor to the Company following completion of the Listing. An ongoing retainer fee of \$5,000 per month (excluding GST) will be payable to Foster Stockbroking. The retainer term is 12 months from the date of Listing and the retainer may not be terminated in the first 3 months of that term.

Kyckr indemnifies Foster Stockbroking and its related bodies corporate, officers, directors, employees, representatives and agents (**Indemnified Persons**) up to the amount of the fees actually received by Foster Stockbroking under the Foster Mandate against all losses incurred by an Indemnified Person.

### 10.4 Executive Services Agreement (David Cassidy)

On 11th April 2016, Kyckr entered into an executive services agreement with David Cassidy with respect to his engagement as Chief Executive Officer of Kyckr. The key terms of the agreement are as follows:

- **Term:** the term of the agreement commences within one month after the listing of the Company or earlier as decided by the Board and ends on the date which falls on the third anniversary of the commencement date;
- **Services:** David Cassidy will provide the following services (amongst others) to Kyckr:
  - maintaining direct responsibility for the day to day management and operation of the Company's business;
  - the development and execution of annual business plans, sales plans and budgets; and
  - the strategic planning around product development, customer and business development and the achievement of sales targets as approved by the Board of the Company;
- **Remuneration:** David Cassidy will receive a gross salary of \$300,000 (excluding superannuation) per annum. David Cassidy may also receive other benefits as agreed between the Company and him from time to time;
- **Entitlements:** David Cassidy is entitled to 4 weeks of annual leave per annum in addition to other employee entitlements that are customary for an agreement of this nature; and
- **Termination:** both David Cassidy and Kyckr may terminate the agreement at any time and for any reason by giving 12 months' written notice to the other party. David Cassidy's employment may otherwise be terminated by the Company at any time for cause.



## 10.5 Executive Services Agreement (Ben Cronin)

On 16 March 2016, GBR entered into a service agreement with Ben Cronin with respect to his engagement as Chief Executive Officer of GBR. The key terms of the agreement are as follows:

- **Term:** the term of the agreement commenced on 1 April 2008 and is ongoing subject to termination provisions;
- **Services:** Ben Cronin will provide the following services (amongst others) to GBR:
  - maintaining direct responsibility for the day to day management and operation of GBR's business;
  - the development and execution of annual business plans, sales plans and budgets; and
  - the strategic planning around product development, customer and business development and the achievement of sales targets as approved by the Board of GBR;
- **Remuneration:** Ben Cronin will receive a fixed salary of €150,000 (or \$232,500) per annum once Kyckr has purchased GBR and listed on the ASX. He is also entitled to receive other benefits, including, without limitation, private medical insurance and reasonable mobile phone costs. Ben Cronin is also eligible to participate in GBR's discretionary bonus plan;
- **Entitlements:** Ben Cronin is entitled to 20 days annual leave;
- **Termination:** both Ben Cronin and GBR may terminate the agreement at any time and for any reason by giving 3 months' written notice to the other party. Ben Cronin's employment may otherwise be terminated by GBR at any time for cause; and
- **Jurisdiction:** the agreement is governed by the laws of Ireland.

## 10.6 Executive Services Agreement (Robert Leslie)

On 16 March 2016, GBR entered into a service agreement with Robert Leslie with respect to his engagement as Director of Research & Innovation of GBR. The key terms of the agreement are as follows:

- **Term:** the term of the agreement commenced on 1 April 2008 and is ongoing subject to termination provisions;
- **Services:** Robert Leslie will provide the following services (amongst others) to GBR:
  - maintaining direct responsibility for the day to day management and operation of GBR's business;
  - the development and execution of annual business plans, sales plans and budgets; and
  - the strategic planning around product development, customer and business development and the achievement of sales targets as approved by the Board of GBR;
- **Remuneration:** Robert Leslie will receive a fixed salary of €150,000 (or \$232,500) per annum once Kyckr has purchased GBR and listed on the ASX. This will be paid on a pro rata basis, where his time will be at a minimum 25% of his total time per week. He is also entitled to receive other benefits, including, without limitation, private medical insurance and reasonable mobile phone costs. Robert Leslie is also eligible to participate in GBR's discretionary bonus plan;
- **Entitlements:** Robert Leslie is entitled to 20 days annual leave;
- **Termination:** both Robert Leslie and GBR may terminate the agreement at any time and for any reason by giving 3 months' written notice to the other party. Robert Leslie's employment may otherwise be terminated by GBR at any time for cause; and
- **Jurisdiction:** the agreement is governed by the laws of Ireland.



## 10.7 Deeds of Access, Indemnity and Insurance

The Company has entered into a Deed of Access, Indemnity and Insurance (**Deed**) with each Director. Under each Deed, the Company indemnifies the Directors to the extent permitted by law against any loss, cost, expense or liability which the Director may incur, or be liable, for arising from, or in connection with, their position as an officer of the Company.

During the term of the Director's appointment and for a period of 7 years from the date that the Director ceases to be a Director, the Company must obtain a contract of insurance to insure the Director against all liabilities to which the Director is exposed in providing services in the capacity as an officer of the Company for which insurance may be legally obtained.

The Deed also provides that the Company must pay to the Director a sum equal to the estimate of the Director's legal costs prior to such legal costs being incurred, if the Director has requested that such costs and expenses be advanced, loaned or otherwise provided to the Director to prepare for or to conduct any proceedings, actions or investigations. If the Company reasonably believes that a claim under the indemnity for any legal costs is prohibited by section 199A of the Corporations Act, the Company may advance or loan the Director a sum of money equal to those legal costs.

For a period of 7 years from the date that the Director ceases to be a Director, the Company must provide access to all Board papers, which the Director may only use for the purposes of defending an action or proceeding, appearing before an inquiry or hearing of a government agency, or conducting or preparing to conduct an action or proceeding, which relates to an act or omission of the Director in providing services in his capacity as an officer of the Company.

## 10.8 Restriction Agreements

A number of Shareholders are subject to compulsory restriction agreements under the ASX Listing Rules, which restrict them from dealing with their shares for a period up to 2 years from the original date of issue. Kyckr is also a party to these restriction agreements.

The form of the restriction agreement is Appendix 9A of the ASX Listing Rules. Under the terms of each agreement, during the restriction period, the shareholder (and any controller of the shareholder) must not dispose of, or create a security interest in, those shares (or offer or agree to do so), otherwise transfer effective ownership or control of those shares, or participate in a return of capital made by Kyckr. However, ASX may consent to those shares being sold under a takeover bid or under a merger by way of a scheme of arrangement under the Corporations Act.

## 10.9 Agreement with Dell

On 19 January 2015, GBR entered into a master services agreement with Dell Products (**Dell**), pursuant to which GBR agreed to provide certain services to Dell, the affiliates of Dell and their customers from time to time (**Dell Master Services Agreement**). Under the Dell Master Services Agreement, GBR agrees to perform services described in one or more statements of work (**SOW**) in accordance with the provisions of the relevant SOW.

## 10.10 Agreement with the Jersey Financial Services Commission

On 22 April 2016, GBR and JFSC entered into a distribution agreement, pursuant to which JFSC appointed GBR as its exclusive distributor for the distribution and sale of public information available from or through the European Business Register (**EBR Products**) (**JFSC Agreement**).

The JFSC Agreement commenced on 22 April 2016 and continues for an initial term of 4 years. Unless the JFSC Agreement is terminated in accordance with its terms, it will continue to roll over for periods of 4 year terms. Either party may terminate the JFSC Agreement, without cause, by giving 6 months' written notice to the other party.

GBR must pay JFSC a sum of €50,000 before 30 April of each year and a further €50,000 before 30 October for each year of the JFSC Agreement (and any extensions to the term of the JFSC Agreement). GBR must also pay the list prices as established by JFSC from time to time for the EBR Products available. JFSC may require that (a) an on demand unconditional performance bond in the amount of €20,000 will be provided to a bank or financial institution acceptable to JFSC or (b) an amount of €20,000 will be paid by GBR into an account to be designated in writing by JFSC and to be opened by JFSC with a bank or financial institution in Jersey. Interest shall be charged on any overdue amounts at the rate of 3% per annum above the base rate of HSBC's base or reference rate (or the base rate or reference rate of any other bank or financial institution in Jersey) as applying from time to time. All sums set out in the JFSC Agreement are exclusive of VAT.



In the event that GBR has failed to comply with its payment obligations under the JFSC Agreement for a period of 30 days following the date by which a payment is due, the JFSC Agreement will continue on a non-exclusive basis.

GBR must allow JFSC, on reasonable notice, access to its accounts and records relating to the EBR Products for the purpose of verifying the monies owed to JFSC by GBR under the JFSC Agreement.

GBR must inform JFSC immediately of any changes in ownership or control of GBR or of any change in its organisation or method of doing business which might affect the performance of GBR's duties under the JFSC Agreement.

GBR undertakes not to violate, and to procure that its customers and further users of the EBR Products will not violate, Directive 95/46/EC and the Data Protection (Jersey) Law 2005 on the protection of individuals with regard to the processing of personal data and the free movement of data.

GBR is liable for and will indemnify JFSC against all claims for damages, injury, death and loss (either direct or indirect, punitive, special, incidental, consequential or otherwise, including, but not limited to lost savings) caused by GBR's negligence or wilful misconduct or the gross negligence or wilful misconduct of its employees in connection with GBR's obligations under the JFSC Agreement or by defects in any product supplied to it up to the value of £1,000,000 per claim. GBR is liable for and will indemnify JFSC for direct damage to tangible property caused by its negligence or wilful misconduct or the negligence or wilful misconduct of its employees in connection with GBR's obligations under the JFSC Agreement or by defects in any product supplied to it up to the value of £1,000,000 per claim.

Either party may give notice in writing to the other party terminating the JFSC Agreement if:

- the other party commits any material breach of the JFSC Agreement and (if such a breach is remediable) fails to remedy that breach within 15 days of that party being notified of the breach;
- the other party commits any act of bankruptcy or insolvency;
- there is a change of control of the other party which would, in JFSC's opinion, adversely affect GBR's performance of its obligations under the JFSC Agreement or would adversely affect JFSC's reputation as financial services commission in Jersey;
- GBR purports to assign its rights or obligations under the JFSC Agreement;
- there is a change in the position, function, appointment, powers, rights and obligations of JFSC which results in it being incapable to perform its obligations under the JFSC Agreement; or
- JFSC is no longer an "EBR Member", and "EBR Information Provider" or can no longer provide EBR Products.

Otherwise, the JFSC Agreement contains terms and conditions that would be considered customary for an agreement of this nature.

The JFSC Agreement is governed by the laws of the Island of Jersey.



## 10.11 Convertible Note Agreement Between Kyckr and GBR

On or about 15 February 2016, Kyckr and GBR entered into a convertible note facility agreement, pursuant to which Kyckr agreed to subscribe for convertible notes under a convertible note facility (**Convertible Note Facility Agreement**). The total facility made available to GBR under the Convertible Note Facility Agreement is \$750,000. \$191,456.20 was drawn down by GBR under the Convertible Note Facility Agreement on 24 December 2015.

The commitment period under the Convertible Note Facility Agreement was four months from the date of the first drawdown (being 24 December 2016). Accordingly, the commitment period expired on 24 April 2016 and GBR cannot make any further drawdowns under the Convertible Note Facility Agreement.

Interest of 8% per annum accrues from 24 December 2015 until the date on which a convertible note is repaid in full or the date on which the convertible note is converted. On and from the date which is 6 months after the date of the first drawdown and until the maturity date, GBR must repay the outstanding principal and all accrued interest to Kyckr on a monthly basis.

Kyckr has the option to convert any unpaid amount under a convertible note into GBR Shares at any time prior to the maturity date. The maturity date is the date which is 24 months from the date of the first drawdown.

Each convertible note may also be redeemed by Kyckr upon an event of default (for example, non-payment, an insolvency event, breach of covenant or the incurrence of debt which ranks ahead of the Convertible Note Facility Agreement).

Under the Convertible Note Facility Agreement, GBR grants to Kyckr a security interest over all of the present and future assets, and all present and after-acquired property, of GBR of any nature or description, as a continuing security for payment of all moneys payable under the Convertible Note Facility Agreement.

For personal use only



The Board has adopted the following corporate governance charters:

- Board Charter;
- Audit & Risk Committee Charter;
- Code of Conduct - Obligations to Stakeholders;
- Code of Conduct for Directors and Key Officers;
- Continuous Disclosure Policy;
- Remuneration Committee Charter;
- Securities Trading Policy - Directors and Key Executives;
- Diversity Policy, and
- Data Protection Policy.

These policies; and Data Protection Policy set out the framework for the management of the Company and the standard of conduct expected of the Company, the Board and certain committees of the Board.

A summary of the key terms of each policy is set out below.

## 11.1 Board Charter

The purpose of the Board Charter is to govern the functions and responsibilities of the Board and senior executives of the Company.

### Functions of the Board

The Board Charter sets out the specific functions and responsibilities of the Board. Some of the main functions of the Board are as follows:

- Approving the strategic objectives of the Company and establishing goals to promote their achievement;
- Monitoring the operational and financial position and performance of the Company;
- Establishing investment criteria including acquisitions and divestments, approving investments, and implementing ongoing evaluations of investments against such criteria;
- Considering and approving the Company's budgets;
- Establishing written policies on compliance, risk oversight and management;
- Reviewing and ratifying and monitoring systems of risk management and internal compliance and control, codes of conduct and legal compliance, in conjunction with the Board committees, and ensuring they are operating effectively;
- Ensuring that business risks facing the Company are, where possible, identified and that appropriate monitoring and reporting internal controls are in place to manage such risks;
- Ensuring the Company complies with its responsibilities under the Act, the Company's Constitution, the ASX Listing Rules and other relevant laws; and
- Exercising due care and diligence and sound business judgment in the performance of those functions and responsibilities.



### Composition of the Board

The Board is to be comprised of a minimum of three and a maximum of 10 Directors and while this may change from time to time, there must always be a minimum of three Directors. Subject to the needs of the Company, a majority of the Directors on the Board should be independent Directors.

### Expertise

The Board Charter ensures that the Board always has an appropriate range of skills and expertise to fulfill its responsibilities. The Board is to regularly review the range of expertise of its members to ensure it has the necessary relevant knowledge.

### Induction and Continuing Education

The Board Charter ensures that the Board has an induction and education process for all new Board members and senior executives to make sure they have a thorough understanding of their roles and responsibilities. The induction and education process also ensures that Board members and senior executives have a good understanding of the Company's financial, strategic, operational and risk management position.

### Roles and Responsibilities

The Board Charter provides a detailed explanation of the roles and responsibilities of the Chairman, individual Directors, the Managing Director and the Company Secretary.

## 11.2 Audit & Risk Committee Charter

The Audit & Risk Committee Charter governs the roles, responsibilities, composition and membership of the Audit & Risk Committee. The key terms of the Audit & Risk Committee Charter are:

- **(Objectives)** the purpose of the Audit & Risk Committee is to monitor and review the Company's financial statements, risk management and the independence and competency of its internal and external auditors. The Audit & Risk Committee is also responsible for making recommendations to the Board in relation to the appointment and appropriate remuneration of the Company's external auditors;
- **(Members)** the Audit & Risk Committee must only comprise of non-executive Directors and must have a minimum of two members;
- **(Meetings)** the Audit & Risk Committee must meet at least twice a year but is required to meet as frequently as required to undertake its role effectively;
- **(Powers)** the Audit & Risk Committee has broad powers and has unrestricted access to management, the Company's internal and external auditors and all of the Company's records. The Audit & Risk Committee will meet with the external auditors, in the absence of management, as often as required, but not less than once per year;
- **(Risk Oversight)** the Audit & Risk Committee is responsible for providing the Board with advice and recommendations regarding the risk oversight and management policies of the Company relating to the Board, the Audit & Risk Committee, management and the internal auditors. The Audit & Risk Committee is responsible for:
  - maintaining an up-to-date understanding of areas in which the Company is exposed to risk to ensure that management is effectively managing those issues;
  - receiving reports regarding material incidents and ensuring that macro risks are reported to the Board;
  - reviewing the adequacy of the Company's risk management and compliance policies and procedures;
  - reviewing material documents and reports to be lodged with regulators;
  - making recommendations to the Board on appropriate risk and risk management reporting requirements to the Board and the Audit & Risk Committee;
  - providing advice to the Board on corporate level performance indicators and targets for risk management and compliance activities;
  - undertaking an annual review of the Company's risk management policy; and
  - reviewing the adequacy of the Company's insurance coverage;





- **(Internal Audit Function)** the Audit & Risk Committee is also responsible for establishing an internal audit function. In this regard, the Audit & Risk Committee must:
  - review the internal auditor's role and responsibilities;
  - review the results and effectiveness of the internal audit programs;
  - recommend the scope of the internal audit to the Board for approval;
  - approve the appointment and dismissal of senior internal audit executives;
  - review and approve the internal audit plan and work program;
  - ensure that the internal auditor reports directly to the Managing Director or the Chief Financial Officer and the Audit & Risk Committee;
  - ensure that no restrictions are placed on the internal auditors; and
  - ensure that the internal auditors are adequately resourced;
- **(External Auditors)** in relation to the Company's external auditors, the Audit & Risk Committee is responsible for:
  - reviewing the performance and independence of the external auditors;
  - reviewing procedures for the selection, appointment and rotation of the external auditors;
  - agreeing on the terms of engagement of the external auditor before the commencement of each audit;
  - reviewing the external auditor's fee;
  - reviewing and providing oversight of the audit reports prepared and issued by the external auditors;
  - monitoring and examining management's response to the external auditor's findings and recommendations; and
  - ensuring that no management or other restrictions are placed on the external auditors;
- **(Financial Reports)** the Audit & Risk Committee must review the Company's financial statements for accuracy, adequacy and compliance with the accounting standards, ASX Listing Rules and the Act; and
- **(Related Party Transactions)** the Audit & Risk Committee is responsible for reviewing and monitoring the propriety of all related party transactions.

### 11.3 Code of Conduct - Obligations to Stakeholders (Stakeholder Code)

The Stakeholder Code seeks to ensure that the Company maintains high standards of professional conduct and ethics in dealing with all of its stakeholders, and underlines its commitment to complying with all applicable state, national and international laws.

The Company considers that its stakeholders include employees, Shareholders, creditors, customers, suppliers, contractors, consultants, governmental and non-governmental organisations, the communities where the Company operates and other parties that have influence over or are influenced by the Company.

For personal use only



## Principles

The Stakeholder Code sets out the following key principles:

- In addition to complying with the requirements of the Constitution, the Act and the ASX Listing Rules, ensuring that all Shareholders of the Company are treated equally, and that the Company will make full, fair and timely disclosure of all relevant information to Shareholders and the ASX;
- Encouraging diversity and equal opportunity at all levels of the Company whilst providing a safe and hazard free workplace;
- Ensuring that employees do not use Company funds, property, equipment or other resources for their personal benefit or purposes;
- Ensuring that proprietary, commercial and other information that is confidential to the Company and that of third parties to whom the Company owes a duty of confidentiality is protected, and ensuring information that is not publicly available is used only for authorised purposes;
- Prohibiting the acquisition or sale of Shares in the Company by employees who are aware of material non-public information about the Company, and prohibiting them sharing that information with others;
- Ensuring employees avoid actual and perceived conflicts of interest, both in the performance of their duties for the Company and their outside activities;
- Observing the requirements of the Competition and Consumer Act 2010 (Cth) and corresponding state legislation;
- Prohibiting employees from receiving payment or gifts in any form (or making such payments) for the purpose of obtaining or retaining business or to obtain any other favourable action;
- Prohibiting employees from making formal or informal arrangements with competitors which seek to limit or restrict competition (including agreements which seek to fix or control prices, allocate products, markets or territories, or boycott certain customers or suppliers);
- Prevention or minimisation of any harmful effects which its operations may have on the environment and ensuring compliance with all environmental laws and regulations;
- Prohibiting employees from seeking confidential information in relation to its competitors, from any new employee who recently worked for a competitor, or from misrepresenting their identity in order to obtain confidential information from a competitor; and
- Compliance with both local and international laws (where it operates outside Australia). If the standards in a foreign jurisdiction are lower than those imposed in Australia then the Company is required to comply with Australian legislation.

For personal use only



## 11.4 Code of Conduct for Directors and Key Officers (Conduct Code)

The Conduct Code sets out the ethical standards for Directors and key officers of the Company, and sets out the principles which govern their conduct. The Conduct Code also takes into account recommendations of Principle 3 of the ASX Corporate Governance Council Principles of Good Corporate Governance and Best Practice Recommendations, Second Edition.

The key principles governing the conduct of the Company's Directors and key officers are that they:

- will act with honesty and integrity in all their dealings for the Company;
- will be truthful, and not mislead or make false statements nor mislead by omission, and will not make promises or commitments the Company does not intend or would be unable to honour;
- will comply with the law at all times;
- will fully disclose any business interest (public or private) and any other matters which may lead to potential or actual conflicts of interest;
- will seek approval from the Chairman in relation to any other role outside their position as a Director or key officer of the Company which potentially conflicts with the Company's interests;
- must maintain and observe their obligation of confidentiality to the Company even after leaving their position with the Company;
- must not use inside information (being price sensitive information, information not in the public domain or information about any entity related to the Company or a strategic partner of the Company which has come to their knowledge through their employment with the Company) for personal gain, and must not deal in that entity's securities or pass information on to another person or encourage another person to deal in that entity's securities; and
- must not use their position to seek personal gain from those doing business or seeking to do business with the Company, and must not accept payments, gifts or entertainment beyond normal business practice.

The Company's Directors and key officers are also expected to report and record any behaviour that does not comply with the Conduct Code.

## 11.5 Continuous Disclosure Policy

The purpose of the Company's Continuous Disclosure Policy is to impose obligations and procedures on all Directors, employees and consultants of the Company to ensure that all materials concerning the Company are disclosed in a timely and balanced way.

The objectives of the policy are to ensure that the Company is able to meet its continuous disclosure obligations under the ASX Listing Rules and the Act. In addition, the policy aims to establish internal procedures so that all Directors, employees and consultants understand their obligations to disclose material information ensuring:

- all investors and participants in the market have equal and timely access to material information concerning the Company;
- all Company announcements are factual and presented in a clear and balanced way; and
- only material information is disclosed to the market.



## Policy

Under the policy, the Board is required to appoint a Disclosure Officer to administer the Company's continuous disclosure policy. According to this policy, this will be the Company Secretary.

As soon as Directors, employees or consultants become aware of information:

- That is not generally available (i.e. the information in question has not been included in any annual report, ASX release or other publication of the Company); and
- Which may be price sensitive (i.e. it is likely to have a financial or reputation impact upon the Company that may be considered material),

they must provide to the Disclosure Officer the following information:

- A general description of the matter;
- Details of the parties involved;
- The relevant date of the event or transaction;
- The status of the matter (e.g. final / negotiations still in progress / preliminary negotiations only);
- The estimated value of the transaction;
- The estimated effect on the Company's finances or operations; and
- The names of any in-house or external advisers involved in the matter.

## Disclosure Officer

The role of the Disclosure Officer is to ensure the Company is compliant with its disclosure obligations, ensure relevant disclosures are made to the ASX and be responsible for all communications with the ASX in relation to ASX Listing Rule matters.

The role of the Disclosure Officer, in conjunction with the managing director includes:

- Periodically monitoring disclosure processes and reporting and periodically reviewing the effectiveness of disclosure and materiality guidelines;
- Deciding what information must be disclosed to the ASX;
- Conducting all disclosure discussions with management;
- Conducting all disclosure discussions with the ASX; and
- Maintaining a disclosure file.

The Disclosure Officer must immediately decide in respect of information that comes to his or her attention (either directly or from a Director) whether:

- The information must be disclosed to the ASX;
- An exception which allows non-disclosure to apply; or
- An alternative procedure, such as whether a notice pending, trading halt or suspension of Shares is appropriate in all the circumstances.

## 11.6 Remuneration Committee Charter

The purpose of the Remuneration Committee is to provide advice, recommendations and assistance to the Board in fulfilling its corporate governance and oversight responsibilities by:

- Putting in place remuneration policies which are designed to attract and retain senior managers and Directors with the expertise to enhance the performance and growth of the Company;
- Putting in place remuneration policies that clearly distinguish the structure of non-executive Directors' remuneration from that of executive Directors and senior executives; and
- Ensuring that the level and composition of remuneration packages are fair, reasonable and adequate.

Ultimate responsibility for the Company's remuneration policy rests with the full Board, notwithstanding the establishment of the Remuneration Committee.

The Remuneration Committee must have a minimum of three members, with a majority of members being independent Directors. The Remuneration Committee should be chaired by an independent Director.



### Meetings

- The Remuneration Committee will meet as frequently as required in order to undertake its role effectively but must, at a minimum, meet once a year.
- A quorum for Remuneration Committee meetings will be at least 2 members.
- A member of the Remuneration Committee is not entitled to be present at a Remuneration Committee meeting, nor give advice or recommendations to the Board, regarding:
  - the level or composition of his or her remuneration; and
  - the evaluation of his or her performance as a Director of the Company.

### Other responsibilities of the Remuneration Committee

- The Remuneration Committee is responsible for reviewing and providing recommendations to the Board with respect to the remuneration packages of senior management and executive Directors.
- The Remuneration Committee is responsible for reviewing and providing recommendations to the Board with respect to the Company's policies with respect to incentive schemes and the incentive schemes of senior managers and executive Directors. The Remuneration Committee will also assist the Board in the development of appropriate benchmarks for use in designing incentive schemes.
- The Remuneration Committee is responsible for providing advice to the Board with respect to non-executive Directors' remuneration.
- The Remuneration Committee must review and make recommendations to the Board on the Company's remuneration, recruitment, retention and termination policies and procedures for senior executives.
- The Remuneration Committee is responsible for providing advice and recommendations to the Board on the Company's termination and redundancy policies and the payments made to outgoing Directors and senior managers.
- The Remuneration Committee must report to the Board, at the first Board meeting subsequent to each Remuneration Committee meeting, regarding the proceedings of each meeting, the outcomes of the Remuneration Committee's reviews and recommendations and any other relevant issues.
- The Remuneration Committee must provide the Board with advice and recommendations regarding the appropriate material and disclosures to be included in the corporate governance section of the Company's annual report which relates to the Company's remuneration policies and procedures, information concerning the Directors and the performance evaluation of the Board and senior executives.

## 11.7 Securities Trading Policy - Directors and Key Executives

The purpose of the Securities Trading Policy is to impose constraints on Directors and executives of the Company dealing in the Company's Shares or options, warrants, futures or other derivative financial products issued over the Company's Shares or options.

The objectives of the policy are to minimise the risk of contravening insider trading laws, to ensure that the Company is able to meet its reporting obligations under the ASX Listing Rules and increase transparency with respect to trading in securities of the Company by Directors and executives.



### **Dealing in securities**

Directors and executives should not deal in securities of the Company unless:

- they have satisfied themselves that they are not in possession of any price sensitive information that is not generally available to the public;
- they have contacted the Chairman or Managing Director (or, in their absence, the Company Secretary) and notified them of their intention to do so and the relevant party indicates that there is no impediment to them doing so; and
- where the Managing Director or Chairman wish to deal in securities, he or she has contacted the Chair of the Audit and Risk Management Committee and notified them of his or her intention to do so and the relevant party indicates that there is no impediment to him or her doing so.

The Chairman will generally not allow Directors or executives to deal in securities of the Company as a matter of course:

- where there is in existence price sensitive information that has not been disclosed because of an ASX Listing Rule exception;
- the four (4) week period prior to the release of the Company's half yearly accounts to the ASX until the opening of the trading window the business day following the release; and
- the four (4) week period prior to the release of the Company's annual accounts to the ASX until the opening of the trading window the business day following the release.

Directors and executives should wait at least until the beginning of the next trading day after any relevant release before dealing in securities so that the market has had time to absorb the information. In specific circumstances however, such as financial hardship, the Chairman may waive the requirement of a Director or executive to deal in securities outside the above periods on the condition that the Director or executive can demonstrate to the Chairman that they are not in possession of any price sensitive information that is not generally available to the public.

### **Additional policy requirements**

- Directors and executives must not at any time engage in short-term trading in securities of the Company.
- Directors and executives must not communicate price sensitive information to a person who may deal in securities of the Company. In addition, a Director or executive should not recommend or otherwise suggest to any person (including a spouse, relative, friend, trustee of a family trust or directors of a family company) the buying or selling of securities in the Company.
- Directors and executives must ensure that external advisers who may receive price sensitive information are bound by confidentiality agreements or other enforceable confidentiality obligations.

### **Notification of dealing in securities**

Directors and executives must notify the Company Secretary immediately on acquiring or disposing of a relevant interest in any securities in the Company.

### **Confirmation of dealing**

If a person covered by the Policy undertakes dealing in securities then, within 2 days of the dealing taking place, they should provide the details of the dealing to the Company Secretary.

### **Penalties**

A contravention of the policy by an executive may result in summary dismissal.

For personal use only



## 11.8 Diversity Policy

The purpose of the Diversity Policy is to demonstrate a commitment by the Board to equality and respect and in recognising and valuing the unique contribution people can make because of their individual background and different skills, experiences and perspectives. The Company considers that fostering diversity improves workplace culture and leads to better company performance.

The Company recognises that a talented and diverse workforce is a key competitive advantage. The wide array of perspectives that results from such diversity promotes innovation and business success.

The Board is responsible for the selection of new board members and in accordance with its Board Charter and the ASX Corporate Governance Principles and Recommendations (including all subsequent amendments), the Board must ensure that the selection process is formal and transparent. High quality female candidates should be considered as part of any recruitment process.

The Company will establish measurable objectives for achieving gender diversity when it has grown to a point where it is appropriate to do so.

## 11.9 Data Protection Policy

The Data Protection Policy outlines the obligations and procedures on all directors, employees and consultants of GBR to ensure that GBR complies with all relevant data protection laws (specifically, under Irish law).

Under Irish law, GBR is a data processor, while GBR's (Irish) clients are data controllers. As GBR only ever acts through its clients' instructions when acquiring data from public registers and as that information is passed through to/processed by the clients and only stored temporarily on the clients' instructions, GBR is a data processor (as opposed to a data controller).

The main obligation on a data processor is that the data processor has in place adequate security measures and that a data processor (or its employee or agent) does not disclose the personal data without the authority of the data controller. As a data processor, GBR has:

- adopted appropriate security measures to protect any personal data processed by GBR on behalf of its clients;
- entered into contracts with clients which outline that processing is only done on the data controller's instructions and that appropriate security is in place; and
- adopted safeguards to ensure that personal data is not transferred outside of the European Economic Area except with the consent of the clients.

Furthermore, as GBR processes personal data for regulated entities under the Data Protection Act 1988 and 2003 (together, the **DPA**), it has registered with the Irish Data Protection Commissioner.

Kyckr and GBR intend to adopt similar policies for all of the jurisdictions in which Kyckr and GBR operate as soon as possible.

## 12.1 Rights And Liabilities Attaching To Shares In The Company

A summary of the key rights attaching to the Shares is set out below. The provisions of the Constitution relating to the rights attaching to the Shares must be read subject to the Act, the ASX Listing Rules and ASX Settlement Rules. This summary is not intended to be exhaustive and does not constitute a definitive statement of the rights, liabilities and restrictions attaching to the Shares.

### Ranking

The Shares issued pursuant to this Prospectus will be fully paid ordinary shares and will rank equally in all respects with the existing fully paid ordinary shares in the Company.

### General Meetings

Members are entitled to be present in person, or by proxy, or representative (where the member is a body corporate) to ask questions or make comments on the management of the Company and to vote at general meetings of the Company. Members may requisition general meetings in accordance with the Corporations Act.

### Voting

Subject to the Constitution, the Corporations Act, the Listing Rules and any rights or restrictions attached to any class of shares, at a general meeting:

- i. on a show of hands, each member present in person or by proxy or representative has one vote; and
- ii. on a poll, each member present in person or by proxy or representative has one vote for each fully-paid share they hold and a fraction of a vote (equivalent to the amount which is paid for that shares) for each partly-paid share.

### Dividends

Subject to the Corporations Act, the Constitution and to the terms on which shares are on issue, the Board may determine that a dividend or other distribution is or will be payable.

### Winding Up

Subject to the Constitution, the Corporations Act and the rights and restrictions attached to any shares or class of shares, if the Company is wound up and the property of the Company available for distribution among members is more than sufficient to pay:

- i. all debts and liabilities of the Company; and
- ii. the costs, charges and expenses of the winding up,

the excess must be divided among the members in proportion to the number of shares held by them, irrespective of the amounts paid or credited as paid on the shares, provided that a member who is in arrears in the payment of a call on a share, but whose share has not been forfeited, is not entitled to participate in the distribution on the basis of holding a share until the amount owing in respect of the call has been fully paid and satisfied.





## Transfer of Shares

Subject to the Constitution, shares in the Company are transferable by an instrument of transfer in writing in any usual or common form or in any other form that the Directors approve.

Subject to the Corporations Act, the ASX Settlement Rules and the ASX Listing Rules, the Directors may in their absolute discretion refuse to any transfer of shares for any of the following reasons:

- i. the Company has a lien on the shares subject to the transfer;
- ii. a court order restricts a member's capacity to transfer the shares;
- iii. registration of the transfer would be contrary to Australian law and ASX agrees in writing to the refusal; or
- iv. the transfer does not comply with the terms of any employee incentive scheme of the Company.

## Future Increases in Capital

The Directors control the issue and allotment of shares. Subject to the Constitution, the Corporations Act and the ASX Listing Rules, the Directors may issue, allot or dispose of shares to any person at any time and on any terms and conditions, and having attached to them any preferred, deferred or other special rights or restrictions, whether with regard to dividend, voting, return of capital or otherwise, as the Directors think fit.

## Variation of Rights

The Company may vary or cancel the rights attaching to any class of shares only if the variation or cancellation is permitted by the Corporations Act and the Listing Rules, and is approved by a special resolution of each of the members holding shares of the relevant class.

## Directors

The Constitution contains provisions relating to the rotation of Directors (other than the Managing Director).

## Application of ASX Listing Rules

On admission to the Official List, despite anything in the Constitution, if the ASX Listing Rules prohibit an act being done, then the act must not be done. Nothing in the Constitution prevents an act being done that the ASX Listing Rules require to be done. If the ASX Listing Rules require an act to be done or not to be done, authority is given for that act to be done or not to be done (as the case may be). If the ASX Listing Rules require a constitution to contain a provision or not to contain a provision, the Constitution is deemed to contain that provision or not to contain that provision (as the case may be). If a provision of the Constitution is or becomes inconsistent with the ASX Listing Rules, the Constitution is deemed not to contain that provision to the extent of that inconsistency.

## 12.2 Terms and Conditions of Broker Options

The Broker Options entitle the holder (**Optionholder**) to subscribe for Shares in the capital of the Company on the following terms and conditions:

- i. Subject to xi, each Broker Option gives the Optionholder the right to subscribe for one Ordinary Share.
- ii. The Broker Options will expire at 5.00pm (Sydney time) on the date which is 4 years after the date of issue of the Broker Options (**Expiry Date**). Any Broker Options not exercised before the Expiry Date will automatically lapse on the Expiry Date.
- iii. The amount payable upon exercise of each Broker Option will be \$0.20 (**Exercise Price**).
- iv. The Broker Options held by the Optionholder may be exercised in whole or in part, and if exercised in part, multiples of 1,000 must be exercised on each occasion.
- v. An Optionholder may exercise their Broker Options by lodging with the Company, before the Expiry Date:
  - a. a written notice of exercise of Broker Options specifying the number of Broker Options being exercised; and
  - b. cheque or electronic funds transfer for the Exercise Price for the number of Broker Options being exercised (**Exercise Notice**).
- vi. An Exercise Notice is only effective when the Company has received the full amount of the Exercise Price in cleared funds.



- vii. Within 2 Business Days of receipt of the Exercise Notice accompanied by the Exercise Price, the Company will allot the number of Ordinary Shares required under these terms and conditions in respect of the number of Broker Options specified in the Exercise Notice.
- viii. The Broker Options are non-transferable.
- ix. All Shares allotted upon the exercise of the Broker Options will upon allotment rank pari passu in all respects with other Ordinary Shares.
- x. The Company will not apply for quotation of the Broker Options on ASX. However, the Company will apply for quotation of all Ordinary Shares allotted pursuant to the exercise of Broker Options on ASX within 2 Business Days after the date of allotment of those Ordinary Shares.
- xi. If at any time the issued capital of the Company is reconstructed, all rights of an Optionholder are to be changed in a manner consistent with the Corporations Act and the ASX Listing Rules at the time of the reconstruction.
- xii. There are no participating rights or entitlements inherent to the Broker Options and the Optionholders will not be entitled to participate in new issues of capital offered to Shareholders during the currency of the Broker Options. However, the Company will ensure that for the purposes of determining the entitlements to any such issue, the record date will be at least 6 Business Days after the issue is announced. This will give Optionholders the opportunity to exercise their Broker Options prior to the date for determining entitlements to participate in any such issue.
- xiii. Subject to clause xi, a Broker Option does not confer the right to a change in exercise price or a change in the number of underlying securities over which the Broker Option can be exercised.

## 12.3 Terms and Conditions of Performance Options

The Performance Options entitle the holder (**Performance Optionholder**) to subscribe for Shares in the capital of the Company on the following terms and conditions:

- i. Subject to ii and xii, each Performance Option gives the Performance Optionholder the right to subscribe for one Ordinary Share.
- ii. Provided the date is at least 2 years after the Listing Date:
  - a. 50% of the Performance Options held by the Performance Optionholder (**Total Performance Options**) are not capable of being exercised until the First Milestone is satisfied; and
  - b. 50% of the Total Performance Options held by the Performance Optionholder are not capable of being exercised until the Second Milestone is satisfied.
- iii. The Performance Options will expire at 5.00pm (Sydney time) on the date which is 4 years after the date of issue of the Performance Options (**Expiry Date**). Any Performance Options not exercised before the Expiry Date will automatically lapse on the Expiry Date.
- iv. The amount payable upon exercise of each Performance Option will be \$0.30 (**Exercise Price**).
- v. The Performance Options held by the Performance Optionholder may be exercised in whole or in part, and if exercised in part, multiples of 1,000 must be exercised on each occasion.
- vi. A Performance Optionholder may exercise their Performance Options by lodging with the Company, before the Expiry Date:
  - a. a written notice of exercise of Performance Options specifying the number of Performance Options being exercised; and
  - b. a cheque or electronic funds transfer for the Exercise Price for the number of Performance Options being exercised.

### **(Exercise Notice).**

- vii. An Exercise Notice is only effective when the Company has received the full amount of the Exercise Price in cleared funds.
- viii. Within 2 Business Days of receipt of the Exercise Notice accompanied by the Exercise Price, the Company



will allot the number of Ordinary Shares required under these terms and conditions in respect of the number of Performance Options specified in the Exercise Notice.

- ix. The Performance Options are non-transferable.
- x. All Shares allotted upon the exercise of the Performance Options will upon allotment rank pari passu in all respects with other Ordinary Shares.
- xi. The Company will not apply for quotation of the Performance Options on ASX. However, the Company will apply for quotation of all Ordinary Shares allotted pursuant to the exercise of Performance Options on ASX within 2 Business Days after the date of allotment of those Ordinary Shares.
- xii. If at any time the issued capital of the Company is reconstructed, all rights of a Performance Optionholder are to be changed in a manner consistent with the Corporations Act and the ASX Listing Rules at the time of the reconstruction.
- xiii. There are no participating rights or entitlements inherent to the Performance Options and the Performance Optionholders will not be entitled to participate in new issues of capital offered to Shareholders during the currency of the Performance Options. However, the Company will ensure that for the purposes of determining the entitlements to any such issue, the record date will be at least 6 Business Days after the issue is announced. This will give Performance Optionholders the opportunity to exercise their Performance Options prior to the date for determining entitlements to participate in any such issue.
- xiv. Subject to clause xii, a Performance Option does not confer the right to a change in exercise price or a change in the number of underlying securities over which the Performance Option can be exercised.

## 12.4 Terms and Conditions of Performance Shares

Subject to any amendments required by ASX and agreed between the parties, the terms and conditions of the Performance Shares are as follows:

### Rights attaching to the Performance Shares

- i. Each Performance Share is a share in the capital of KYCkr Limited ACN 609 323 257.
- ii. The Performance Shares shall confer on the holder (**Holder**) the right to receive notices of general meetings and financial reports and accounts of the Company that are circulated to Shareholders. Holders have the right to attend general meetings of Shareholders.
- iii. The Performance Shares do not entitle the Holder to vote on any resolutions proposed at a general meeting of Shareholders.
- iv. The Performance Shares do not entitle the Holder to any dividends.
- v. The Performance Shares have no rights to participate in the surplus profits or assets of the Company upon winding up of the Company.
- vi. The Performance Shares are non-transferable.
- vii. If at any time the issued capital of the Company is reconstructed, all rights of a Holder will be changed to the extent necessary to comply with the applicable ASX Listing Rules at the time of reorganisation.
- viii. The Performance Shares will not be quoted on ASX. However, upon conversion of the Performance Shares into Ordinary Shares, the Company must within two Business Days after the conversion, apply for the official quotation of the Ordinary Shares arising from the conversion on ASX.
- ix. Holders of Performance Shares will not be entitled to participate in new issues of capital offered to holders of Shares such as bonus issues and entitlement issues.
- x. The Performance Shares give the Holders no rights other than those expressly provided by these terms and those provided at law where such rights at law cannot be excluded by these terms.

### Conversion of the Performance Shares

- i. The Performance Shares will automatically convert into Ordinary Shares in the following proportions, upon achievement of the following Milestones:
  - a. provided the date is at least 2 years after the Listing Date, upon the date that is 10 Business Days after



the First Milestone is satisfied, 50% of the Total Performance Shares will automatically convert into Ordinary Shares; and

b. provided the date is at least 2 years after the Listing Date, upon the date that is 10 Business Days after the Second Milestone is satisfied, 50% of the Total Performance Shares will automatically convert into Ordinary Shares,

such that each Performance Share will convert into one Ordinary Share.

ii. If a Milestone is not achieved within four years after the date of issue of the Performance Shares, then the Performance Shares held by a Holder at that date will be automatically redeemed by the Company for the sum of \$1.00 within 10 Business Days of non-satisfaction of the Milestone.

iii. Upon the occurrence of a Change of Control:

a. that number of Performance Shares that, after conversion, is equal to 10% of the issued Share capital of the Company (as at the date of the Change of Control) shall automatically convert into Shares;

b. the Company shall ensure a pro-rata allocation of Shares issued under this paragraph to all Holders of Performance Shares; and

c. any Performance Shares that are not converted into Shares in accordance with this paragraph will continue to be held by the Holder on the same terms and conditions.

iv. Takeover provisions:

a. If the conversion of Performance Shares (or part thereof) under paragraphs (i) or (iii) would result in any person being in contravention of section 606(1) of the Corporations Act, then the conversion of each Performance Share that would cause the contravention shall be deferred until such time or times thereafter that the conversion would not result in a contravention of section 606(1) of the Corporations Act.

b. The Holder shall give notification to the Company in writing if it considers that the conversion of Performance Shares (or part thereof) under paragraphs (i) or (iii) may result in the contravention of section 606(1) of the Corporations Act, failing which the Company shall assume that the conversion of Performance Shares (or part thereof) under paragraphs (i) or (iii) will not result in any person being in contravention of section 606(1) of the Corporations Act.

c. The Company may (but is not obliged to) by written notice request that the Holder give notification to the Company in writing within 7 days if they consider that the conversion of Performance Shares (or part thereof) under paragraphs (i) or (iii) may result in the contravention of section 606(1) of the Corporations Act. If the Holder does not give notification to the Company within 7 days that it considers the conversion of Performance Shares (or part thereof) under paragraphs (i) or (iii) may result in the contravention of section 606(1) of the Corporations Act, then the Company shall assume that the conversion of Performance Shares (or part thereof) under paragraphs (i) or (iii) will not result in any person being in contravention of section 606(1) of the Corporations Act.

v. The Company will issue the Holder with a new holding statement for the Shares within 2 Business Days following the conversion of the Performance Shares into Ordinary Shares.

vi. The Ordinary Shares into which the Performance Shares may convert will rank pari passu in all respects with existing Ordinary Shares.

## 12.5 Terms and Conditions of Performance Rights

The Performance Rights entitle the holder (**Rightsholder**) to subscribe for Shares in the capital of the Company on the following terms and conditions:

### Exercise of Performance Rights

i. 50% of the Shares to be issued under the Performance Rights are to be issued upon the Company a turnover of \$5 million or more as set out in its yearly or half-yearly financial statements released to ASX and 50% of the Shares to be issued under the Performance Rights are to be issued upon the Company achieving a turnover of \$10 million or more as set out in its yearly or half-yearly financial statements released to ASX.

ii. The Performance Rights may not be exercised until the date which is two years after the Company is admitted to the Official List.

iii. The Performance Rights will lapse if one or more performance hurdles have not been satisfied by the date that is four years after the Company is admitted to the Official List (**Expiration Date**).

### Conditions attaching to the Performance Rights

i. Performance Rights cannot be assigned to a nominee.

ii. Rightsholders are not entitled to notice of, or attendance at, any meeting of shareholders of Kyckr, or to



receive any dividends declared by Kyckr, as a result of holding Performance Rights, until the Performance Rights have vested and Shares have been issued.

iii. Performance Rights cannot be transferred, disposed of, or have a security interest imposed over them.

iv. If the Rightsholder ceases employment with Kyckr and holds Performance Rights, these will automatically lapse unless the Board determines otherwise.

v. Participants are specially prohibited from hedging the exposure to the Kyckr share price during the period commencing on the granting of the Performance Rights to the Expiration Date in respect of their unvested Performance Rights.

vi. Shares acquired on exercise of the Performance Rights may be subject to a disposal or trading restriction under Kyckr's share trading policy.

vii. A condition of the Rightsholder being granted Performance Rights is that the Rightsholder must enter into and agree to arrangements with Kyckr regarding any income tax, social security and any other tax imposition or duties (**collectively, Tax Liability**) payable or that will become payable as a result of the grant, vesting or exercise, (or other taxable event including but not limited to the receipt of dividends, if any) of the Performance Rights or Shares provided on exercise of the Performance Rights. Such arrangements may include the Rightsholder agreeing to pay Kyckr, within 30 days (or other reasonable period nominated by Kyckr) of the date of grant, vesting, exercise, or other taxable event (as applicable), an amount equal to the amount of that Tax Liability or authorising the deduction of the amount of the Tax Liability from the Rightsholder's salary or other emoluments.

viii. On the occurrence of a Change of Control, the Board will determine, in its sole and absolute discretion, the manner in which all unvested and vested Performance Rights will be dealt with.

## 12.6 Constitution

A summary of the key provisions of the Constitution is set out below.

### Transfer of Shares

Subject to the Constitution, shares in the Company are transferable by an instrument of transfer in writing in any usual or common form or in any other form that the Directors approve.

Subject to the Corporations Act, the ASX Settlement Rules and the ASX Listing Rules, the Directors may in their absolute discretion refuse to any transfer of shares for any of the following reasons:

- i. the Company has a lien on the shares subject to the transfer;
- ii. a court order restricts a member's capacity to transfer the shares;
- iii. registration of the transfer would be contrary to Australian law and ASX agrees in writing to the refusal; or
- iv. the transfer does not comply with the terms of any employee incentive scheme of the Company.

### Quorum at General Meetings

The quorum for a general meeting is three members and a quorum must be present at all times during the meeting.

### Chair

In the case of an equality of votes on a resolution at a general meeting, the chair will have a casting vote in addition to any votes to which the chair may be entitled as a member.

### Directors – Term of Office, Appointment and Removal

Subject to the Corporations Act, the ASX Listing Rules and the Constitution, a Director (not being a managing director) must retire from office or seek re-election by no later than the third annual general meeting following his or her appointment or election, or three years, whichever occurs later.

Unless otherwise determined by a resolution of the members, one third of the Directors (or if the number of Directors is not a multiple of three, then the whole number nearest one-third) must retire from office at each annual general meeting, with the Directors who have been longest in office required to retire first. Where several Directors were appointed to the Board on the same day, the Directors to retire will be determined by drawing lots.



The requirement to retire by rotation does not apply to any managing director.

The Directors may appoint a Director to fill a casual vacancy on the Board or in addition to the existing Directors. Any Director appointed to fill a casual vacancy (not being a managing director) will then hold office until the conclusion of the next annual general meeting, at which meeting he or she will be eligible for re-election.

Except where a Director retires from office and stands for re-election, a person is only eligible for appointment as a Director by resolution of the members in general meeting if the Company receives at least 35 days before the relevant general meeting:

- i. a nomination of that person by a member; and
- ii. a consent to that nomination signed by the person nominated for election as a Director.

The Company may, by resolution of the members in general meeting, remove a Director from office and appoint another person as a Director in that Director's place.

### Remuneration of Directors

Any remuneration payable to Directors must be paid in accordance with the Corporations Act and the ASX Listing Rules. The Company may pay Directors fees for carrying out the duties and responsibilities of the office of Director required by the Corporations Act. The Company in general meeting may from time to time determine the maximum aggregate cash remuneration to be paid to Directors for services rendered (excluding any remuneration payable to any Director under any executive service contract with the Company or any related body corporate). Until a different amount is approved by the members, the maximum aggregate remuneration payable to Directors is \$500,000.00 per annum.

### Dividends

Subject to the Corporations Act, the Constitution and to the terms on which shares are on issue, the Board may determine that a dividend or other distribution is or will be payable.

### Inspection

A request by a member to inspect the financial records of the Company must be in writing and must be delivered to the Company at its registered office. Subject to the Corporations Act, the Directors by ordinary resolution or the members by special resolution may decide whether and to what extent and at what times and places and under what conditions a member may inspect the financial records and other books of the Company.

### Indemnity

Subject to the Corporations Act, the Company must indemnify any current or former Director, secretary or executive officer of the Company or a related body corporate of the Company out of the property of the Company against:

- i. every liability incurred by that person in that capacity (except a liability for legal costs) to another person (other than the Company or a related body corporate of the Company); and
- ii. all legal costs incurred in defending or resisting proceedings, whether civil or criminal or of an administrative or investigatory nature, in which the person becomes involved as a result of that capacity.



## Winding Up

Subject to the Constitution, the Corporations Act and the rights and restrictions attached to any shares or class of shares, if the Company is wound up and the property of the Company available for distribution among members is more than sufficient to pay:

- i. all debts and liabilities of the Company; and
- ii. the costs, charges and expenses of the winding up,

the excess must be divided among the members in proportion to the number of shares held by them, irrespective of the amounts paid or credited as paid on the shares, provided that a member who is in arrears in the payment of a call on a share, but whose share has not been forfeited, is not entitled to participate in the distribution on the basis of holding a share until the amount owing in respect of the call has been fully paid and satisfied.

## 12.7 Dividend Policy

The Directors intend to use the Company's current cash reserves and any surplus cash flow to fund the Company's business, rather than distributing these funds as dividends.

The Directors intend to review this policy with reference to the Company's cash flows and financial position, and may potentially initiate a revised dividend policy in the future.

The Directors can give no assurance as to the amount, timing, franking or payment of any future dividends by the Company. The capacity to pay dividends will depend on a number of factors including future earnings, capital expenditure requirements and the financial position of the Company.

## 12.8 Consents

Each party referred to in this Section does not make, or purport to make, any statement in this Prospectus or any statement on which a statement made in the Prospectus is based other than as specified in this Section.

Each of the following parties has consented to being named in the Prospectus in the capacity as noted below and has not withdrawn such consent prior to the lodgement of this Prospectus with ASIC:

- Foster Stockbroking as Lead Manager to the Offer;
- Kemp Strang as legal adviser to the Company;
- Tower81 as independent expert;
- Nexia Smith & Williamson as auditor to GBR;
- Nexia Court & Co as auditor to the Company;
- Nexia Court Financial Solutions Pty Ltd as investigating accountant to the Company; and
- Boardroom Pty Limited as the Share Registry.

Tower81 has also given its consent to the inclusion of the Independent Expert Report in the form and context in which it is included in this Prospectus and to all statements attributed to it in this Prospectus.

Nexia Court Financial Solutions Pty Ltd has also given its consent to the inclusion of the Investigating Accountant's Report in the form and context in which it is included in this Prospectus and to all statements attributed to it in this Prospectus.

Each of Owen Kennedy, Paul Turret and John Warnhammer has consented to the quote attributed to him on page 2 being included in the form and context in which it is included in this Prospectus and has not withdrawn this consent as at the date this Prospectus was lodged with ASIC.

For personal use only



## 12.9 Interest of Advisers and Named Persons

This Section applies to persons named in the Prospectus as performing a function as a financial services licensee or in a professional, advisory or other capacity in connection with the preparation or distribution of this Prospectus or promoters of the Company (collectively referred to as prescribed persons). Except as otherwise set out in this Prospectus, no prescribed person has, or during the last two years has had, any interest in the formation or promotion of the Company, or any property proposed to be acquired by the Company in connection with its formation or promotion of the Offer.

No sums have been paid or agreed to be paid to a prescribed person for services rendered by the prescribed person in connection with the promotion or formation of the Company or the Offer except as set out below:

Advisors costs (inclusive of GST)	(\$000)
Fosters - Lead Manager (assumes full \$6,000,000 raise)	\$396
Kemp Strang	\$108
Tower81	\$26
Nexia Court Financial Solutions Pty Ltd	\$55
Registry	\$100

## 12.10 Offer Expenses

No sums have been paid or agreed to be paid to a prescribed person for services rendered by the prescribed person in connection with the promotion or formation of the Company or the Offer except as set out below:

Offer Expenses and Listing costs (inclusive of GST & VAT)	(\$000)
Lead Manager	\$396
ASX Fees	\$100
Prospectus and IM	\$100
Expenses	\$64
Legal	\$199
Accounting	\$126
Expert's Report	\$26
Registry	\$100
<b>Total Offer Expenses</b>	<b>\$1,111</b>

## 12.11 Interests Of Directors

Other than as set out below or elsewhere in this Prospectus, no Director (whether individually or as a consequence of a Director's association with any company or firm or any material contract entered into by the Company) has now, or has had, in the 2 year period prior to the date of this Prospectus, any interest in:

- i. the formation or promotion of the Company;
- ii. property acquired or proposed to be acquired by the Company in connection with its formation or promotion or the Offer; or
- iii. the Offer.

Except as disclosed in this Prospectus, no amounts of any kind (whether in cash, Shares, options or otherwise) have been paid or agreed to be paid to any Director or to any company or firm with which a Director is associated to induce him to become, or to qualify as, a Director, or otherwise for services rendered by him or his company or firm with which the Director is associated in connection with the formation or promotion of the Company or the Offer.





## Remuneration of Directors

The Constitution provides that the non-executive Directors may be paid for their services as Directors, however the sum payable must not exceed such fixed sum per annum as may be determined by the Company in general meeting, to be divided among the Directors and in default of agreement then in equal shares. The sum fixed by the Company as the aggregate limit for the payment of non-executive Directors is \$500,000 per annum.

A Director may be paid fees or other amounts as the Directors determine where a Director renders or is called upon to perform extra services or to make any special exertions in connection with the affairs of the Company. A Director may also be reimbursed for any disbursements or any other out of pocket expenses properly incurred as a result of their directorship.

## Directors' Fees and Remuneration Received

Director fees paid since 16 November 2015 (being the date of incorporation of the Company) to the date of listing of the Company on ASX, or payable annually to the Directors upon listing on the ASX as remuneration for their services as Directors are set out in the table below

	Date of incorporation to the date of listing on ASX	Annual Salary (excluding superannuation)
Mr. Albert Wong	\$5,000	\$100,000
Mr. Ben Cronin	0	0
Mr. David Cassidy	0	0
Mr. John Walsh	\$5,000 <sup>Note1</sup>	\$50,000
Mr. Robert Leslie	0	0

**Note1.** Mr. John Walsh's director fees have been paid since the date of his appointment as a director of the Company, being 11th April 2016, until the date of Listing.

## Directors' Holdings

Details of Directors' relevant interests in securities of the Company (held directly or indirectly) as at the date of this Prospectus are outlined in Section 2.8 of this Prospectus.

The Directors may participate in the Offer pursuant to this Prospectus.

## 12.12 Governing Law

This Prospectus and the contracts that arise from the acceptance by the Company of the Applications are governed by the laws applicable in New South Wales and each Applicant under this Prospectus submits to the exclusive jurisdiction of the courts of New South Wales.

## 12.13 Directors Responsibility Statement

The Directors of the Company state that for the purposes of section 731 of the Act, they have made all enquiries that were reasonable in the circumstances and have reasonable grounds to believe that any statements by them in this Prospectus are true and not misleading or deceptive, and that with respect to any other statements made in this Prospectus by persons other than the Directors, the Directors have made reasonable enquiries and have reasonable grounds to believe that persons making the statement or statements were competent to make such statements, and that those persons have given the consent required by section 716(2) of the Act and have not withdrawn that consent before lodgement of this Prospectus with ASIC.

Each Director consents to the lodgement of this Prospectus with ASIC, and has not withdrawn that consent prior to this Prospectus being lodged.

This Prospectus is prepared on the basis that:

- certain matters may be reasonably expected to be known to professional advisers of the kind with whom Applicants may reasonably be expected to consult; and
- information is known to Applicants or their professional advisers by virtue of any legislation or laws of any State or Territory of Australia or the Commonwealth of Australia.

For personal use only



This Prospectus is dated 10 June 2016

Signed for and on behalf of Kyckr Limited,

**Mr. David Cassidy**  
**Managing Director**

For personal use only

# 13 Definitions

Terms defined in the independent experts' reports have the meanings given to them in those documents throughout this Prospectus unless otherwise stated or unless inconsistent with the context in which the expression is used. Other expressions are used throughout this Prospectus that are not defined in the various independent experts' reports and, unless otherwise stated or unless inconsistent with the context in which the expression is used, each of the following expressions have the meaning set out below:

<b>\$ or A\$ or AUD</b>	means references to dollar amounts in Australian currency.
<b>Act or Corporations Act</b>	means the Corporations Act 2001 (Cth) as in force within Australia.
<b>AEST</b>	means Australian Eastern Standard Time.
<b>API</b>	means Application Programming Interface which is a set of tools, procedures and protocols for accessing GBR's capabilities.
<b>Applicant</b>	means a person who makes an application for Shares under this Prospectus.
<b>Application</b>	means an application for Shares under this Prospectus made by an Applicant under an Application Form.
<b>Application Form</b>	means the form accompanying and forming part of this Prospectus by which an Applicant may apply for Shares under the Offer.
<b>Application Monies</b>	means monies received by the Company from Applicants with respect to Applications.
<b>ASIC</b>	means the Australian Securities and Investments Commission.
<b>Associates</b>	has the meaning given to that term in the Act.
<b>ASX</b>	means the Australian Securities Exchange operated by ASX Limited ACN 008 624 691.
<b>ASX Listing Rules</b>	means the listing rules of the ASX.
<b>ASX Settlement</b>	means ASX Settlement Pty Ltd ACN 008 504 532 (formerly known as ASX Settlement and Transfer Corporation Limited).
<b>ASX Settlement Rules</b>	means the operating rules of ASX Settlement.
<b>Automation Model</b>	means no people and only programs are used to provide services to GBR's customers.
<b>BES Share Sale Agreement</b>	means the share sale agreement dated on or about 18 April 2016 between Kyckr, Robert Leslie and Kieran O'Sullivan, which is described in Section 10.
<b>Board</b>	means the board of Directors of the Company.



<b>Broker Option</b>	means a broker option in the capital of the Company on the terms and conditions set out in Section 12.2.
<b>Business Day</b>	means a day that is not a Saturday, Sunday or a public holiday in Sydney, New South Wales.
<b>Chairman</b>	means the chairman of Kyckr, which at the date of this Prospectus is Mr. Albert Wong.
<b>Change of Control</b>	means:  (a) a takeover bid under Chapter 6 of the Corporations Act which has been made in respect of the Company having received acceptances for more than 50% of the Company's shares on issue and being declared unconditional by the bidder; or  (b) a court granting orders approving a compromise or arrangement for the purposes of or in connection with a scheme of arrangement for the reconstruction of the Company or its amalgamation with any other company or companies.
<b>CHESS</b>	means the Clearing House Electronic Sub-register System operated by ASX Settlement.
<b>Chief Financial Officer</b>	means the chief financial officer of the Company.
<b>Cleansing</b>	means fixing errors.
<b>Closing Date</b>	means 5:00pm (AEST) on the date the Offer closes, which is set out in Key Dates and Offer Statistics section of this Prospectus.
<b>Company or Kyckr</b>	means Kyckr Limited ACN 609 323 257.
<b>Company Secretary</b>	means the company secretary of Kyckr, which at the date of this Prospectus is Mr. Karl Pechmann.
<b>Consideration Shares</b>	means the Shares being issued to the GBR Shareholders under the GBR Share Sale Agreement or Robert Leslie and Kieran O'Sullivan under the BES Share Sale Agreement (as the case may be).
<b>Constitution</b>	means the constitution of the Company adopted on incorporation on 16 November 2015.
<b>Core API</b>	means the API to specifically access data in business registers.
<b>Customer Book</b>	means all of the customers of a business and associated information to identify them such as name, address and other attributes.
<b>Directors</b>	means the directors of the Company.
<b>Disclosure Officer</b>	means the person appointed as the disclosure officer pursuant to the Company's continuous disclosure policy.
<b>EBITDA</b>	means earnings before interest, taxation, depreciation and amortisation.
<b>First Milestone</b>	means the Company achieving a turnover of \$5 million or more as set out in its yearly or half-yearly financial statements released to ASX.



<b>Foster Stockbroking</b>	means Foster Stockbroking Pty Ltd ACN 088 747 148.
<b>GBR</b>	means Global Business Register Limited, a private company limited by shares incorporated under the laws of Ireland with company registration number 436024 and having its registered office at ARC Labs Research Centre, WIT West Campus, Carriganore, Waterford, Ireland.
<b>GBR Acquisition</b>	means the acquisition of shares comprising 97.59% of the issued capital of GBR at completion of the GBR Share Sale Agreement.
<b>GBR Share</b>	means a share in the issued capital of GBR.
<b>GBR Shareholder</b>	means holder of a GBR Share.
<b>GBR Share Sale Agreement</b>	means the share sale agreement dated on or about 18 April 2016 between Kyckr and the GBR Shareholders, which is described in Section 10.
<b>General Meeting</b>	means the general meeting of shareholders to be held on or about 1 July 2016.
<b>Holder</b>	has the meaning given to that term in Section 12.4.
<b>HIN</b>	means the holder identification number provided to Shareholders for holdings registered on the Chess sub-register.
<b>Independent Expert Report</b>	means the report in Section 8.
<b>Investigating Accountant's Report</b>	means the report in Section 9.
<b>Issue Price</b>	means \$0.20 per Share.
<b>JFSC</b>	means the Jersey Financial Services Commission, a statutory body corporate set up under the Financial Services Commission (Jersey) Law.
<b>JFSC Agreement</b>	has the meaning given to that term in Section 10.
<b>KYC</b>	means the process by which a business verifies the identity of its customers through independent and authoritative data sources.
<b>Lead Manager</b>	means Foster Stockbroking.
<b>Listing</b>	means the listing of the Company on ASX.



<b>Listing Date</b>	means the date on which quotation of the Shares commence for trading on the ASX.
<b>Live Scrape</b>	is a software technique used for extracting information directly from websites.
<b>Material Contract</b>	means each agreement set out in Section 10.
<b>Maximum Subscription</b>	means \$6,000,000 (before costs).
<b>Milestones</b>	means the First Milestone and the Second Milestone.
<b>Minimum Subscription</b>	means with \$5,000,000 (before costs).
<b>Off-Boarding</b>	means removing an existing customer from a service of a business.
<b>Offer</b>	means the offer for up to 30,000,000 Shares under this Prospectus.
<b>Offer Period</b>	means the period from 20th June 2016 to 8th July 2016.
<b>Offer Proceeds</b>	means the total proceeds of the offer of up to 30,000,000 Shares under this Prospectus, being a minimum of \$5,000,000 (before costs) and a maximum of \$6,000,000 (before costs).
<b>Official List</b>	means the official list of the ASX.
<b>Official Quotation</b>	means official quotation of the Shares on the ASX.
<b>On-Boarding</b>	means signing up a new customer for services from a business.
<b>Opening Date</b>	means the date the Offer opens, which is set out in the Key Dates and Offer Statistics section of this Prospectus and may be varied by the Company.
<b>Performance Option</b>	means a performance option in the capital of the Company on the terms and conditions set out in Section 12.3.
<b>Performance Right</b>	means a right to subscribe for Shares on the terms and conditions set out in Section 12.5.
<b>Performance Share</b>	means a performance share in the capital of the Company on the terms and conditions set out in Section 12.4.
<b>Prospectus</b>	means this prospectus as modified or varied by a supplementary prospectus prepared by the Company and lodged with ASIC from time to time.
<b>Relevant Interest</b>	has the meaning given to it in the Act.
<b>Remediation</b>	means Cleansing using information from other sources to remedy errors.



<b>Second Milestone</b>	means the Company achieving a turnover of \$10 million or more as set out in its yearly or half-yearly financial statements released to ASX.
<b>Section</b>	means a section of this Prospectus.
<b>Share or Ordinary Share</b>	means a fully paid ordinary share in the issued capital of the Company.
<b>Share Cancellation</b>	has the meaning given in Section 1.8.
<b>Share Cancellation Completion</b>	has the meaning given in Section 1.8.
<b>Share Registry</b>	means Boardroom Pty Limited ACN 003 209 836.
<b>Shareholder</b>	means a person who holds one or more Shares.
<b>SRN</b>	means the security holder reference number provided to Shareholders in the case of holdings registered on the issuer sponsored sub-register.
<b>Total Performance Shares</b>	means the total amount of Performance Shares held by the Holder.
<b>Tower81</b>	means Tower 81 Associates Limited, with company registration number 436024 and having its registered office at The Linc Centre, ITB, Blanchardstown Road, North Dublin 15, Ireland.
<b>US Person</b>	has the meaning given in rule 902(k) of Regulation S under the US Securities Act.
<b>US Securities Act</b>	means the US Securities Act 1933, as amended.

For personal use only

For personal use only

14

Application Form





# KYCKR LIMITED

ACN 609 323 257

Broker Reference – Stamp Only

Broker Code

--	--	--	--

Advisor Code

--	--	--	--	--

## Application form

Fill out this Application form if you wish to apply for Shares in Kyckr Limited

- Please read the Prospectus dated 10 June 2016.
- Follow the instructions to complete this Application form (see reverse).
- Print clearly in capital letters using black or blue pen.

**A** Number of shares you are applying for

--

x \$0.20 per share =

**B** Total amount payable

--

Minimum of **10,000** Shares to be applied for, and thereafter in multiples of **5,000** Shares.

**C** Write the name(s) you wish to register the Shares in (see reverse for instructions)

Applicant 1

--

Name of Applicant 2 or < Account Designation >

--

Name of Applicant 3 or < Account Designation >

--

**D** Write your postal address here

Number / Street

--

--

Suburb/Town

--

State

--

Postcode

--

**E** CHESS participant – Holder Identification Number (HIN)

<b>X</b>									
----------	--	--	--	--	--	--	--	--	--

*Important please note if the name & address details above in sections C & D do not match exactly with your registration details held at CHESS, any Securities issued as a result of your application will be held on the Issuer Sponsored subregister.*

**F** Enter your Tax File Number(s), ABN, or exemption category

Applicant #1

--	--

Applicant #2

--	--

Applicant #3

--	--

**G** Cheque payment details – PIN CHEQUE(S) HERE

Please enter details of the cheque(s) that accompany this application.

Name of drawer of cheque	Cheque No.	BSB No.	Account No.	Cheque Amount A\$

**H** Contact telephone number (daytime/work/mobile)

--	--

**I** Email address

--

By submitting this Application form, I/We declare that this Application is completed and lodged according to the Prospectus and the instructions on the reverse of the Application form and declare that all details and statements made by me/us are complete and accurate. I/We agree to be bound by the constitution of Kyckr Limited (the Company). I/We was/were given access to the Prospectus together with the application form. I/We represent, warrant and undertake to the Company that our subscription for the above Shares will not cause the Company or me/us to violate the laws of Australia or any other jurisdiction which may be applicable to this subscription for Shares in the Company.

# Guide to the Application Form

**YOU SHOULD READ THE PROSPECTUS CAREFULLY BEFORE COMPLETING THIS APPLICATION FORM.**

Please complete all relevant sections of the appropriate Application Form using BLOCK LETTERS.

These instructions are cross-referenced to each section of the Application Form.

## Instructions

- A. If applying for Shares insert the **number** of Shares for which you wish to subscribe at Item **A** (not less than **10,000** and then in multiples of **5,000**. Multiply by **\$0.20** AUD to calculate the total for Shares and enter the **\$amount** at B.
- C. Write your **full name**. Initials are not acceptable for first names.
- D. Enter your **postal address** for all correspondence. All communications to you from the Company will be mailed to the person(s) and address as shown. For joint Applicants, only one address can be entered.
- E. If you are sponsored in CHESSE by a stockbroker or other CHESSE participant, you may enter your CHESSE HIN if you would like the allocation to be directed to your HIN.  
**NB: your registration details provided must match your CHESSE account exactly.**
- F. Enter your Australian **tax file number** ("TFN") or ABN or exemption category, if you are an Australian resident. Where applicable, please enter the TFN /ABN of each joint Applicant. Collection of TFN's is authorised by taxation laws. Quotation of your TFN is not compulsory and will not affect your Application Form.
- G. Complete **cheque details** as requested. Make your cheque payable to "**Kyckr Limited – Share Offer**", cross it and mark it "**Not negotiable**". Cheques must be made in Australian currency, and cheques must be drawn on an Australian Bank.
- H. Enter your **contact details** so we may contact you regarding your Application Form or Application Monies.
- I. Enter your **email address** so we may contact you regarding your Application Form or Application Monies or other correspondence.

## Correct Forms of Registrable Title

Note that ONLY legal entities can hold the Shares. The Application must be in the name of a natural person(s), companies or other legal entities acceptable to the Company. At least one full given name and surname is required for each natural person.

Examples of the correct form of registrable title are set out below.

Type of Investor	Correct Form of Registrable Title	Incorrect Form of Registrable Title
Individual	Mr John David Smith	J D Smith
Company	ABC Pty Ltd	ABC P/L or ABC Co
Joint Holdings	Mr John David Smith & Mrs Mary Jane Smith	John David & Mary Jane Smith
Trusts	Mr John David Smith <J D Smith Family A/C>	John Smith Family Trust
Deceased Estates	Mr Michael Peter Smith <Est Lte John Smith A/C>	John Smith (deceased)
Partnerships	Mr John David Smith & Mr Ian Lee Smith	John Smith & Son
Clubs/Unincorporated Bodies	Mr John David Smith <Smith Investment A/C>	Smith Investment Club
Superannuation Funds	John Smith Pty Limited <J Smith Super Fund A/C>	John Smith Superannuation Fund

## Lodgement

Mail your completed Application Form with cheque(s) attached to the following address:

### Mailing address:

Kyckr Limited  
C/- Boardroom Pty Limited  
GPO Box 3993  
SYDNEY NSW 2001

### Delivery address:

Kyckr Limited  
C/- Boardroom Pty Limited  
Level 12  
225 George Street  
SYDNEY NSW 2000

It is not necessary to sign or otherwise execute the Application Form.

**if you have any questions as to how to complete the Application Form, please contact Boardroom Limited on 02 9290 9600.**

## Privacy Statement:

Boardroom Pty Limited advises that Chapter 2C of the Corporations Act 2001 (Cth) requires information about you as a shareholder (including your name, address and details of the shares you hold) to be included in the public register of the entity in which you hold shares. Information is collected to administer your share holding and if some or all of the information is not collected then it might not be possible to administer your share holding. Your personal information may be disclosed to the entity in which you hold shares. You can obtain access to your personal information by contacting us at the address or telephone number shown on the Application Form.

Our privacy policy is available on our website (<http://www.boardroomlimited.com.au/Privacy.html>).

For personal use only



Kyckr

Sydney  
Level 7, 151 Macquarie Street,  
Sydney NSW 2000,  
Australia  
Telephone: +61 2 9276 1271  
Email: [info@kyckr.com](mailto:info@kyckr.com)

Waterford  
ArcLabs Research Centre,  
W.I.T. Campus, Carriganore, Waterford,  
Ireland, X91 P20H  
Telephone: +353-51-306282  
Email: [info@kyckr.com](mailto:info@kyckr.com)

[www.kyckr.com/prospectus](http://www.kyckr.com/prospectus)