

Crowd-sourced funding offer document

Dated 28 April 2020

Offer of fully-paid ordinary shares in Adviser Ratings Pty Ltd
at \$22.48 per share to raise a maximum of \$500,000



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

Issuer: Adviser Ratings Pty Ltd ACN 154 273 640

Intermediary: Birchall Financial Services Pty Ltd AFSL 502618



**Adviser
Ratings**

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Our Mission:

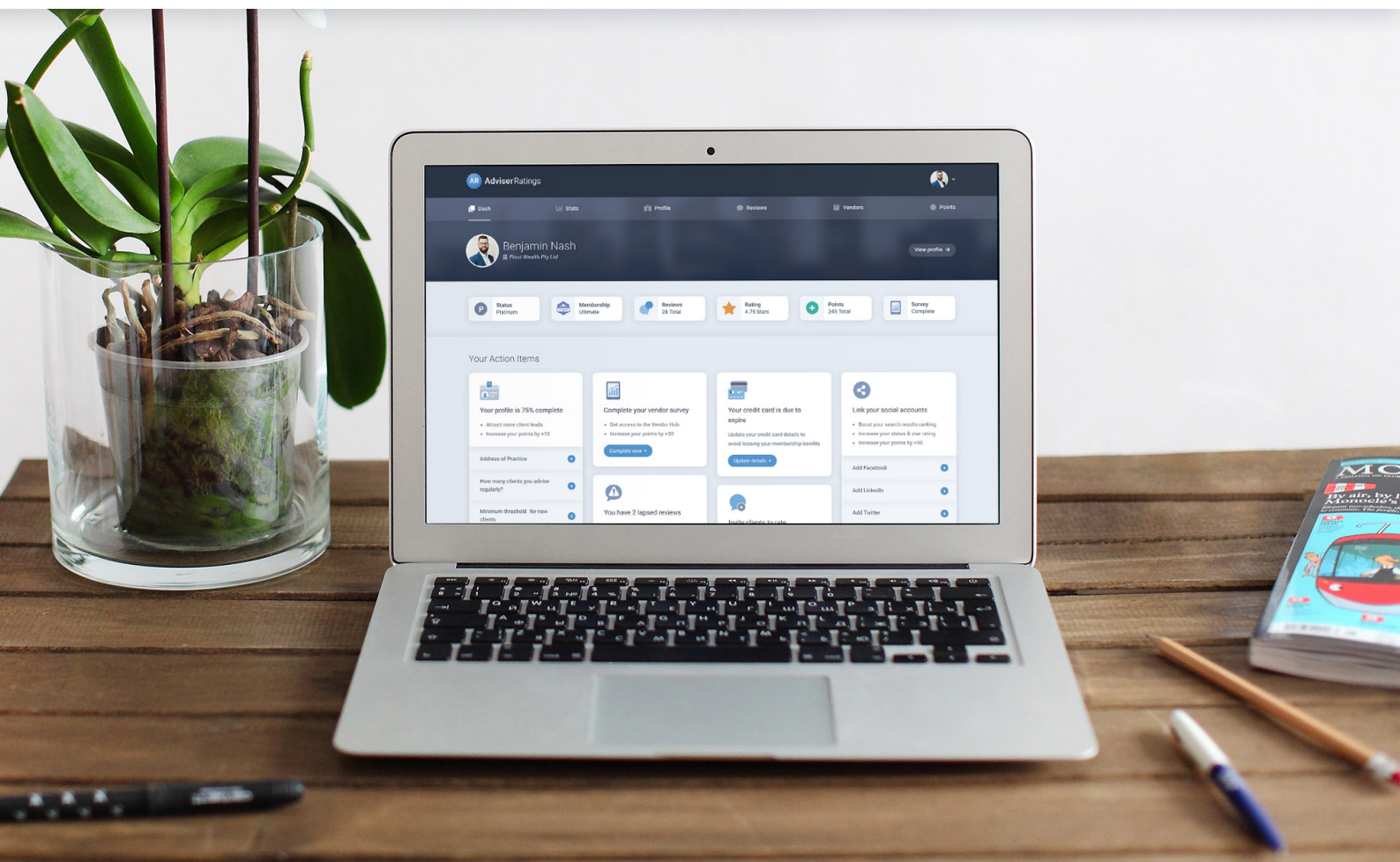
We will make financial advice more accountable, accessible and affordable for all by fostering valuable outcomes for all participants through data, transparency, integrity and trust.



Level 22, Tower 3,
300 Barangaroo Ave,
Sydney NSW



Angus Woods
Executive Director and
Company Secretary
angus@adviserratings.com.au



Section 1: Risk warning

Crowd-sourced funding is risky. Issuers using this facility include new or rapidly growing ventures. Investment in these types of ventures is speculative and carries high risks.

You may lose your entire investment, and you should be in a position to bear this risk without undue hardship.

Even if the company is successful, the value of your investment and any return on the investment could be reduced if the company issues more shares.

Your investment is unlikely to be liquid. This means you are unlikely to be able to sell your shares quickly or at all if you need the money or

decide that this investment is not right for you.

Even though you have remedies for misleading statements in the offer document or misconduct by the company, you may have difficulty recovering your money.

There are rules for handling your money. However, if your money is handled inappropriately or the person operating the platform on which this offer is published becomes insolvent, you may have difficulty recovering your money.

Ask questions, read all information given carefully, and seek independent financial advice before committing yourself to any investment.

Section 2: Information about the Company

Letter from the founder



Dear investors,

The tumult of recent weeks, with a combined health and economic shock, has seen the advice industry thrust as one the professions onto the frontline of this crisis.

Adviser Ratings, a trip-advisor styled marketplace between advisers and consumers, has never been more needed. Furthermore, on 14 April the Federal Government announced game changing legislation. In essence, it temporarily suspends a number of red tape requirements for financial advisers and superannuation funds in order to assist them in providing “affordable and timely” advice to consumers affected by the coronavirus crisis, and for them to potentially gain early access to their superannuation. Already, nearly one million Australians have registered through the Australian Taxation Office for this early access scheme.

With such a pent-up demand side driven by regulatory change, Adviser Ratings is well placed on the supply side of the marketplace. This will further strengthen the network effect we create

with consumers and advisers to help solidify our data and ratings business model. In the first quarter of 2020, we generated a record number of leads to financial advisers through the platform.

Notwithstanding the potential opportunities, we are acutely aware of the current economic challenges, so unquestionably a heightened level of risk may play out when it comes to spending patterns by vendors for our core data services.

In July 2019, we raised \$1.1M in crowdsourced funds that was invested in the ongoing development of the platform and to improve the sales pipeline. At the end of March 2020 (nine months YTD), our operating revenues were \$1.2M, an uplift of 24% for the full year to June 2019.

In order to navigate this current period and any further deterioration in the economy, the Board, our newly installed, CEO, Mark Hoven and I feel it prudent to raise funds to shore up the balance sheet and for ongoing working capital.

We have set the price at a 20% discount to our last raise in July 2019, reflecting current market conditions and unknown risks. The extra capital will also allow us to be agile to take full advantage of opportunities that may prevent themselves. Financial advice and superannuation are currently at the forefront of the current crisis. A trusted intermediary is required in these times.

Angus,
Founder and Executive Director

Section 2: Information about the Company

Letter from the CEO



Dear shareholders,

I joined Adviser Ratings in November 2017 as CEO of Wealth, and formally became CEO in February 2020. It comes at one of the most disruptive times in the history of the modern world, so unquestionably it is challenging our ability to navigate through this period. Nevertheless, we are taking the prompt actions we believe are necessary.

In the past four weeks, we have made cost base adjustments to maintain positive cash flow, and we are getting on with delivering our core data services to our clients to help them reach and engage with their audiences, whether they are advisers with clients, or vendors with advisers. We are also implementing changes to our underlying data and technology to ensure our services continue to improve and extend beyond competitors. These enhancements were largely completed before the COVID-19 impacts.

Combined with the government's JobKeeper program that allows us to ramp up our data

administration efforts during this period, the resultant improvements in data quality and delivery should translate into more assured client renewals, and stronger sales when the industry returns to more normal conditions.

In spite of the quick decisions we have made to reduce our cost base, promisingly, certain organisations have indicated they are getting back to business as usual or trying to capitalise on lack of indecision or investment from their competitors.

During this time, we are also concentrating on keeping our team safe and engaged. We have separate daily calls for the leadership team, the data team, and the development team. I present a weekly update to all staff to keep them informed of our progress. And most recently, we have instigated a social event on Friday nights for some reflection and relaxation. Our team may be small but in these difficult times they are demonstrating how committed and passionate they are about the business, which is inspiring.

I'm proud to be leading a company that serves a great need right now. This is when we must be alert to the risks but also to the opportunities that may present themselves. I'm confident that this period of market dislocation, supported by your capital, will see us survive and thrive.

A handwritten signature in black ink, consisting of a series of loops and a long horizontal stroke at the end.

Mark,
CEO

2.1 Company details

Key investment takeaways

- Adviser Ratings is a revenue generating and cash flow positive start-up in the regtech/fintech space.
- Earnings derived mainly from the sale of data-led compliance and distribution products to wealth sector vendors.
- As financial advisers, consumers and wealth vendors move "online", our business is positioned well to capitalise on this change.
- At a time of economic uncertainty, financial advisers have become a much needed frontline profession, as evidenced by the significant growth in leads coming through our platform and our white label / SaaS solution with AustralianSuper.
- The business raised \$1.1m in July 2019 at a share price of \$28.10 from CSF investors.
- The business in April 2020 now has 22 "Tier 1" clients, including netwealth, Magellan, AustralianSuper, QSuper, Zurich and ASX to name a few - annual contracted revenue is \$1.1M
- Since our previous raise, we have implemented significant platform enhancements, including an industrial strength application programming interface (API) for our data services. The API supports our data and compliance products, both of which speak directly to the enhanced regulatory regime recommended out of the Banking Royal Commission into Financial Misconduct.
- Our adviser-consumer marketplace is well suited by ASIC's recent announcement to temporarily relax the compliance burden on advisers for the 1M+ consumers to seek financial advice around early access to Super.
- We are raising up to \$500k from CSF shareholders to provide necessary buffers and existing working capital in times of uncertainty. \$187k was raised immediately prior from existing non-CSF shareholders.
- The raise is at share price of \$22.48, a 20% discount from the previous raise.
- Our revenue of \$1,164k in the nine months to date is 24% greater than the full year for 2019 of \$938k (excluding grant income).
- We have made the necessary cost adjustments to our cost base that now has us in a cash flow positive position.
- Covid-19 presents both risks and opportunities for Adviser Ratings. The raise will be used to protect the business in the event revenues deteriorate, or conversely the ability to be agile in the event the market dislocation increases the need for our services.

Company	Adviser Ratings Pty Ltd ACN 154 273 640 Incorporated on 15/11/2011
Offer Type	Crowd-sourced funding
Offer Details	Offer of fully-paid ordinary shares in Adviser Ratings Pty Ltd at \$22.48 AUD per share to raise a maximum of \$500,000.
Registered office and contact details	At the office of Deymos Accountants Pty Ltd, Suite F119, 24-32 Lexington Drive, Bella Vista NSW 2153
Principal place of business	Level 22, 300 Barangaroo Avenue, Sydney NSW 2000
Related Companies	Not applicable

2.2 Description of the business

Adviser Ratings - More than just a ratings business

We rate financial advisers using consumer driven reviews and our own algorithms - allowing consumers to search for and connect with a rated financial adviser. We will soon add the rating of licensee companies - a key driver in the quality of advice provided.

We assist wealth sector vendors such as fund managers and insurers - our key clients and revenue source - in reducing their cost of distribution to the financial adviser community and ultimately to consumers.

We enable product manufacturers and licensees to deal with regulatory and compliance issues around product creation, management and distribution.

In our product pipeline:

1. We will be adding a more formal rating of licensee companies and their advisers – a key driver in the quality of advice provided.
2. The final stages of our Vendor Marketplace rollout allowing advisers and licensees to review, compare and buy products used in the industry (from professional indemnity insurance to technology solutions to lending products to legal services).
3. A professional education marketplace.

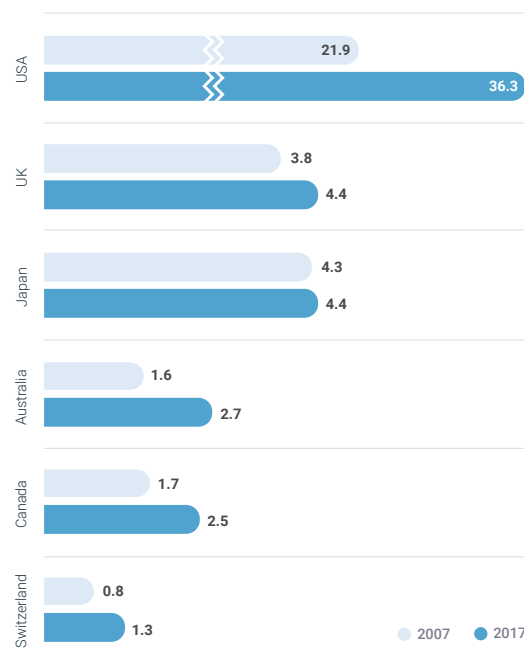
1. ASIC Financial Adviser Register, Adviser Ratings
2. Deloitte, The Dynamics of the Australian Superannuation System, 2015

2.2.1 Description of the business

The advice industry is made up of approximately 23,000 financial advisers and 9,000 advice practices, licensed by around 2,200 Australian Financial Services Licensees or "AFSLs" - these are the companies that are responsible for supervision, compliance, training and audit of the services delivered by financial advisers and are regulated and licensed by ASIC¹.

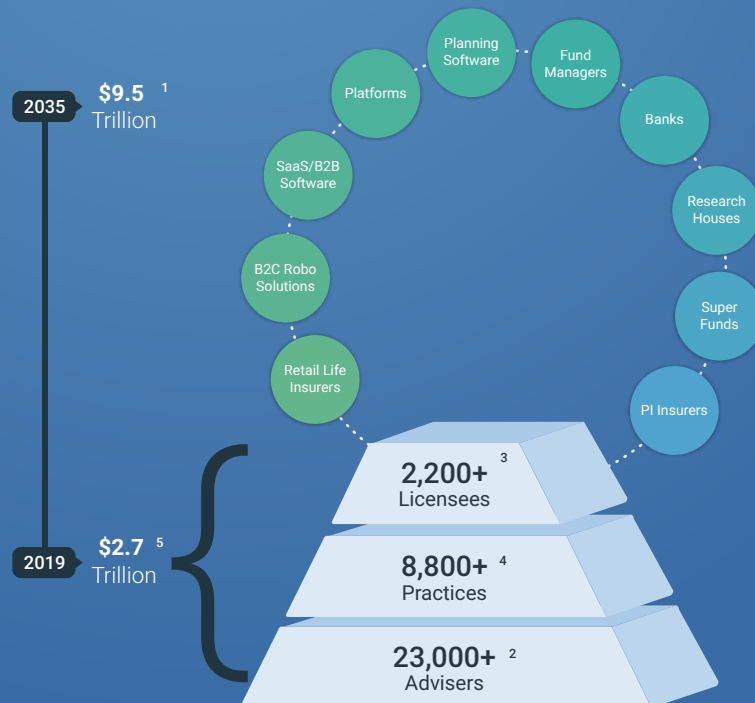
The Australian wealth market (factoring in the unknown level at which the current market downturn will settle) is expected to grow from \$2.7 trillion to \$9.5 trillion by 2035². Australia currently ranks 4th globally in terms of assets held in pension / superannuation funds at \$2.7 trillion, only behind the USA, UK and Japan. This is partly driven by the structural foundations of the Superannuation Guarantee and its planned increase to 12% by 2025.

Leading Global Pension Markets³ (AUD, \$Bns)



3. The Thinking Ahead Institute's Willis Towers Watson Global Pension Report 2018 and secondary sources (Adviser Ratings Conversion - AUD Billions - 1AUD = 0.70USD)

Australian Wealth Management Sector



57% of Australia's wealth or \$1.55 trillion held by 2.3 million Australians¹ is currently managed by a professional adviser, comprising any of a financial adviser, accountant, stockbroker or lawyer.

The financial planning and investment advice industry has undergone significant disruption, scandal and regulation over the past five years. All of these disruptions and added costs/complexities to the sector benefit Adviser Ratings.

Over the past 24 months, the adviser market has become very fragmented, presenting a real

threat to the way industry vendors acquire and service both advisers and consumers. There are hundreds of financial product manufacturers (fund managers, insurers, etc) and many hundreds of other wealth sector vendors that service the industry. All players need to be ahead of regulatory reform and recent legislation and the distribution challenges represented by a rapidly changing market. Adviser Ratings' product offerings that meet these needs are the key drivers of revenue and value for the business.

1. Adviser Ratings, Financial Advice Landscape Report, 2018

2. Deloitte, The Dynamics of the Australian Superannuation System, 2015

3. ASIC Financial Adviser Register, 2019

4. AR Data, Adviser Ratings, 2019

5. The market downturn and superannuation and wealth balances remain unknown due to large gyrations in the stock-market. \$2.7 trillion represents the value in wealth in 2019

Our journey to date



2.2.2 What does Adviser Ratings do?

Simply put, we are a data business. Our primary source of revenue today is the sale of compliance and distribution products and services to fund managers, insurers and other product manufacturers and other financial services participants.

We derive these products and services from the vast amounts of data and insight we collect from the wealth sector. The majority of this data originates from our free rating and review services and our Find an Adviser platform (our initial product and the genesis of the Company's name - "Adviser Ratings").

Adviser Ratings is Australia's first independent marketplace of financial advisers. The Company launched in October 2014 serving three financial services industry participant types with a series of products delivered as a solution or as raw or structured data.

- 1. Consumers:** our platform allows consumers to find and/or review both financial advisers and digital adviser solutions (often called Robo advisers) and compare these advisers based on ratings and, shortly, their Licensees – our Rating and Review business (www.adviserratings.com.au);
- 2. Advisers:** to be visible to consumers using our search platform, advisers claim their profile and answer a series of questions about their own practice and client types.
- 3. Industry vendors and institutions:** we sell sales/distribution tools and compliance/monitoring tools to wealth sector firms – Our Data Products business (pro.adviserratings.com.au).

2.2.3 Challenges facing the wealth industry



COVID-19

Dislocation to financial markets and distressed consumer decision making with savings, investments and superannuation.



Loss of Trust

Consumer trust in financial services at lowest ebb.



Heightened Regulation

Regulators enforcing new obligations with increased budgets, assertiveness, and fining powers.



Royal Commission

Many punitive recommendations being challenged by class actions.



Institutional Transfer

A capital vacuum from the strategic withdrawals of major institutions from advice replaced by the emergence of the industry super funds.



Business Re-engineering

Advice licensees and practices fundamentally overhauling their businesses to align with the new paradigm.



Enforced Professionalism

New code of ethics and minimum tertiary educational requirements for financial advisers.



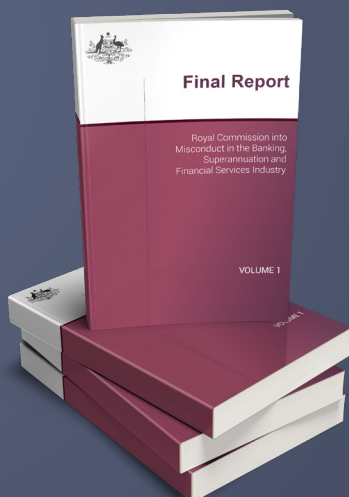
Adviser Movement

30% of advisers moved in 2019 including over 4,000 departing the industry.



Orphaned Clients

Over \$900b of advised wealth in transition over next 5 years from adviser mass migration.



“There is a striking asymmetry of power and information between bank and customer... important deterrents are, therefore, missing from the banking industry.

- Justice Kenneth Hayne

Interim Report of the Banking Royal Commission, September 2018

2.2.4 What problems does Adviser Ratings solve?

Our Three Sided Marketplace

For consumers

Adviser Ratings is solving the problem of information asymmetry that exists in the wealth space - ie consumers just don't know about the performance, skills, actions or regulatory compliance of those who they deal with in the sector. Without this information consumers were previously not empowered to make the best buying decisions.

For advisers

Today, many consumer buying decisions are based on public reviews while at the same time adviser marketing to customers through a growing list of divergent media or relationships is costly, time consuming and not guaranteed to succeed. We solve this problem for advisers and also allow them to review, and see reviews of, products they need in their own businesses.

For product manufacturers and licensees

Due to poor advice dispensed in the last decade and lax compliance standards, banks alone have set aside billions of dollars to compensate customers and for increased spending on risk and compliance to make sure it does not happen again. We provide the data to help industry vendors manage their distribution and compliance risk.

Much of this could have been prevented if information was disseminated and understood more easily within their sphere of responsibility, and data was more effectively used to manage risks across the entire value chain.

2.2.5 Our Products & Services

In the simplest possible terms, we help each of our customer groups find their ideal audience which creates high value data as the network drives all customers to engage more on the the platform.

Our products include:



Consumer Marketplace

A public website showcasing 23,000 financial advisers and 50 Smart Tool (“robo”) providers to help consumers with their personal finance needs.



Laurent

An auditing and cleansing solution that draws on our proprietary reference data sets to forensically interrogate client databases and information systems.



Nightingale

A fully customisable data service comprising contact and insight intelligence on the universe of advisers, practices and licensees for growth and compliance applications.



Fund Flow Reporting

An outsourced solution for fund managers for preparation of monthly reporting on financial adviser applications and redemptions through fund products held on investment platforms.



White-Label “Find An Adviser”

A fully customisable web service including design, hosting and data to help clients with customer retention and acquisition.



Market Research

Essential fact-based research powered by our unique data insights. Featuring the annual Financial Advice Landscape report and quarterly Musical Chairs report.



Vendor Marketplace

(launching Q3 CY2020)

An industry portal showcasing all vendors servicing the retail wealth management sector to help advisers, licensees and vendors improve two-way transparency and engagement effectiveness

Our Data Assists the Wealth Industry at Multiple Touchpoints



2.2.6 How we make money

We sell raw, repackaged, and/or interpreted data and associated insights on market intelligence, distribution and compliance requirements to our customers on an annual recurring or once-off basis. Depending on the amount and value of information needed our individual product sales prices per annum range from \$10k one-off data purchases to annual licenses to the entire data suite for in excess of \$150k pa.

The majority of the products are annual subscription / SaaS based. Our annual

recurring revenue (ARR) currently sits at \$1,057k across 22 clients.

These revenues are generated from sales to industry vendors - not consumers. We do not charge consumers or advisers for our rating and "Find an Adviser" services.

The Vendor Marketplace will generate revenue through a mix of a percentage of volume of sales, "shelf advertising" and subscription fees.

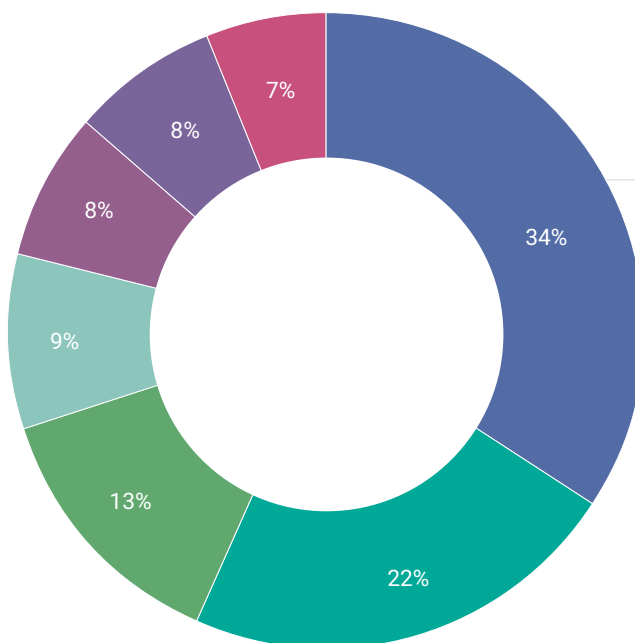
We continue to generate one off revenue through research reports and advertising.

Some of our partners



Our Current Client Mix

●	Fund Managers	34%
●	Licensees	22%
●	Other	13%
●	Software & Digital	9%
●	Super Funds	8%
●	Life Insurers	8%
●	Researchers	6%



\$2.8m in sales
since inception
\$1.1M recurring

2.2.7 Our Current Client Base and Pipeline

Our current revenue and core long term value comes from our Data and Analytics ("Nightingale") products. Since developing these core products we have entered into 67 contractual relationships for Data and Analytics products. Twenty-two of these are now considered annual recurring clients.

Our client base is diversified, representing the value of our offering across the entire wealth management industry.

Based on current contract values, recurring-style revenue from these 22 clients is \$1.1M, with scope to increase value and price assuming no churn.

- We count three of the top five largest global fund managers as clients.
- We do have Australia's two largest super funds by assets under management.
- Three leading administration platforms use our data.
- Our Insights database is making a significant difference now as vendors need to perform more sophisticated profiling and segmentation that can't be done with other competitors' products. .

Most of these clients include some of the industry's biggest names including Aberdeen-Standard, ASX, AustralianSuper, Magellan Financial Group, netwealth, QSuper and Zurich.

2.2.8 Business Strategy

It is important for the business to continue to adhere to our long standing values of trust, integrity and transparency. For us to achieve this, we believe our independence is key.

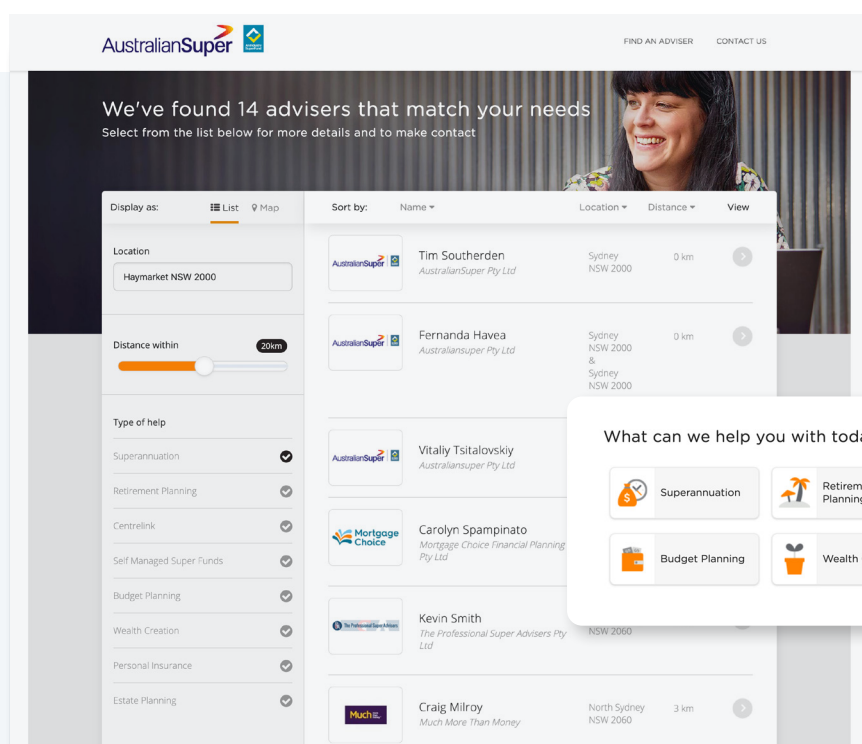
Our near term plan is to get through the economic upheaval brought on by the current health crisis, by shoring up our capital position. With COVID-19 driving a huge spike in demand for financial advice, we are exploring further interest in our white-label "Find An Adviser" service. The current AustralianSuper white label is proving to be a tremendous advertisement for this service. Encouragingly, we are well advanced securing our second white-label for a major institutional client, with an accelerated launch plan during the Covid-19 window.

With both money management and financial advice becoming more needed during these

times, the SaaS service is highly relevant for all the major wealth firms, super funds, life insurers, platforms, major employers, and potentially any non-wealth institution with a large direct customer base.

Our long term vision remains to be the "go to" place for any consumer seeking help with their finances, be it with a human adviser or with a digital adviser. Just as AirBnB is now part of the home-sharing lexicon for people, we want to be the first site people think of when it comes to finding an adviser.

In order to achieve this, we need to be resilient and strong during these uncertain times. The Board and executive are focused on creating revenue whilst preserving capital so that post Covid-19 we can continue to invest in actions which support the growing network effect (in turn growing our datasets) and growing the Adviser Ratings brand.



Adviser Ratings powers AustralianSuper's successful 'Find an Adviser' platform leading to increased adviser claims and leads to advisers.



2.2.9 Marketing Strategy

Our marketing and distribution strategy will be opportunistic during this current period of uncertainty. The messaging will be tailored to different audiences, depending on their needs:

Consumers

- **PR:** given the uniqueness of our data driven content, Adviser Ratings has developed good media relationships with mainstream and trade media. With Covid-19 generating significant content around money matters, Adviser Ratings is well placed to be an independent thought leader and key voice at this key moment in history.
- **Media Executive Strength:** we will continue to leverage two key advisors to Adviser Ratings, media personalities Christopher Zinn and David Koch, who will continue to assist with profiling Adviser Ratings.

- **Content and Google:** we derive most of our traffic through our independent reviews against each individual adviser in Google (refer page 17). We also are a content-led platform, with advisers regularly contributing unique content which assists with search engine optimisation (SEO). This is a low cost solution, given how we have structured the platform.
- **Social Media:** where it is cost effective to do so, we will continue to focus new initiatives through multiple social platforms, where we are able to mimic audiences who visit the Adviser Ratings website.
- **Corporates / Vendors:** large membership bases (inside and outside of Wealth) and corporations with large employee bases represent a significant opportunity for our White Label solution.



Adviser Ratings Profiles Nerida Hicks

Nerida has shot to the top of our ratings on review leaderboard with over 140 reviews on her profile, an Adviser Rating of 100% and a fantastic average customer rating of 95%.



[Nerida Hicks - Financial Adviser listed on Adviser Ratings](https://www.adviserratings.com.au/advisers/nerida-hicks/)

<https://www.adviserratings.com.au/advisers/nerida-hicks/>

About this result Feedback

Nerida Hicks - Financial Adviser listed on Adviser Ratings

<https://www.adviserratings.com.au/advisers/nerida-hicks/>

★★★★★ Rating: 4.7 - 208 reviews

Adviser Ratings Profiles Nerida Hicks Nerida has shot to the top of our ratings on review leaderboard with over 140 reviews on her profile, an Adviser Rating of 100% and a fantastic average customer rating of 95%.

Advisers

- **eDMs (electronic direct mail):** we have Australia's largest database of financial advisers, and will look to continue to drive engagement through unique, purposeful adviser content to both increase advisers claiming their profile and advisers engaging with their profile.
- **Website / Content:** our current website and the proposed Vendor Marketplace is intended to further the network effect and create increased engagement with Adviser Ratings. We also provide unique local based data for advisers with this offering expanding in 2020.
- **Licensees:** fostering licensee relationships has been a core part of our strength in the past year. There is general support within the licensee community for advisers to engage on the platform. We have been invited onto virtual Personal Development (PD) days and webinars from several licensees.
- **Social Media:** most advisers have a strong presence on social media, which allows Adviser Ratings to continue to serve quality content to advisers.

Vendors

- **eDMs:** we have what is arguably one of Australia's largest databases of wealth sector vendors, given the personal relationships the existing team has across the entire industry.
- **Website:** we have a vendor website, pro.adviserratings.com.au, which allows us to showcase our unique offering and use cases.
- **Vendor Marketplace (launching Q3 CY2021):** a logged in environment for vendors allows us to communicate and showcase our solutions tailored specifically for the user / vendor.
- **Content and Research:** given our unique proposition, we use our data driven content and research as free ways through which Australia's largest brands can interact with Adviser Ratings. This has driven a lot of our engagements to date.

Adviser Ratings has developed strong Search Engine Optimisation through the use of our review platform and tailored content. The Google search engine has 95% market share in Australia, and with 86%¹ of consumers searching for a

person or service online prior to meeting, they are most likely to come to Adviser Ratings when searching an adviser. This is reflected in our growing website (refer section 2.2.10 Operation Metrics) visits despite limited online marketing.

1. Brightlocal Research, Local Consumer Review Survey, 2018



• WATCH LIVE

Financial advisers are the new triage service: Mark Hoven

Mark Hoven CEO of Adviser Ratings fears for the future of financial advisers at the crossroads of machine learning and epidemiology.

ausbizTV and Adviser Ratings Relationship

On 30 March 2020, a new live market business focused streaming service was launched by Kylie Merritt (ex Sky Business) and David Koch, a prescient launch for these times. This streaming service is called [ausbizTV](#). Adviser Ratings is a key partner in this initiative offering the live streaming service to all advisers through their dashboards.

Adviser Ratings will have a regular spot on the new service, and will provide key branded data and research for the channel. There are other data and revenue share initiatives we are currently discussing with the executive team at ausbizTV. We are currently sub-tenants to the ausbizTV team at Barangaroo.

2.2.10 Sales Strategy

Adviser Ratings already has a strong pipeline of clients at varying stages in their purchase decisions. Our focus will be converting these sales or moving them through the pipeline expeditiously. Three core areas of focus to achieve this:

Use of Senior Executives: To preserve capital and with our core platform built, Mark and Angus will focus their efforts on sales, both renewals and new revenue.

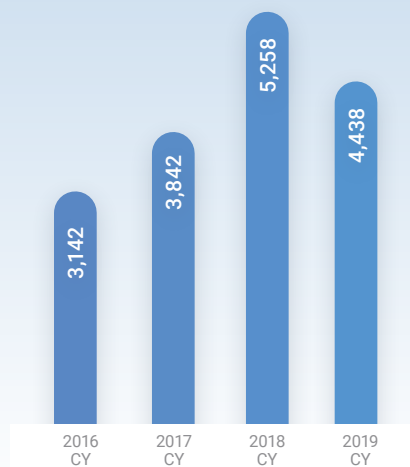
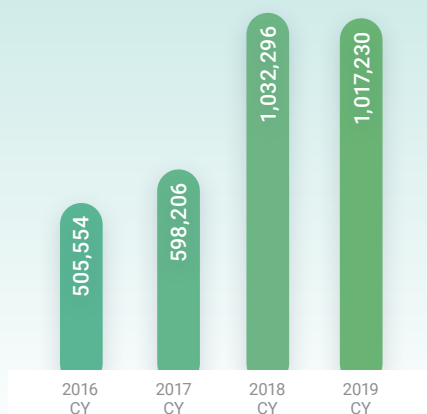
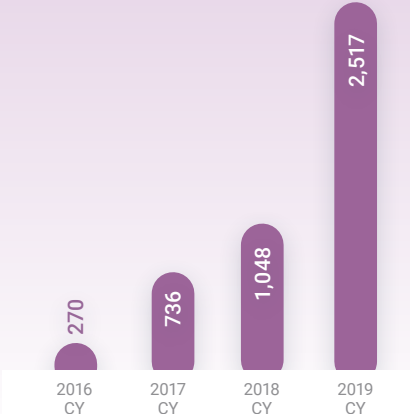
Delivering Enterprise Data Solutions: With the increased scope and maturity of our data services, Adviser Ratings can now present a compelling proposition to the multi-divisional wealth institutions, and more confidently pursue service extensions with our largest existing clients.

Leveraging a New Partnership: One of the key pain points of many vendors is the ingestion of

data into their CRMs and the manipulation and interpretation of that data. We have entered into a Memorandum of Understanding with a small firm that specialises in CRM data ingestion capability, as well as creating dashboards, reports and other operational metrics for executives. The firm currently supports 10 small fund managers (none of them Adviser Ratings clients) with \$140k in recurring revenue. Its capability is proven and scalable. The execution and onboarding of this firm will add a key string to our sales bow. Current MoU terms are cost neutral for Adviser Ratings, with upside to be gleaned by adding a new service to retain existing and win new clients, or cross-sell our existing products to the 10 fund managers.

2.2.11 Competitors

There is no equivalent business to Adviser Ratings in terms of breadth of offering, reach and leverage in the financial advice space.

5,000+
Claimed advisers20,000+
Consumer reviews100,000+
Online searches per month5,000+
Leads

2.2.12 Operational Metrics

All our key operational metrics continue to show promising growth, indicative of a “working” marketplace, where consumer begets adviser and vice versa.

Since the onset of Covid-19, interest in financial advice, money management services and superannuation have spiked across the

industry. Mostly driven by anxiety, but in part driven by opportunity, we believe Adviser Ratings is a great service for consumers in what looks like a recessionary environment.

We remain resolute in converting the interest in Adviser Ratings to profitable revenue streams for our shareholders, and maintaining independence and integrity along the way.



2.2.13 Technology

The Adviser Ratings' proprietary backend system is mostly written in Vue.js which is a Javascript Framework (this new system is called "FLO") and accesses our "Nightingale" API. The Nightingale API is a Node.js application, using Typescript. The Nightingale Database is Postgres hosted on AWS RDS. Our content management system is Umbraco CMS. This is a .Net application installed on IIS, we host it on an AWS EC2 server.

An MSSQL Server Database is in service for Umbraco CMS and the data is synchronised to the Nightingale Database.

Our core IP technology is all hosted on AWS and AWS RDS.

We continue to ensure our technology remains robust. In March 2020, we launched a new maintenance interface and workflow tool for the data administration team. This work complements the recent upgrade to the

structure and management of data within our core database system. Together, these changes should improve team efficiency, data accuracy and the ability to accommodate more data types. This initiative will also prove valuable when customers perform due diligence on our data quality and business operations, which is becoming increasingly common for major institutional clients and prospects.

Another major milestone for our data business since the last raise has been the completion of an intelligent Application Programming Interface (API) capability – a substantial improvement from our previous API. This allows customers of our Nightingale data service to securely access our data automatically without the need for manual data exchanges. It represents an efficiency gain for both groups, and strengthens our engagement with the client. We have just completed the first API installation with a major super fund QSuper, with netwealth and ASX to follow in coming months.

2.2.14 The Future

Risk & Compliance Investment

Whilst we remain focused on managing through Covid-19, we want to be well positioned for the future. There is a massive uplift in investment underway by institutions to remediate advice consumers for past governance failures and to tighten current risk and compliance processes and controls. Compensation and compliance spend is estimated at circa \$10B. Adviser Ratings data, ratings and auditing capabilities

are being demanded by organisations to help address a range of exposure areas.

These include identifying fee-for-no-service scenarios where the adviser has left the industry; potential consumer privacy breaches where a previous licensee continues to retain access to personal details; improved screening and qualification of advisers servicing super fund members; and better due diligence of license counterparties for financial product manufacturers under the new Design & Distribution Obligations Act.

"The price Australia's biggest banks must pay for years of misconduct in compensation to customers and increased spending on risk and compliance could hit \$10 billion"

- Shaw and Partners

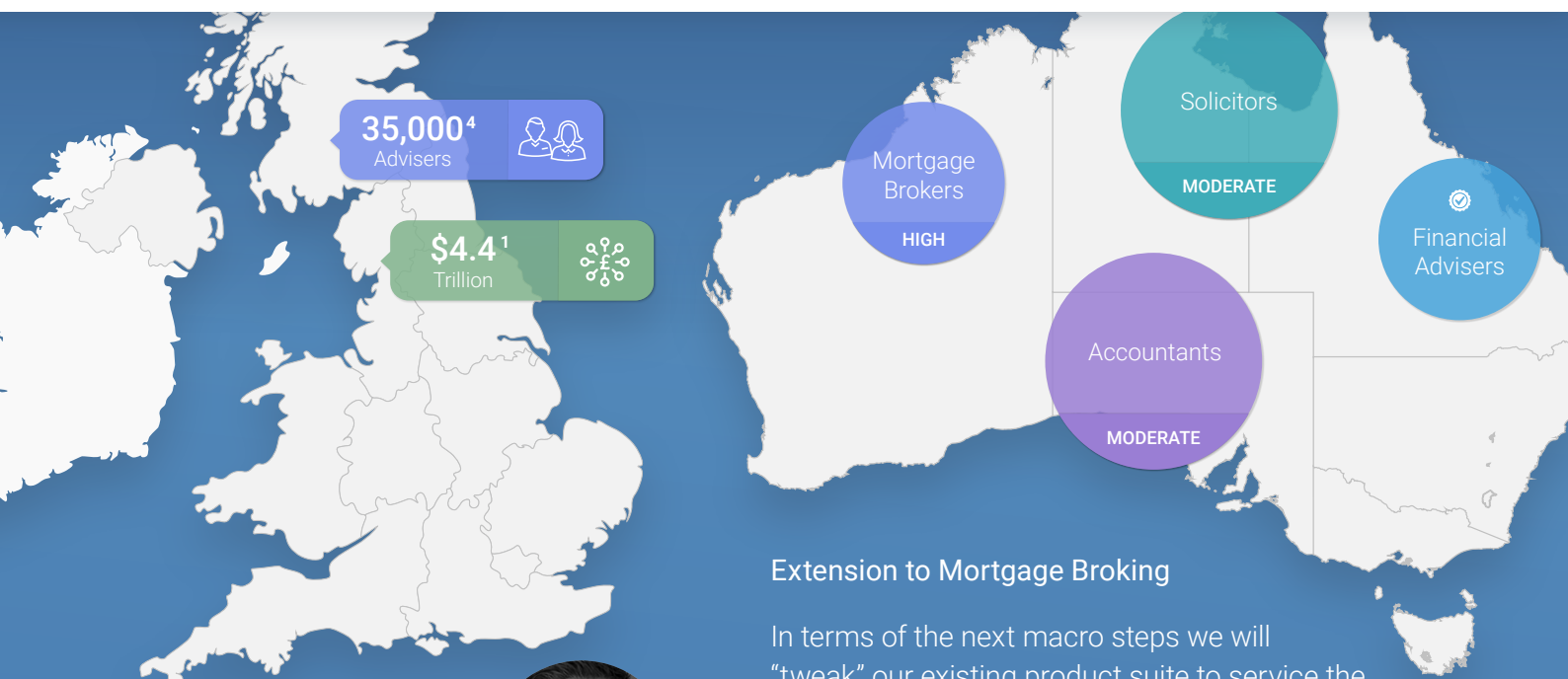
Financial Review, May 14, 2019 - "Bank compensation costs could hit \$10b"

Shaw and Partners
Financial Services

Education Marketplace

The professionalisation of the advice industry through the introduction of new minimum education standards under FASEA requires 70-80% of advisers to complete some form of tertiary bridge course and 100% of advisers to complete 40 hours CPD / year. Adviser Ratings has already commenced building an Education Marketplace that will provide a one-stop shop for advisers to source and purchase FASEA approved courseware and CPD. We have contracted the learning management system, signed letters of intent with Tier 1 universities, and provided access to 24,000 advisers to source such services, initially through the Vendor Marketplace.





"I'm excited by the future of Adviser Ratings. In my current role, I'm aware of the importance data and transparency plays across industry, particularly the wealth sector. Part of the reason why I invested in Adviser Ratings was not just the calibre of the team but how scalable and needed this solution is not just in Australia, but similar markets overseas."

Paul Hunyor
Partner & MD Asia Boston
Consulting Group Digital Ventures
Adviser Ratings Investor & Director

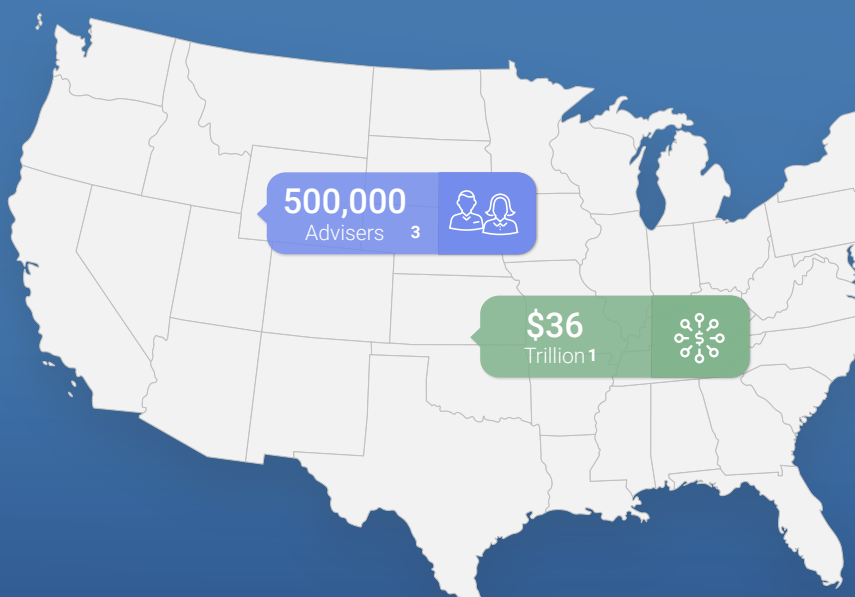
Individual has provided consent to this statement being published in this Offer document.

Extension to Mortgage Broking

In terms of the next macro steps we will "tweak" our existing product suite to service the mortgage broker market (especially post the Banking Royal Commission), effectively doubling our user base - there are 16,000² brokers in Australia. One of the key recommendations of the Royal Commission is subjecting mortgage brokers to the same scrutiny, oversight and education requirements as financial advisers.

Expansion Offshore

We also have offshore markets which are sizable and would benefit from our multiple offerings. We feel that the UK and US represent the best opportunity in respect of regulatory, data and relationship reasons.



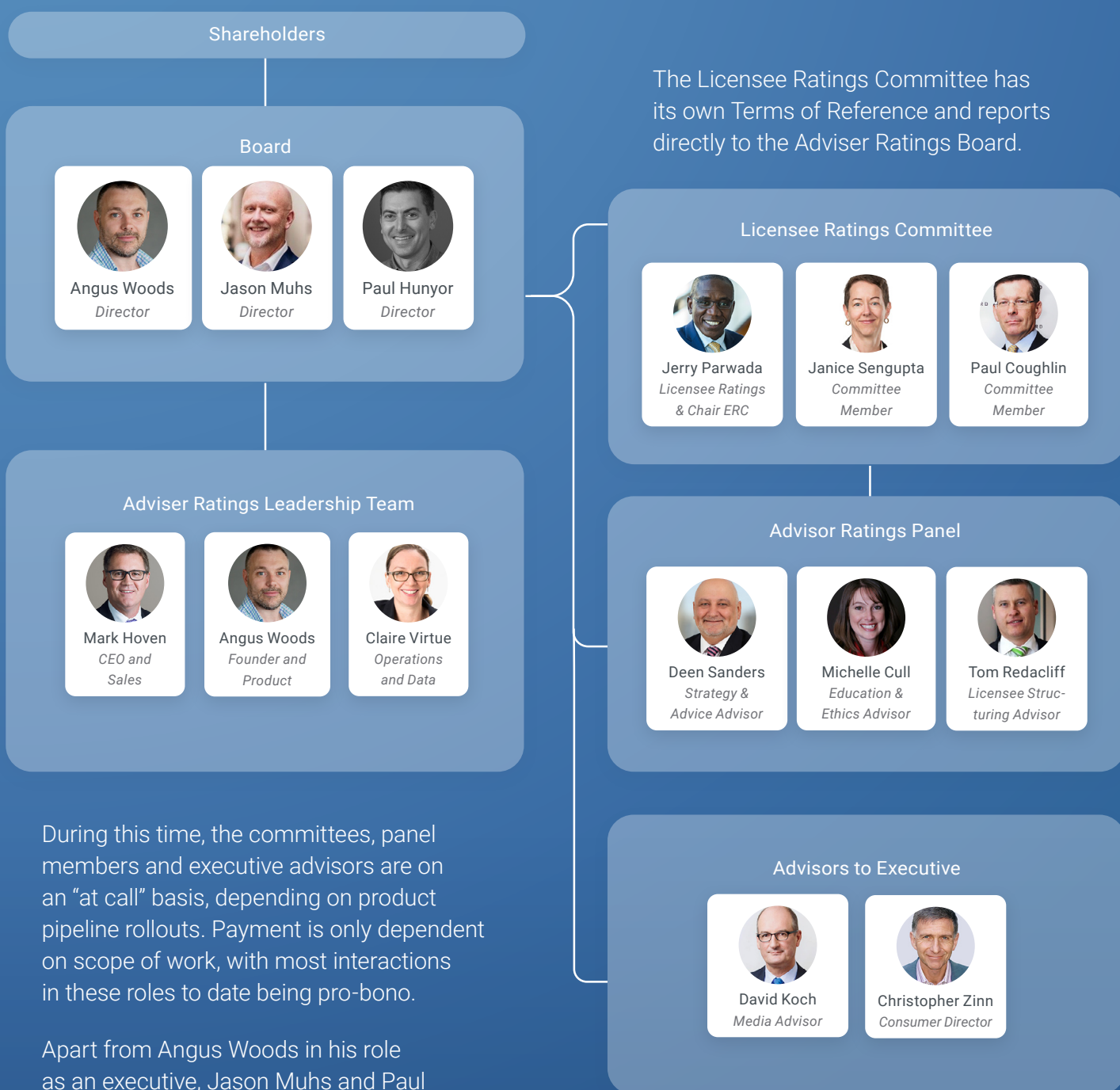
1. UK and US Pension Funds - The Thinking Ahead Institute Willis Towers Watson Global Pension Report 2018 and secondary sources (conversion rate 1AUD = 0.70USD)

2. Mortgage & Finance Association of Australia, 2019

3. US Adviser Numbers, Securities Exchange Commission (SEC) and Financial Industry Regulatory Authority (FINRA)

4. UK Financial Conduct Authority (FCA)

2.2.15 Organisational Chart



2.2.16 Corporate Structure

Adviser Ratings currently operates under Adviser Ratings Pty Ltd. It has no subsidiaries or parent company. The company has only ordinary fully paid shares and staff options as set out below.

The Company is not an Early Stage Investment Company for the purposes of the Federal Government's tax incentives afforded to those companies.

2.3 Capital Structure

The company has been funded through a mixture of equity, debt and R&D tax incentives to date.

2.3.1 Issued Capital

Adviser Ratings currently has 439,445 fully paid ordinary shares on issue and are all of the same class. The table below sets out the issued capital of the Company.

Historical Capital Raise:

Date	Amount	Share price
Apr 2015	\$ 191k	Founding Shares
Apr 2015	\$ 340k	\$10.79
Jun 2015 - Jun 2016	\$ 1,349k	\$16.41
Jul 2017	\$ 866k	\$18.80
Nov 2018	\$ 265k	\$18.80 (option exercise)
Mar 2019	\$ 701k	\$28.80
Jul 2019	\$ 1,133k	\$28.80
Apr 2020 ¹	\$ 187k	\$22.48
	\$ 5,032k	

1. Capital raised from existing non-CSF shareholders immediately prior to this raise at same price per the offer document.

Issued capital of the Company before the Offer

	Fully paid ordinary shares		Options	Fully Diluted (Pre offer)		Fully Diluted (Post Offer) Maximum - \$500k	
Angus Woods (Founder)	192,738	44%	Nil	192,738	36%	192,738	35%
Euclid Pty Ltd	25,485	6%	Nil	25,485	5%	25,485	5%
Christopher Zinn	23,160	5%	Nil	23,160	4%	23,160	4%
David Koch	15,235	3%	Nil	15,235	3%	15,235	3%
Elphinstone Holdings Pty Ltd	13,298	3%	Nil	13,298	3%	13,298	2%
Mark Hoven ¹			28,763	28,763	5%	28,763	5%
Claire Virtue ²			5,578	5,578	1%	5,578	1%
Other Shareholders	169,529	39%	Nil	169,529	32%	169,529	31%
Allocated Options / Warrants ³			18,611	18,611	4%	18,611	3%
Unallocated Options			37,188	37,188	7%	37,188	7%
New Shares Issued						22,242	4%
Total	439,445	100%	90,140	529,585	100%	551,827	100%
Fully Vested Options			28,923				
Unvested Options			61,217				

1. CEO Mark Hoven has 12,312 options vested at the date of this document at a strike price of \$18.80. Mark was issued a further 16,451 on 31 March 2020 at a strike price of \$22.48 with varying performance hurdles and tenure over several years.

2. Head of Operations, Claire Virtue, was recently issued 5,578 options at a strike price of \$22.48 of \$22.48 with varying performance and tenure over several years.

3. Comprised two sets of staff options (10,892 options) for founding team members as sweat equity - both fully vested with a strike price of \$16.35415 per share - this was the price of the then closest capital raise for the business. A further 2,000 options were issued on 31 March 2020 at a strike price of \$22.48 from the existing ESOP pool to help retain high quality staff in this period. These options are subject to a tenure period and in lieu of salary. In addition, 6,672 ordinary shares at a \$22.48 price have a 75% warrant attached (5,719 ord shares on warrant) at a price of \$19.67 expiring 31 October 2021.

2.3.2 Rights and liabilities associated with securities

As at the date of this Offer, the only class of shares that the Company has on issue are ordinary shares. There is no shareholders agreement in place between the existing shareholders of the Company and as such, the rights and liabilities attaching to the ordinary shares on issue are determined by the constitution. A more detailed description of the rights associated with the shares is set out in section 3.3 below.

2.3.3 Debt funding and other sources of funding

The business' balance sheet as at end March 2020 shows the following liabilities:

Related Party Loan - \$339,872

(Caroline Hill Wife of Founder, Angus Woods)

The original loan was for \$350k at a fixed rate of 7.5%, amortising over 18 months commencing from 1 September 2019.

The term of the loan has been renegotiated with the lender in light of current market conditions, with the loan now amortised over 36 months from 1 March 2020, resulting in a \$5k monthly cash saving for the business.

The paydown of the loan has been factored into our financial forecasts and will be paid for out of existing revenue sources.

R&D Loan - \$250,000

Adviser Ratings expects to receive circa \$350,000 net of fees by way of the R&D tax rebate per the Federal Government's R&D tax incentive scheme. The business will submit the claim as soon as possible after 30 June and the refund will be expected circa September. The receipt is shown as a provision in the accounts.

As is common in early stage businesses, the Company has borrowed against its expected tax refund for the last 4 years and in every occasion has received its expected amount. The circa net amount available after loan repayment is another cash source in the business.

2.4 Directors and senior managers

2.4.1 The Board



Angus Woods

Founder and Managing
Director

- Founding team member of One Big Switch, CFO of Virgin Money Australia, Head of Strategy for Wizard and a Commercial Manager in Macquarie Bank.
- Angus is particularly focused on the data science & machine learning aspects of the business which will take it to the next stage of its growth.



Paul Hunyor

Non Executive
Director

- Paul is an experienced venture capital investor, a successful entrepreneur and the current regional head of BCG Digital Ventures Asia. Previously an investment manager for a \$5B fund at Archer Capital.
- Paul co-founded One Big Switch and has significant Board experience.



Jason Muhs

Non-executive
Director

- Jason has over 20 years in financial services focusing on strategy roles including for Westpac, Wizard, Flexigroup and now is Head of Strategy at Eclix Limited.
- Jason uses his many years of strategy focused work to quickly cut through the vast amount of information and drill into key financial issues facing the business now and in the future.

2.4.2 Senior Management

Mark Hoven

CEO



- Former Head of Wealth at Equifax (formerly Veda), former CEO of Global Fund Services at Standard & Poor's, member of NSW State Executive Australia Superannuation Funds of Australia (ASFA).
- Mark brings a huge pool of relationships built up over years in servicing the wealth and superannuation sector and has led both large and small teams in previous roles.

Claire Virtue

Head of Operations



- Claire has worked in operations management for large multinational businesses (such as FedEx, Standard & Poor's, RISQ-Sterling Talent Solutions) in both Australia & Asia.
- Claire's role in the business is critical now given the growing number of large customers to whom we are rolling out high value product.

2.4.3 External ratings committee (ERC)

An important part of delivering an arms' length licensee rating is to ensure that the rating process is overseen by an external committee of experienced professionals who will approve the methodology and reasoning employed by the business. We believe the quality, experience and personal integrity of the team that comprise

the External Ratings Committee is a key strategic benefit of the business.

Since our last capital raise, Peter Kell has resigned as a Committee Member due to conflict under the Committee's Terms of Reference with his new role as Managing Director of the Promontory Financial Group



Dr Jerry Pawarda

Chairman - External
Ratings Committee

- Professor of Finance in UNSW Business School. Jerry's research specialises in investment management and financial markets.
- Former Head of School - Banking and Finance from 2011-2017.
- PhD and MBA degrees (Edith Cowan University), Bachelor of Commerce (NUST - Zimbabwe), Wharton School's Aresty Institute of Executive Education..



Janice Sengupta

Committee Member

- Former Partner and Chief Investment Officer for AON Asia-Pac APAC and former Executive Director of the Board of Trustees.
- PhD in Econometrics and Quantitative Economics (Stony Brook University), Masters in Economics (University of Illinois).
- Janice is an experienced senior financial executive and brings a significant appreciation of risk and risk management to the ERC.



Paul Coughlin

Committee Member

- Former Executive Managing Director & Global Head Standard & Poor's.
- Bachelor of Economics (Monash University), MBA (University of Melbourne).
- Paul's 24 years at Standard & Poor's is a perfect precursor to his role on our ERC.
- Before his role as Global Head, Paul launched multiple rating systems in a variety of emerging markets for S&P.

2.5 Risks facing the business

An investment in Adviser Ratings should be seen as high-risk and speculative. A description of the main risks that may impact our business is below. Investors should read this section carefully before deciding to apply for shares

under the Offer. There are also other, more general risks associated with Adviser Ratings as there are for any investment (for example, risks relating to general economic conditions or the inability to quickly or easily sell your shares).

Type of risk	Description of risk
Competition risk	There is risk that in our distribution products ("Nightingale"), competitors may start to develop a stronger presence or other data assets they currently don't possess that may impact our market penetration.
Provision of adviser data	The value of the business lies in the database. The primary source of data is financial advisers. If advisers stop believing in the value of providing information (eg. they stop getting leads) then they may cease to do so. This will remove one of the legs in the marketplace and remove the competitive edge we have with our data whilst ensuring we remain privacy compliant. We would have to source data from public sources only. This would open us up to a greater impact of competition and therefore slow revenue and earnings growth.
Consumer traffic	Should consumers not see the value in our ratings or a scandal or competition drive consumers away then the presence of advisers on our site would also evaporate leaving the business to source its data in other ways. We would then lose our competitive advantage and suffer slower revenue and earnings growth. We would likely need to shrink our business to be simply a data collection business (from public sources and research).
Key personnel	The current product set has been conceived and planned by the current executive team and with the input of advisers and key investors. The business is now in the scale-up phase with products and processes well established but nevertheless reliant on the leadership and operational input from Angus, Mark and Claire. Given these dependencies, there would be reasonable disruption to the business and relationships should one of these individuals leave, however apart from Angus' core holding, Mark and Claire's retention is better assured through an expanded equity participation program.

Working capital drain on long-lead-time sales	There is a risk to the business' working capital position if these high-value sales are delayed. This may necessitate further capital injections or deferral of marketing or development activities and hence slow revenue and earnings growth.
Security breaches and cyber attacks	The business holds a database of information on a large number of financial adviser practices, licensees and industry vendors. There would be significant damage to our reputation if this information is stolen and shared with competitors. <i>It is important to note we currently do not keep information on individual consumer's personal or financial positions nor any credit card details.</i> In the event we evolve to broader datasets (e.g. consumer data supplied by vendors), this heightens risk to the business and will need to be managed accordingly. Should a high-profile data breach eventuate then we may see a mass exodus of customers from the platform which would generate a significant liquidity issue especially where external capital was not available.
Insolvency	The Company has resized itself to be profitable. However, in light of the current economic climate brought on by Covid-19, there is no guarantee this raise and forecast sales and contract renewals will be achieved in the quantum or time expected by management, and in that case, that additional funding will be available on favourable terms or that the Company will receive any level of funding at all.

2.6 Financial information

The financial information below has been extracted from the special purpose financial report prepared by Deymos Accountants Pty Ltd for the 12 months ending 30 June 2019 and the two preceding 12 month periods. They are not audited accounts as Adviser Ratings is not a reporting entity as prescribed under the Act and is not required to provide audited accounts.

To assist investors understand the business, Adviser Ratings also provides the management accounts (profit and loss statement and balance sheet - unreviewed by Deymos and unaudited) for the 9 months ended 31 March 2020.

2.6.1 Profit and loss statement

Profit & Loss	Year Ending 30/6/2017	Year Ending 30/6/2018	Year Ending 30/6/2019	9 Months 31/3/2020
Revenue				
Subscription Revenue	74,991	64,582	59,347	18,925
Advertising Revenue	57,174	233,000	115,412	348,000
Data and Compliance Revenue	-	276,578	718,010	700,584
White Label Revenue	-	-	46,000	97,425
Grant Revenue	-	30,000	70,000	-
	132,165	604,160	1,008,769	1,164,934
Costs				
Staffing	(515,453)	(711,249)	(1,334,701)	(985,623)
Non Capitalised IT & Tech	(75,901)	(97,333)	(226,814)	(176,639)
Marketing	(216,029)	(106,076)	(128,844)	(105,350)
Other	(48,119)	(64,032)	(163,589)	(152,058)
	(855,502)	(978,690)	(1,853,948)	(1,419,670)
Depreciation & Amortisation	(111,064)	(167,290)	(259,528)	(257,904)
Interest	(2,499)	(25,959)	(115,726)	(58,686)
R&D Refund	381,421	405,605	250,000	295,027
	267,858	212,356	(125,254)	(21,563)
Total EBITDA	(455,479)	(162,174)	(970,433)	(276,299)

2.6.2 Balance Sheet

Balance Sheet	Year Ending 30/6/2017	Year Ending 30/6/2018	Year Ending 30/6/2019	9 Months 31/3/2020
Assets				
Current Assets				
Cash at Bank	521,155	121,845	111,775	100,254
Trade Debtors		71,500	174,632	173,525
Loan for Shares (CSF)				252,984
	521,155	193,345	286,407	526,763
Non Current Assets				
Web Design and Development	1,130,045	1,615,074	1,860,189	2,514,445
Less Accumulated Depreciation	(302,464)	(467,980)	(697,399)	(865,054)
Licensee Ratings Construction		88,000	413,520	333,940
	827,581	1,235,094	1,576,310	1,983,331
Other Non Current Assets				
Intangible Assets	16,622	14,849	10,051	7,564
Shareholder Loan - Christopher Zinn	250,000	250,000	250,000	250,000
Shareholder Loan - David Koch	250,000	250,000	250,000	250,000
Shareholder Loan - Rodney Lester	25,000	25,000	25,000	25,000
	541,622	539,849	535,051	532,564
Total Assets	1,890,358	1,968,288	2,397,768	3,042,658
Liabilities				
Current Liabilities				
Trade Creditors	387,300	485,032	150,749	24,945
Annual Leave Entitlements			207,325	181,825
R&D Loan	182,931	297,500	215,442	250,000
R&D Provision	(381,421)	(405,605)	(250,000)	(250,000)
ATO Integrated Account	1,105	21,555	80,722	14,596
Other Liabilities	(19,483)	20,402	21,266	95,879
	170,432	418,884	425,504	317,245
Non Current Liabilities				
Employee Loan	24,014	15,663	-	-
Related Loan			361,214	339,872
	24,014	15,663	361,214	339,872
Total Liabilities	194,446	434,547	786,718	657,117
Net Assets	1,695,912	1,533,741	1,611,050	2,385,541
Equity				
Accumulated Losses	(1,050,689)	(1,212,860)	(2,183,297)	(2,459,596)
Shareholder Capital	2,746,601	2,746,601	3,794,347	4,845,137
	1,695,912	1,533,741	1,611,050	2,385,541

2.6.3 Cash flow statement

	Year Ending 30/6/2017	Year Ending 30/6/2018	Year Ending 30/6/2019	9 Months 31/3/2020
Operating Activities				
<i>Receipts from customers</i>	145,381	589,138	1,017,048	1,271,340
<i>Payments to Suppliers & Employees</i>	(321,780)	(839,625)	(2,032,994)	(1,755,021)
<i>Cash receipts from other operating activities</i>	2,915	20,880	(78,256)	2,369
	(173,484)	(229,607)	(1,094,202)	(481,312)
Investing Activities				
<i>Proceeds from sale of property, plant and equipment</i>		165,516	327,152	260,872
<i>Payment for property plan and equipment</i>	(105,176)	(457,029)	(938,498)	(780,743)
<i>Other cash items from investing activities</i>	133,699	1,774	23,521	-
	28,523	(289,739)	(587,825)	(519,871)
Financing Activities				
<i>Other cash items from financing activities</i>	544,849	120,035	1,671,958	989,763
Net Cash Flows	399,888	(399,311)	(10,069)	(11,420)
Cash and Cash Equivalents				
<i>Cash and cash equivalents at beginning or period</i>	121,166	521,054	121,743	111,674
<i>Cash and cash equivalents at end of period</i>	521,054	121,743	111,674	100,254

2.6.4 Statement of changes in equity

	Year Ending 30/6/2017	Year Ending 30/6/2018	Year Ending 30/6/2019	9 Months 31/3/2020
<i>Opening Balance</i>	1,285,332	1,695,913	1,533,739	1,611,052
<i>Current Year Earnings</i>	(455,479)	(162,174)	(970,433)	(276,299)
<i>Issued Capital</i>	866,060		1,047,746	1,050,790
Total Equity	1,695,913	1,533,739	1,611,052	2,385,543

2.6.5 Historical performance and outlook

Historical performance

- The first three years of Adviser Ratings was spent investing in technology and securing the right team for the future.
- The last two years have been about developing commercial products and services and establishing a recurring, ascendant and diversified revenue base.
- Since “turning on” our core data products two years ago, we have now secured 22 clients on one, two or three year contracts with annual recurring revenue (ARR) of \$1.1M. This represents an 85% increase in ARR and number of clients since the last CSF raise in June 2019.
- Since June 2019, only two contracts expired and both were renewed after securing a substantial increase in value.
- In 2019, we removed our adviser subscription model (hence the decline in adviser subscriptions in our P&L), to provide a more frictionless experience for advisers and in order to strengthen our underlying core data.
- In March 2020 we significantly reduced our cost base whilst retaining core members of the team. The business is now cashflow positive (subject to clients renewing their contracts).

Outlook

Management and the Board have significant plans around the growth of the business in all products currently being sold and under construction. However the use of forecasts in this document are strictly controlled by the Corporations Act and are similar to those which regulate the use of forecasts

in an IPO prospectus. As such, the Board is restricted from showing management’s forecasts.

However to provide investors with a view of the revenue capacity in the business and therefore its value to investors, the Board wishes to observe the following on the Company’s outlook:

- The sales pipeline currently stands at \$4M of targeted revenues across only Data and Analytics and White Label products. This pipeline estimate takes a conservative view of client scope and does not factor in any unit price increases (including for renewals) despite the stunning results achieved with the last two renewals.
- Sales to date have been driven by a single resource, CEO Mark Hoven. Recently, founder Angus Woods joined the effort and has been given responsibility for several vendor segments. Post-raise and post-COVID-19, we will be seeking more dedicated sales support to grow and convert the pipeline faster.
- Deal origination has improved and lead times shortened as our reputation grows, our products solve evolving market problems, and through client recommendations. Apart from growing our market share with our core Nightingale data service, our product diversification means that we are now pursuing multiple contracted services to a single client.
- Depending on how quickly our economy returns to equilibrium, we anticipate a strong H2 CY2020 as over \$500k of sales expected in H1 CY2020 were deferred six months due to COVID-19 impacts and delays to rollout of Vendor Marketplace.

Section 3: Information about the Offer

3.1 Terms of the Offer

Adviser Ratings Pty Ltd is offering up to 22,242 shares at an issue price of AU \$22.48 per share to raise up to \$500,000.

The key terms and conditions of the Offer are set out in the table below.

To participate in the Offer, you must submit a completed application form together with the application money via the Intermediary's platform. The Intermediary's website provides instructions on how to apply for shares under the Offer at www.birchal.com.

The Intermediary must close the Offer early in certain circumstances. For example, if the Maximum Subscription is reached, the Offer must be closed.

Shares	Details
Shares	Fully-paid ordinary shares
Price	\$22.48 per share
Minimum Subscription	\$1
Maximum Subscription	\$500,000
Opening date	28th April 2020
Closing date	7 May 2020, unless closed earlier by the Intermediary

A description of the rights associated with the shares is set out in Section 3.3 below.

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

The Offer is not underwritten.

3.2 Use of funds

Whilst the business has now positioned itself as cash flow positive, there remains existential economic risks associated with Covid-19 that may cause planned revenues to not be forthcoming.

As such, the primary use of our funds will be for working capital purposes and to ensure we have appropriate cash buffers in place in the event that contracts are not renewed. A maximum raise will allow us to continue to maintain and improve the existing platform.

Immediately prior to the offer, the Board raised \$187k in funds from existing investors. The Offer is not underwritten and there is no guarantee that these funds will be raised.

The cost of the Offer includes the Intermediary's fees under the hosting agreement between the Company and the Intermediary.

These fees are up to 6% of all funds raised by the Issuer through Birchal Financial Services Pty Ltd (Intermediary), plus \$2,800 for administration and setup costs.

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

3.3 Rights associated with the shares

Immediately after issue, the shares will be fully-paid shares. There will be no liability on the part of shareholders and the shares will rank equally with the shares currently on issue. The rights associated with the shares will be set out in the Company's constitution. A summary of these rights is set out below.

3.3.1 Voting rights

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

3.3.2 Election and removal of directors

Shareholders may vote to elect and remove directors at a general meeting by way of ordinary resolution (50%).

3.3.3 General meetings and notices

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

3.3.4 Dividends

All shareholders have a right to receive any dividends declared and paid by the Company. The directors have a discretion and may resolve to pay dividends, subject to their obligations under the Corporations Act (for example, they cannot pay dividends unless the Company's assets are sufficiently in excess of its liabilities

immediately before the dividend is declared and where it may materially prejudice the Company's ability to pay its creditors).

3.3.5 Winding-up

If the Company is wound up and there are any assets left over after all the Company's debts have been paid, the surplus is distributed to holders of ordinary shares after secured and unsecured creditors of the Company. Holders of fully-paid ordinary voting shares rank ahead of other classes of shares (if any).

3.4 What can I do with my shares?

Shares in the Company are considered illiquid as they cannot easily be transferred or sold however there are provisions for a shareholder to sell to a third party or other shareholders subject to the terms included in the Restated Shareholders Deed. However, there are numerous possible circumstances that may create an opportunity for shareholders to exit the business. These include, but are not limited to:

- A trade purchase of the Company;
- A listing on a recognised stock exchange (eg the ASX);
- A private equity investment in the Company;
- A share buy-back by the Company; and
- Sale to a third party or other shareholder if within the terms of the Restated Shareholder Deed.

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

3.5 Details of previous CSF offers

On 28 June 2019, Adviser Ratings launched its first CSF offer. At that time, the directors were Angus Woods, Jason Muhs and Paul Hunyor. Information about these directors is available in Section 2 of this offer document.

In the first CSF offer, Adviser Ratings offered up to 53,380 fully-paid ordinary shares at an issue price of \$28.10 per share to raise up to \$1,500,000. That CSF offer was completed raising \$1,103,094.

Section 4: Information about investor rights

4.1 Cooling-off rights

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

You must withdraw your application via the Intermediary's platform as follows: by following the link and instructions on the CSF Offer page on the Intermediary's platform.

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

4.2 Communication facility for the Offer

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

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

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

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

4.3 Proprietary company corporate governance obligations

4.3.1 Annual report

The Company is required to prepare and lodge these annual reports with ASIC (within four months of the financial year end). The Company has a 30 June year end and its financial reports must be lodged by 31 October each year.

Our financial reports are currently not required to be audited as we are a small proprietary company. This means that the Company's financial reports will not be subject to auditor oversight and, therefore, there will be no independent assurance of the Company's financial statements. However, the directors are still required to ensure that the financial statements give a true and fair view of the Company's financial position and performance and that the financial statements comply with the accounting standards.

We may be required to have our financial reports audited in the future if we raise more than \$3 million from CSF offers (including this current offer and any future offers) or otherwise become a large proprietary company.

4.3.2 Distribution of annual report

The current shareholder arrangements commits Adviser Ratings to provide a copy of the Annual Report to all shareholders within 90 days of the end of the financial year and to also provide quarterly updates to all shareholders. Under the legislative framework post the Offer Adviser Ratings will also lodge Annual accounts with ASIC no later than four months after the end of the financial year.

The information will be provided via email.

4.3.3 Related party transactions

The rules on related party transactions in Chapter 2E of the Corporations Act apply to the Company (for so long as we continue to have CSF shareholders). This means that the Company is required to obtain shareholder approval before giving financial benefits to related parties of the company (e.g. directors and their spouses, children or parents), subject to certain exceptions (such as reasonable remuneration provided to directors).

4.3.4 Takeovers

The takeover rules in the Corporations Act apply to the Company, however, in a very limited way. If someone wants to buy more than 20% of the voting shares in the Company, they will be able to do so without complying with the takeover rules. This means a person may be able to get control of the Company without making a formal takeover bid to all shareholders or without seeking shareholder approval.

Shareholders will not have the benefit of the full protections under the takeover rules, which means you may not have the right to vote on or participate in a change of control of the Company. However, the general principles of ensuring shareholders have sufficient information and time to consider a change of control, and all have a reasonable and equal opportunity to participate in any benefits, will apply to the Company. In addition, the Takeovers Panel has jurisdiction to hear disputes relating to control of the Company.

Glossary

Term	Description
Company	Means Adviser Ratings ty Ltd ACN 154 273 640.
CSF	Means crowd-sourced funding under Part 6D.3A of the Corporations Act.
Cooling off period	Means the period ending five business days after an application is made under this Offer, during which an investor has a right to withdraw their application and be repaid their application money.
Intermediary	Means Birchall Financial Services Pty Ltd AFSL 502618.
Maximum Subscription	Means the amount specified in this CSF offer document as the maximum amount sought to be raised by the Offer.
Minimum Subscription	Means the amount specified in this CSF offer document as the minimum amount sought to be raised by the Offer.
Offer	Means an offer of fully-paid ordinary shares by the Company under this CSF offer document.
Wholesale Investor	Means an investor who satisfies the definition of a 'wholesale client' under Chapter 7 of the Corporations Act 2001 (Cth).



**Adviser
Ratings**



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