

LKK2Y TOKEN SALE

Information Memorandum

lykke2y.lykke.com

INFORMATION MEMORANDUM

A. SELLING RESTRICTIONS

The jurisdictions and/or persons where the sale of LKK2Y and the distribution of corresponding material are not allowed, include, but are not limited to, the United States of America, U.S. Persons, Canada, Australia, New Zealand, the People's Republic of China, South Korea, Crimea – Region of Ukraine, Cuba, Iran, North Korea, Sudan, and Syria.

This Information Memorandum has been prepared by Lykke Corp. (the «Company») on the basis that no offer of the Coins will be made in any member state of the European Economic Area in circumstances where a prospectus is required to be published under the Prospectus Directive and that no offer will be made in any other country where a prospectus must be published.

Any person making or intending to make an offer of the Coins may only do so in circumstances in which no obligation arises for the Company to publish a prospectus pursuant to the EU Prospectus Directive or pursuant to any other regulation.

This Information Memorandum may not be used for the purpose of and may not be construed as, an invitation to the public to subscribe for or purchase any securities or Coins or an offer to sell or a solicitation of an offer to buy any Coins or securities or any other financial instrument to anyone in a jurisdiction in which such an offer or solicitation cannot lawfully be made to him or made without compliance with any registration or other legal requirements.

Neither this Information Memorandum, nor any of the Coins has been or will be registered or filed under the securities laws or regulations of any jurisdiction or approved, recommended or disapproved by any securities

or other regulatory authority nor has any such authority confirmed the accuracy or determined the adequacy of this document.

The distribution of this document in certain jurisdictions may be restricted by law. Persons into whose possession this document comes should inform themselves about and observe any such restrictions. Failure to comply with any such restrictions may constitute a violation of the securities laws of any such jurisdiction.

B. NO ADVICE

This Information Memorandum is furnished for the purpose of providing certain information about an investment in the Coins and is to be used by the person to whom it has been delivered solely in connection with the consideration of the purchase of the Coins described herein. All recipients agree that they will use this Information Memorandum for the sole purpose of evaluating a possible investment in Coins, and acknowledge and agree that this Information Memorandum is not a prospectus and does not purport to contain all information an investor may require in order to form an investment decision. The prospective investors should read the whole of this document and in particular the section entitled «Risk Factors of the Coin Offering» set out in Section H of this document which describes certain risks associated with an investment in the Coins to be issued by Company.

Therefore, prospective investors should not construe the contents of this Information Memorandum as legal, business, tax, accounting, investment or any other advice. Each prospective investor should consult its own advisers as to legal, business, tax, regulatory, accounting, financial and

other consequences of its investment in the Coins. No person has been authorized in connection with this offering to give any information or make any representations other than as contained in this Information Memorandum. Any representation or information not contained herein must not be relied upon as having been authorized by the Company or any of its directors, officers, employees, managers, affiliates or agents. While such information is believed to be reliable for the purpose used herein, none of the Company nor any of its directors, officers, employees, managers, affiliates or agents assumes any responsibility for the accuracy of such information.

The delivery of this Information Memorandum does not imply that the information herein is correct as of any time subsequent to the date of this Information Memorandum. For any time after the date of this Information Memorandum, the information, including information concerning the Company's business, financial condition, results of operations and prospects may have changed. Neither the delivery of this Information Memorandum nor any sale of Coins hereunder shall, under any circumstances, create any implication that there have been no changes in the Company's affairs after the date of the Information Memorandum. The contents of the Company's website, including any websites accessible from hyperlinks on the Company's website, do not form part of this document.

C. FORWARD LOOKING STATEMENTS

This Information Memorandum contains statements with respect to financial and operational developments and results as well as other

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

These forwardlooking statements are subject to risks, uncertainties and assumptions, some of which are beyond the control of the Company. In addition, these forwardlooking statements reflect the current views of the Company with respect to future events and are not a guarantee of future performance. Additional factors that could cause actual performance or achievements to differ materially include, but are not limited to those discussed under the section headed «Risk Factors» and elsewhere in this document. These forwardlooking statements are based on current plans and estimates, and speak only as of the date they are made. Accordingly, you should not place undue reliance on any forwardlooking information. All forwardlooking statements contained in this document are qualified by reference to these cautionary statements.

The Company does not undertake an obligation to update any forward looking statement, even if new information, future events or other circumstances have made them incorrect or misleading.

D. RESTRICTIONS REGARDING THE COINS

Prospective investors should inform themselves as to: (a) the legal requirements of their own countries for the purchase, holding, transfer or other disposal of the Coins; (b) any foreign exchange restrictions applicable to the purchase, holding, transfer or other disposal of the Coins which they might encounter; and (c) the income and other tax consequences which may apply in their own countries as a result of the purchase, holding, transfer or other disposal of the Coins. Prospective investors must rely upon their own representatives, including their own legal advisers and accountants, as to legal, tax, investment or any other related matters concerning the Company, the Coins and an investment therein.

E. NO APPROVAL

The contents of this document have not been approved by an authorised person within the meaning of Swiss law or any other law. This Information Memorandum and its contents have not been reviewed or approved by the Swiss Financial Market Supervisory Authority FINMA or any other competent authority in any other country.

Reliance on this document for the purpose of engaging in any investment activities may expose an individual to a significant risk of losing all of the property or other assets invested.

F. DEFINITIONS

- «**Bitcoin**» _____ a global, peertopeer virtual currency
- «**Blockchain**» _____ a distributed digital ledger in which transactions made in Bitcoin or another cryptocurrency are recorded chronologically and publicly
- «**BTC**» _____ the currency symbol of the Bitcoin cryptocurrency
- «**Business Day**» _____ a day, other than a Saturday, Sunday or public holiday, on which banks are open for nonautomated commercial business in Switzerland
- «**Board**» _____ he board of directors of the Company
- «**CHF**» _____ Swiss francs, the legal currency of Switzerland
- «**CO**» _____ Swiss Code of Obligations
- «**Coin**» _____ convertible digital 2year coins issued by the Company pursuant to the Terms and Conditions of this Coin Offering
- «**Coinholder**» _____ a holder of a Coin
- «**Colored Coins**» _____ bitcoins that have been tagged with specific metadata on the Bitcoin blockchain in order that they may represent offchain assets
- «**Company**» _____ Lykke Corp., Zug, in this Information Memorandum also «Issuer»

- «**Cryptocurrency**» _____ a digital currency in which encryption techniques are used to regulate the generation of units of currency and verify the transfer of funds, operating independently of a central bank
- «**Issuer**» _____ Lykke Corp., Zug, in this Information Memorandum also «Company»
- «**Lykke trading wallet**» _____ a multisig 2 of 2 wallet for storing private keys
- «**Offering**» _____ the offering of Coins made under this Information Memorandum
- «**Shares**» _____ registered shares with restricted transferability of the Company with a par value of CHF 0.01
- «**Shareholder**» _____ a holder of a Share
- «**USD**» _____ US dollars, the legal currency of the USA

G. COMPANY INFORMATION

1. Information about the Issuer

1.1. Name, Registered Office

Lykke Corp. has its registered office at Baarerstrasse 2, 6300 Zug, Switzerland.

1.2. Incorporation, duration

The Company was incorporated on 26 September 2013 for an indefinite duration.

1.3. System of law, legal form

The Company is a stock corporation organized in accordance with the laws of Switzerland.

1.4. Purpose

The Company intends to hold and manage equity participations in enterprises based on digital technology and active in the exchange, banking, financial infrastructure and financial services industries. The company may establish branches and subsidiaries within and outside of Switzerland and may acquire equity participations in other enterprises in and outside of Switzerland, purchase, rent and sell real estate as well as acquire and monetize property rights and knowhow.

1.5. Register

The Company is registered in the Swiss Register of Commerce under the company number CHE345.258.499.

1.6. Group

Lykke Corp is the holding company of the Lykke Group.

2. Information on administrative and audit bodies

2.1. Composition of the Board

The members of the Board of Directors are:

- Richard Björn Olsen, Swiss citizen, president of the Board
- Michael Hobmeier, Swiss citizen, member of the board
- Heinrich Klaus Zetlmayer, Swiss citizen, member of the board
- Ralph Martin Zurkinden, Swiss citizen, member of the board

2.2. Auditors

Even though the Company has not yet a statutory auditor, Grant Thornton Bankrevision AG, Zürich is the auditor of the Company since April 7th, 2017.

2.3. Company Website:

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

3. Business Activities

3.1. Principal Activities

Lykke Group is in the process of building a scalable and efficient marketplace for trading financial instruments. The establishment and functioning of such a market place is depending on many factors, in particular authorisation by the competent regulator and financial regulations.

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

for decentralized data storage in the chain of blocks, where the consistency of the data is guaranteed by the cryptography and consensus of multiple nodes.

3.2. Court, arbitral and administrative proceedings

The Company is at the date of the issuance of the Offering Memorandum not involved in any court, arbitral and administrative proceedings.

4. Capital of the Company

4.1. Capital Structure

4.1.1. Share Capital of the Company

The share capital of the Company in the amount of CHF 128,569.00 is divided into 12,856,900 registered shares with restricted transferability with a nominal value of CHF 0.01 per share.

There are no dividend certificates, participation certificates or preferred shares. There are no preferential rights for individual share categories.

4.1.2. Changes in Share Capital

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

- Upon its corporation, the Company had a share capital of CHF 100,000.00.
- With the ordinary share capital increase of November 30, 2015, the share capital of CHF 100,000.00 was increased to CHF 119,750.00.

- With the capital increase from authorized share capital of December 18, 2015, the share capital was increased from CHF 119,750.00 to CHF 125,000.00.
- With the capital increase from authorized share capital of 25 May 2016, the share capital was increased from CHF 125,000.00 to CHF 128,569.

4.1.3. Authorized Share Capital

By resolution dated November 20, 2017, the Shareholders' Meeting of Lykke Corp authorized the Board of Directors of the Company to increase the share capital until 19 November 2019 by a maximum of CHF 51,056.00 through the issuance of 5,105,600 fullypaid registered shares with a nominal value of CHF 0.01 per share (authorized capital increase).

4.1.4. Contingent Share Capital

By resolution dated November 20, 2017, the Shareholders' Meeting of Lykke Corp authorized the Board of Directors of the Company to increase the share capital by a maximum of CHF 25'713.80 through the issuance of 2'571'380 fullypaid registered shares with a nominal value of CHF 0.01 per share through the exercise of option rights which are granted to holders of Lykke Coins as well as employees, members of the board of directors and other group companies and important external advisors of the Company (conditional capital increase).

4.1.5. Outstanding conversion and option rights and bonds

The Company does not have any outstanding conversion and option rights and bonds.

4.1.6. Own equity securities

As of the date of this Information Memorandum, the Company holds 470'070 (3.656 %) of its own shares.

4.1.7. 5. Outstanding Bonds

The Company does not currently have any outstanding bonds.

4.1.8. Employee Stock Ownership

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

4.2. Significant Shareholders

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

4.3. Lykke Coins

As of the date of the Information Memorandum, the Company has publicly offered 30 Million Lykke Coins (LKK) and 50 Million Lykke 1 Year Coins (LKK 1 Year).

5. Company Portrait

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

The company currently has 20 employees and 81 consultants involved on full time and part time basis.

Lykke Corp uses crowdbased management principles to enhance productivity in terms of output relative to cost. Crowdbased principles mean that the company outsources functions which are usually performed by employees to many people, engaged

through various competition and developers platforms.

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

6. Annual Financial Statements

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

The annual financial statements for the financial year ended December 31, 2016 which will be attached to this Offering Memorandum as Annex I.

7. Financing

The plan is that Lykke group runs a fully profitable operation by the end of 2019. However, the regulatory costs for building a market place for financial instruments will be substantial.

8. Monitoring of Legal and Regulatory Risks by the Company

The Legal Team monitors all relevant activity within Lykke Corp and its subsidiaries in order to prevent a breach of governance. All disputes are managed through the Compliance Officer and escalated as necessary.

The staff is trained on the Company's procedures and report any wrongdoings or illegalities etc. to the Legal Team. Staff's

competence is assessed at the point of recruitment and annually thereafter. The Company and its subsidiaries, as the case may be, provide staff members with regular training on antimoney laundering and market abuse and bribery. Comprehensive client onboarding procedures are in place including Know Your Customer (KYC) and risk assessment using, amongst others, thirdparty providers.

H. ISSUE OF COINS BY THE COMPANY

1. Coin Offering

1.1. Date of the Coin Offering and Price of the Coin

On December 12th, 2017 («Defined Period»), the Company is carrying out a Coin offering with 2year Coins available at CHF 0.21 – 0.25 per Coin. During the Defined Period 25'000'000 Coins will be offered. As soon as the available Coins are sold or as soon as the Defined Period has elapsed, the Coins will be traded on the Lykke wallet and the market will take over the price, so the price of the Coins could go up or down significantly.

1.2. Conditions of the Coin Offering

The Coin Offering will take place according to the Terms and Conditions of the Coin Offering (section I of this Offering Memorandum).

2. Definition of Coins

2.1. Forward at the run

The Coins of the Company are forward at the run contracts. Whereas regular forward contracts will run for a predefined timespan (30 days from conclusion of contract, e.g.) and will be settled at the end of that timespan («date of settlement»), the Lykke Coin forward contract will be at the run. This means there it will be possible to trigger the forward any time. The trigger will be followed by a forward period of 2 years.

The owner of the 2year Lykke Coin can pull the conversion trigger at any time.

After the initiation of the trigger event, which is the Coinholder's declaration of intent to receive the base value (the Shares) the Coinholder shall, subject to the Terms and Conditions of the Coins, receive the corresponding Lykke shares after the forward period of two years.

2.2. Bilateral contracts

The purchase or sale of a forward at the run consists of a bilateral contract, where the primary performance obligation depends on the value of the asset that is promised via the forward at the run (e.g. Lykke share). The investor is entitled to purchase the underlying shares of the Coins at a price payable in advance, whereas the issuer, to sell the relevant underlying asset. Thus, the derivative component of the contract defines the performance obligation. The specific parameters of the contract are predefined in the same manner for all purchasers.

2.3. No collective investment schemes

The Coins do not qualify as collective investment schemes according to the Swiss Collective Investment Schemes Act which means that the Coinholder bear the issuer risk.

3. Reasons for the Coin Offering

The proceeds from the Coin Offering will be used as working capital for the Company and its subsidiaries.

4. Risk Factors of the Coin Offering

4.1. General Risks

The risks described herein should not be considered as an exhaustive list of the risks which potential Coinholders should consider before investing into Coins. Potential Coinholders should be aware that an investment in Coins may also be exposed to other risks of another nature.

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

subscribe for shares is familiar with the risks that are normally entailed by the purchase, sale and holding of shares.

Investors who are considering purchasing Coins of the Company should carefully read and consider, in addition to the other information set out in this Information Memorandum, also the following specific risk factors described below. The risks described below are not the only risks that come into question for the Company or its business activities and are by no means intended to represent a comprehensive list. The order in which the individual risks were chosen to be presented does not provide any indication of the probability of occurrence or the seriousness or importance of the individual risks or their impact on the Company in the event that they occur. Additional risks that are not business-specific and that are not yet currently known to the Company or that the Company does not currently deem to be relevant may likewise have an impact on the business activities. Each of these risks may negatively influence the business activities, the financial situation and/or the profitability of the Company.

Prospective investors should ensure that they fully understand the nature of the Coins and the extent of their exposure to risks and they should consider the suitability of the Coins as an investment in the light of their own circumstances and financial condition.

The Coins involve a high degree of risk, including the potential risk of expiring worthless. Potential investors should be prepared in certain circumstances to sustain a total loss of the capital invested to purchase the Coins.

4.2. Business Model, Competitive Situation

Trading of Coins will be based on a novel system developed by the Company (Lykke Exchange). Such a marketplace depends on the regulatory qualification of Colored Coins. Upcoming security, privacy or other regulatory concerns could require Lykke to implement changes to its digital securities trading system that could disrupt trading in financial instruments.

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

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

4.3. IT Risks

The Company uses public distributed ledgers that are available to the public and store the complete trading history from issuance until cancellation of the Coins. This means that robust and transparent trading data will be publicly available, but still only sanitized and secured by cryptographic key pairs. Personal identity

information to match a trading party to the entry in the blockchain is maintained in a separate database that is not exposed to the public.

Failure in the Company's IT systems or through negligent or deliberate action of an employee could breach rules on confidentiality and cause loss of business or damage to the Company's reputation. Therefore, servers are backed up in several copies in different locations realtime and daily. In addition, firewalls and regularly updated antivirus software are in place which offers a high level of intruder protection. Data security policy is in place which includes measures taken to mitigate the threat to the Company's data including no removal of data from the Company's premises, and lockdown /controlled access to data. The policy is reviewed on a 6 monthly basis. For systems failure or inability to access the building as a result of a terrorist attack/similar event the Company has a disaster recovery and business continuity plan (BCP). Staff can work remotely/from home or in BCP offices as appropriate.

4.4. Operational Risks

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

4.5. Market Risks

The general market performance of securities is dependent, in particular, on the development of the capital markets which, for their part, are influenced by the general global economic situation

as well as by the economic and political framework conditions in the respective countries (socalled market risk). Changes to market prices such as interest rates, commodity prices or corresponding volatilities may have a negative effect on the valuation of the Coins. There is also the risk of market disruptions (such as discontinuation of trading) or other unforeseeable occurrences concerning the Coins. Such occurrences can have an effect on the value of the Coins.

4.6. No dividend payment

The Coins do not confer any claim to receive rights and/or payments of Lykke Corp. This means that potential losses in value of the Coins cannot be compensated by other income such as dividends.

4.7. Credit Risk of Issuing Party

Investors bear the credit risk of the Issuer of the Coins. The Coins constitute unsubordinated and unsecured obligations of the Issuer and rank pari passu with each and all other current and future unsubordinated and unsecured obligations of the Issuer. The insolvency of the Issuer may lead to a partial or total loss of the invested capital.

I. TERMS AND CONDITIONS OF THE COINS

1. Definitions

In these Terms and Conditions, unless the context otherwise requires, the following expressions shall have the following meanings:

Asset Sale means the disposal by the Issuer of all or substantially all of its undertaking and assets.

Blockchain is a digitized, decentralized, public ledger where all cryptocurrency transactions are recorded publicly.

BTC is the currency symbol for the Bitcoin cryptocurrency.

Business Day means a weekday, other than a Saturday or public holiday, on which commercial banks are open for business in Switzerland.

CHF means the lawful currency of Switzerland.

Coin means the digital convertible coin created by the Company.

Coinholders means those persons entered in the Coin Register of the Company as holders of the Coins.

Coin Register means the register of Coinholders of the Company as recorded on the Blockchain.

Directors means the Board of Directors of the Issuer and «Director» means any board member.

Dividend Payment means a sum of money paid regularly (typically annually) by a company to its shareholders out of its profits (or reserves).

Encumbrance means any mortgage, claim, charge, pledge, lien, hypothecation, guarantee, right of setoff, trust, assignment, right of first refusal, right of preemption, option, restriction or other encumbrance or any legal or equitable thirdparty right or interest including any security interest of any kind (or any like agreement or arrangement creating any of the same or having similar effect).

Exit means a Share Sale, an Asset Sale, a Quotation, or an Insolvency Event.

Group means the Issuer and each Subsidiary of the Issuer.

Insolvency Event means any insolvency proceedings of the Issuer or any other case of indebtedness.

Articles of Association means the Articles of Association of the Issuer, as amended from time to time.

Shares mean the registered shares [with restricted transferability] of a par value of CHF 0.01 of the Issuer.

Share Register means the register of shareholders maintained by the Issuer in accordance with the laws of Switzerland.

Shareholder means the holder of one or several Shares.

Subscription Form means the subscription form substantially in the form set out in **Schedule 1**.

Subsidiary means an entity of which a person has direct or indirect control or owns directly or indirectly more than 50 per cent of the voting shares or similar right or ownership.

Tax means all forms of taxation, duties, rates, levies, contributions, withholdings, deductions, charges and imposts whether imposed in Switzerland or elsewhere in the world.

Coin means the digital convertible coin created by the Company and subject to the Terms and Conditions of the Coins.

Coinholders means those persons entered in the Coin Register as holders of the Coins.

Coin Register means the register of Coinholders as recorded on the Blockchain.

CHF means the lawful currency of Switzerland.

2. Description, Issue and Form of Coins

The Coins shall be issued by the Issuer as digital convertible coins in accordance with these Terms and Conditions of the Coins.

Coins may not be issued unless a duly and validly completed and executed Subscription Form in the form of Schedule 1 or an electronic version thereof has been submitted to the Issuer with respect to those Coins. The Issuer shall have full discretion to accept or to not accept any Subscription form submitted to it. In case the Issuer does not accept a Subscription form the Issuer shall not be obliged to provide any reason for not accepting the Subscription form.

The Company shall issue the Coins on the Ethereum blockchain.

Each Coin confers on the Coin holder the right to converse the Coins into the Shares of the Issuer as described herein.

The Issuer shall be entitled to create and issue further digital convertible Coins from time to time including the issuance of Coins that shall be allocated by the Issuer to the employees of the Issuer and its subsidiaries as part of an employee incentive remuneration plan.

3. Payment of the Purchase Price

The purchase price of the Coins may be done by bank wire, credit card, BTC or Ethereum.

4. Ranking

The issued Coins shall rank equally in all respects with each other and shall rank pari passu with each and all other current and unsubordinated and unsecured obligations of the Company.

5. Conversion Rights

The Coins shall be convertible into Ordinary Shares in the manner set out in Schedule 1.

6. Use of Proceeds

The Issuer shall use the proceeds from the Coin offering for its working capital and business development expenses and its subsidiaries or for other general corporate purposes, at the discretion of the Board.

7. Payments equivalent to Dividends

The Coins shall not be entitled to payments equivalent to dividends paid on Shares. It will be in the absolute discretion of the Company whether it will grant any payments to the Coinholders or not.

8. Register

The register of issued Coins shall be maintained on the Blockchain.

9. Transfer of Coins

The Coins are transferable only in accordance with and on the terms of these Terms and Conditions, the respective blockchain where the Coins are recorded, and the Lykke Wallet where the Coins may be traded and/or deposited from time to time.

10. Annual Coinholders Meeting

The Coinholders have the right to attend the annual Coinholders meeting. The decisions taken at the Coinholders meeting shall be taken into consideration by the Company when taking decisions but are by law not binding on the Company.

11. Maintenance and Provision of Information

The Issuer shall

- a. Maintain effective and appropriate control systems in relation to the accounting and record keeping functions of the Company;
- b. Maintain the legally required accounting and financial records in relation to its business and affairs; and
- c. Publish on its website such financial and marketsensitive information regarding the Coins.

12. Warranties and Representations

The Issuer represents and warrants to each Coinholder that it has taken all corporate and other action required for issuing the Coins under this Agreement

13. No offering or sale of the Coins in the United States or US Persons

Neither the Issuer, nor any of its Subsidiaries or any affiliates, nor any person acting on any of their behalf has made or will make offers or sales of any securities under circumstances that would require the registration of the offer or sale of any of the Coins under the Securities Act. The Coins have not been registered or qualified under any state securities or «Blue Sky» laws of the states of the United States. Neither the Issuer, nor any of its Subsidiaries or any affiliates, nor any person acting on behalf of any such persons has offered or sold, and will not offer or sell, any Coin within the United States except in accordance with Regulation S under the Securities Act. Accordingly, neither the Issuer, its subsidiaries or any affiliates, nor any person acting on behalf of such persons have engaged or will engage in any directed selling efforts with respect to the Coins. Terms used herein have the meanings given to them by Regulation S promulgated under the Securities Act. Neither the Issuer, its subsidiaries or any affiliates nor any person acting on its or their behalf has entered or will enter into any contractual arrangement with respect to the distribution of Coins or Ordinary Shares in the United States.

14. Modifications

The provisions of this Agreement and the rights of the Coinholders may be modified or abrogated unilaterally by the Issuer if the modification or abrogation is required by any applicable law or regulation or in case of manifest error.

15. Conversion

Any or all of the Coins held by a Coinholder may be converted into Shares by the Coinholder serving upon the Issuer a conversion notice, subject to the following prerequisite conditions:

- a. The Coinholder's declaration of intent to receive the base value. The owner of a Coin can make this declaration at any time.
- b. After the declaration of the Coinholder to receive the base value, 100 Coins will be converted into one registered Share after a period of 2 years, subject to cipher 16 below.
- c. The Coinholder has satisfactorily completed the Know Your Client and antimoney laundering procedures of the Company which may be prescribed by the Company on a case by case basis.

After the conversion of the Coins into Shares the Coinholder shall be entered into the Register of Shareholders of the Company.

16. Right of the Company to refuse or defer the Conversion of the Coins

The Company may refuse the conversion if the Coinholder is living in a country where the holding of Coins or Shares is illegal or where such holding has a detrimental influence with respect to the legal or regulatory situation of the Company.

The Company may further reject a Conversion Notice if, in the opinion of the Board at their sole discretion, the acceptance of the Coinholder as Shareholder of the Company would be detrimental to the business or reputation of the Company.

In the event that conversion requests are received by the Company that relate to more than 10% of the share capital of the Company, the conversion requests may be reduced rateably and pro rata and the conversion of the remaining Coins may be carried forward for another six months.

17. Content of the Conversion Notice

The Conversion Notice shall:

- a. specify the name and address of the Coinholder submitting the Conversion Notice;
- b. specify the number of Coins held by the relevant Coinholder in respect of which the Coinholder wishes to exercise its right for the conversion of the Coins into Shares;
- c. be duly completed and signed by the Coinholder; and
- d. be accompanied by the “Know Your Customer” and antimoney laundering documents required by the Company.

18. Withdrawal of Conversion Notice

A Conversion Notice shall not be withdrawn without the consent in writing of the Company. Such consent shall not to be unreasonably withheld or delayed.

19. Cancellation of the Coins

Upon the conversion of the Coins into Shares, the Company shall cancel and/or void the Coins and delete the Coinholder in the Coin Register.

20. Status of the Shares

The Shares issued to a Coinholder on conversion of the Coins shall rank equally in all respects with the other then existing Shares and the Shareholder shall be entitled on and from the date of allotment of the Shares to all dividends and other distributions (to the extent any are declared or made) on and from the Conversion Date.

21. Transfers

The Coins are transferable only in accordance with these Terms and Conditions, the respective blockchain where the Coins are recorded, and any cryptocurrency exchange and/or wallet where the Coins may be traded and/or deposited from time to time.

22. Notices

Notices from the Issuer to Coinholders shall be made by on the Website of the Company in the section «Investors Notificiations».

23. Severability

If any provision in this Agreement should be illegal, invalid or unenforceable, the legality, validity or enforceability of the remaining provisions shall not be affected thereby.

24. Governing Law and Jurisdiction

These Terms and Conditions shall be governed by and construed in accordance with the substantive laws of Switzerland (i.e. without regard to principles of conflict of laws).

The Issuer and the Coinholders irrevocably submit to the exclusive jurisdiction of the courts of the canton of Zug, Switzerland to settle any dispute and claims which may arise out of, or in connection with, these Terms and Conditions and/or the Coins.

SCHEDULE 1

A. SUBSCRIPTION FORM FOR COINS

Lykke Corp. (Issuer)

Name of Subscriber(s) of Coins:

Address of Subscriber(s) of Coins:

hereby applies for: (Number of Coins),

created by the Issuer and subject to the Terms and Conditions of the Coins, at the following Price per Coin:

The Subscriber represents, warrants, acknowledges and agrees that:

- 1.** The Subscriber invests in or purchases securities similar to the Coins and has such knowledge and experience in financial and business matters as to be capable of evaluating the merits and risks of its respective investment in the Coins, and each Subscriber and any accounts for which each Subscriber is acting are each able to bear the economic risk of its investment;
- 2.** The Subscriber understands that the Coins have not been registered under any applicable laws. In particular, the Subscriber understands that neither the Coins nor the Ordinary Shares have been, nor will they be, registered under the U.S. Securities Act of 1933, as amended (the "Securities Act") and may not be

offered or sold within the United States except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act. The Subscriber understands that neither the Issuer, its affiliates, nor any person acting on any of their behalf has offered or sold, and will not offer or sell, any Coins or Ordinary Shares within the United States except in accordance with Regulation S under the Securities Act. Accordingly, neither the Issuer, its affiliates nor any person acting on its or their behalf have engaged or will engage in any directed selling efforts with respect to the Coins or the Ordinary Shares. Terms used herein have the meanings given to them by Regulation S. Neither the Issuer, its subsidiaries of affiliates nor any person acting on behalf of such persons has entered or will enter into any contractual arrangement with respect to the distribution of Coins or Ordinary Shares in the United States.

- 3.** The Subscriber has not and will not distribute or publish this Subscription Form or any advertisement or other offering material in relation to the Coins directly or indirectly in, into or within any country where an offer or solicitation cannot lawfully be made or made without compliance with any registration or other legal requirements or any other legal or regulatory restrictions.
- 4.** The Subscriber has read and understood the Information Memorandum of the Company dated December 2017 and in particular has read and understood the Risk Factors detailed therein.
- 5.** The Subscriber has read and will be bound by the Terms and Conditions of the Coins and the Terms and Conditions of the Coin conversion.

- 6.** The Subscriber provides the set of KYC (know your client) documents that the Company requires and that the Investor will comply with all anti-money laundering or know your customer checks that the Company may require.
- 7.** The Subscriber has observed the laws of all relevant jurisdictions, obtained any requisite government exchange controls or other consents, complied with all relevant formalities and paid any issue, transfer or other taxes due in connection with its participation in the Auction in any applicable territory and that it has not taken any action which will or may result in the Issuer being in breach of the legal or regulatory requirements of any jurisdiction.
- 8.** This subscription shall be governed by and construed in accordance with the substantive laws of Switzerland (i.e. without regard to principles of conflict of laws).
- 9.** The Issuer and the Coinholders irrevocably submit to the exclusive jurisdiction of the courts of the canton of Zug, Switzerland to settle any dispute and claims which may arise out of, or in connection with, this Subscription.
- 10.** Signed by the Subscriber/for and on behalf of the Subscriber

Subscriber/Authorised Signatory

Date:

B. CONVERSION NOTICE

A Conversion Notice must:

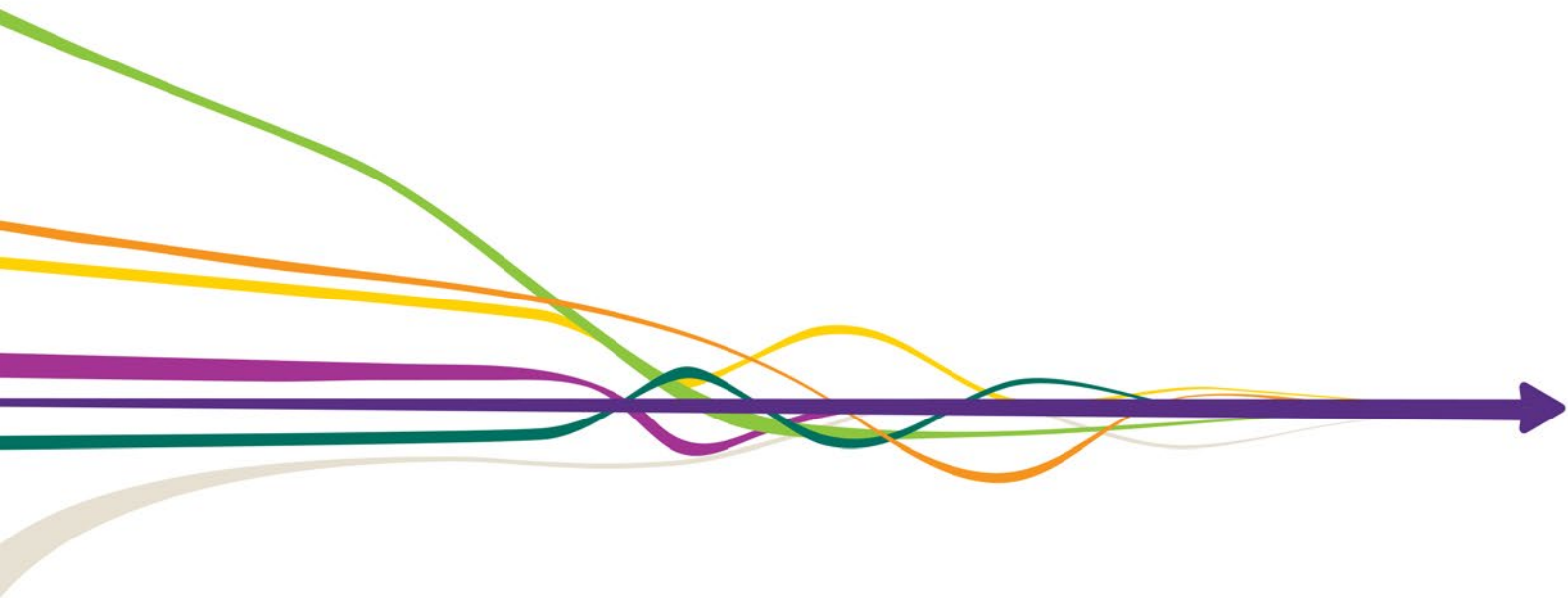
- specify the name and address of the Coinholder submitting the Conversion Notice;
- specify the number of Coins held by the relevant Coinholder in respect of which the Coinholder wishes to exercise its right for the conversion of the Coins into Ordinary Shares;
- be duly completed and signed by the Coinholder;
- be accompanied by the KYC and AML documents required by the Company.

A Conversion Notice shall not be withdrawn without the consent in writing of the Company, such consent not to be unreasonably withheld.

Lykke Corp, Zug

Report of the independent auditor

on the Financial Statements as of 31 December 2016





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An instinct for growth™

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Report of the independent auditor to the Board of Directors of
Lykke Corp, Zug

Report of the independent auditor on the Financial Statements

As requested by you, we have audited the accompanying financial statements of Lykke Corp, which comprise the balance sheet as at 31 December 2016, and the income statement and notes for the year then ended. Previous year's disclosures were not audited.

Board of Directors' Responsibility

The Board of Directors is responsible for the preparation of these financial statements in accordance with the requirements of Swiss law and the company's articles of incorporation. This responsibility includes designing, implementing and maintaining an internal control system relevant to the preparation of financial statements that are free from material misstatement, whether due to fraud or error. The Board of Directors is further responsible for selecting and applying appropriate accounting policies and making accounting estimates that are reasonable in the circumstances.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Swiss law and Swiss Auditing Standards. Those standards require that we plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers the internal control system relevant to the entity's preparation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control system. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made, as well as evaluating the overall presentation of the financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements for 2016 ended 31 December 2016 comply with Swiss law and the company's articles of incorporation.

Zurich, 18 August 2017

Grant Thornton Bank Audit Ltd.



Markus Eugster
Revisionsexperte
(Auditor in charge)



Thomas Wirth
Revisionsexperte

Enclosure:

- Financial statements (balance sheet, income statement and notes)

Financial Statements Lykke Corp, Zug

Balance Sheet

	Notes	31.12.2016	31.12.2015
Assets		TCHF	TCHF
Cash and cash equivalents	2.1	548.1	538.1
Trade accounts receivable	2.2	843.9	-
Other short-term receivables	2.3	1'256.4	-
Prepaid expenses and accrued income		8.5	11.0
Total current assets		2656.9	549.1
Financial assets		0.1	-
Total current assets		0.1	-
Total Assets		2'657.0	549.1
	Notes	31.12.2016	31.12.2015
Liabilities and Shareholders' equity		TCHF	TCHF
Trade accounts payable	2.4	209.1	28.6
Other short-term liabilities	2.5	223.7	-
Accrued expenses and deferred income		329.2	18.2
Total short-term liabilities		762.0	46.8
Other long-term liabilities		9.0	28.1
Total long-term liabilities		9.0	28.1
Total liabilities		771.0	74.9
Share Capital		128.6	125.0
Reserves from capital contribution	2.6	2'862.2	554.5
Accumulated losses / gains		-175.0	-8.6
Loss for the year		-745.8	-166.4
Treasury shares	2.7	-184.0	-30.3
Total shareholders' equity		1886.0	474.2
Total liabilities and shareholders' equity		2'657.0	549.1

Income statement

	Notes	2016	2015
Income		TCHF	TCHF
Income from projects and advisory		163.5	-
Other Income		685.0	0.3
Total operating Income		848.5	0.3
Costs of materials		-10.2	-
Purchase of services		-1'751.9	-125.7
Purchase of programming and coding		-136.2	-
Purchase consulting re licences		-239.2	-
Travels and representation		-62.4	-
Salaries		-87.7	-
Social Security Contributions		-10.6	-
Office rent		-20.9	-
Administration Costs		-25.3	-8.7
Legal advisory		-246.8	-16.6
Marketing and advertising		-101.5	-14.9
Operating result		-1'844.1	-165.6
Financial costs / income	2.8	1'099.9	-0.6
Non-operational costs / income		0.1	-
Extraordinary, non-recurring or prior period costs / income		2.1	-
Loss for the year before taxes		-741.9	-166.2
Direct Taxes		-3.9	-0.2
Loss for the year		-745.8	-166.4

Notes annual financial statement of Lykke Corp

1. General aspects

These financial statements were prepared according to the provisions of the Swiss Law on Accounting and Financial Reporting (32nd title of the Swiss Code of Obligations).

Where not prescribed by the law, the significant accounting and valuation principles applied are described below.

1.1 Treasury shares

Treasury shares are recognized at acquisition cost and deducted from shareholders' equity at the time of acquisition. In case of a resale, the gain or loss incurred is allocated or charged to the reserves from capital contribution.

2. Information on balance sheet and income statement items

2.1 Cash and cash equivalents

CHF 1'000	31.12.2016	31.12.2015
Bank accounts	496.4	538.1
Crypto accounts	1.7	0
Capital payment account	50.0	0
Total	548.1	538.1

By the end of 2016 a capital payment account existed with TCHF 50 to create a new corporation in Liechtenstein. Due to new strategic orientation, the capital payment account was closed in the first semester 2017. In the balance sheet this amount is therefore added to cash and cash equivalents.

2.2 Trade accounts receivable

CHF 1'000	31.12.2016	31.12.2015
Accounts Receivable from third parties	159.3	0
Accounts Receivable from other group companies	684.6	0
Total	843.9	0

2.3 Other short-term receivables

CHF 1'000	31.12.2016	31.12.2015
Accounts Receivable from third parties	139.6	0
Accounts Receivable from other group companies	1'116.7	0
Total	1'256.3	0

The intercompany transactions are valued at market in the end-of-year reports of Lykke Corp and Lykke Corp UK Limited.

2.4 Trade accounts payable

CHF 1'000	31.12.2016	31.12.2015
Accounts payable due to third parties	209.1	28.6
Total	209.1	28.6

2.5 Other short-term liabilities

CHF 1'000	31.12.2016	31.12.2015
Liabilities due to third parties	185.9	0
Liabilities due to pension fund	1.6	0
Liabilities due to other group companies	36.2	0
Total	223.7	0

The intercompany transactions are valued at market in the end-of-year reports of Lykke Corp and Lykke Corp UK Limited.

2.6 Capital contribution reserve

CHF 1'000	31.12.2016	31.12.2015
Capital contribution reserve	2'862.2	554.5
Total	2'862.2	554.5

The formed capital contribution reserve originates mostly from the sale of tax segregated shares. Further reserve was created during a capital increase (approved 23 May 2016).

2.7 Treasury shares

CHF 1'000	31.12.2016	31.12.2015
Treasury Shares I	12.6	22.9
Treasury Shares II	0.6	0
Treasury Shares III	0.1	0
Treasury Shares from Share repurchase of 13.09.16	170.7	0
Treasury Shares reserved for LKK holders	0.0	7.4
Total	184.0	30.3

The treasury shares were separated into different positions as they reflect the amount of Lykke Coins (multiplied by 100) on the Bitcoin blockchain.

	31.12.2016	31.12.2015
Number of registered shares		
Inventory as at 1.1.	3'025'000	0
Acquisitions (2015: a-fonds-perdu-grant)	71'428	3'025'000
Sales	1'763'954	0
Inventory as at 31.12.	1'332'474	3'025'000

In 2016, 71'428 shares were purchased at the price of CHF 2.50 each. And 1'763'954 shares were sold at an average price of CHF 4.38.

In 2015, 3'025'000 share were brought in at no charge by founder Dr. Richard B. Olsen.

2.8 Financial costs / income

CHF 1'000	31.12.2016	31.12.2015
Financial Expenditures	-10.1	-0.6
FX Losses	-31.1	0
FX Gains	183.8	0
Income from LKK Trading	5'888.5	0
Expenses from LKK Trading	-4'931.2	0
Total	1'099.9	-0.6

By the end of 2016 the liabilities from Lykke Coins and the belonging to own shares were swapped to an independent company. This step was necessary as Lykke Corp would suffer an accounting imbalance as it is by law not allowed to revalue the holding of own shares. But the liabilities have to be valued at market. This transaction generated some financial costs and income.

3. Other information

3.1 Net release of hidden reserves

CHF 1'000	31.12.2016	31.12.2015
Total net release of hidden reserves	0	0

3.2 Full-time equivalents

The annual average number of full-time equivalents for the reporting year, as well as the previous year, was below 10.

3.3 Affiliated companies

Company	Legal structure	Head office	Capital proportion	Vote proportion
Lykke Corp UK Limited	Private limited Company	United Kingdom, London	100 %	100 %
Lykke MTF UK Limited	Private limited Company	United Kingdom, London	100 %	100 %
Lykke Vanuatu Ltd	International Company	Vanuatu, Port Vila	100 %	100 %
Lykke Inc	C-Corp	USA, Delaware	99.9 %	99.9 %

3.4 Further liabilities against pension fund

By 31.12.2016 there was one open liability over CHF 1'620.50 against the pension fund which was paid in 2017.

4. Significant events after the balance sheet date

No significant events happened after the balance sheet date.