

Adviser Ratings Pty Ltd

Crowd-sourced funding offer document

Dated 30 June 2022

Offer of fully-paid ordinary
shares in Adviser Ratings Pty
Ltd at \$34.10 per share to raise
a maximum of \$1,500,000

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 want to become the number one provider of wealth data globally – and provide the standardisation on what constitutes quality advice.



Visit us online:

adviserratings.com.au



Our location:

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



Contact:

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.

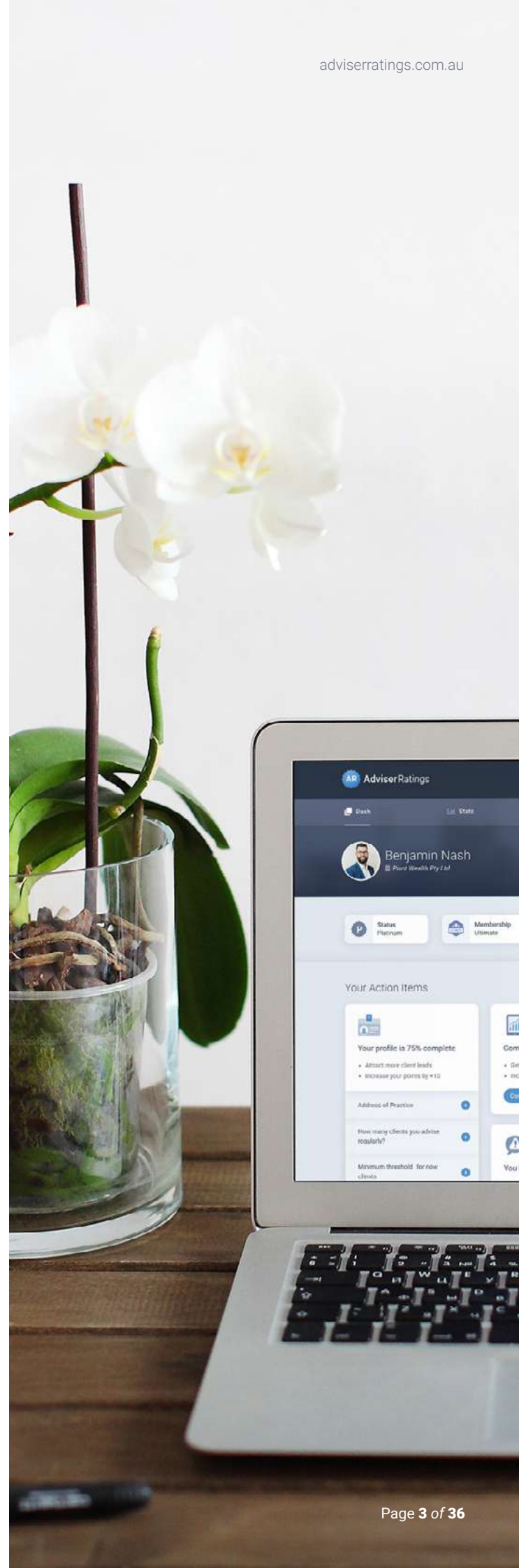
Even if the company is successful, the value of your investment and any return on the investment could be reduced if the company issues more shares.

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,

I believe there are few moments in an industry's lifecycle that go through such significant disruption – we are currently experiencing this in wealth management.

Adviser Ratings, created in 2014, spawned off the disconnect and information asymmetry between financial advisers and consumers, by creating the only consumer-adviser review marketplace and lead generation platform to help bridge adviser trust and provide clearer information and intelligence on advisers.

In the last few years, further legislation changes alongside a doubling in the demand for financial advice on the back of the pandemic¹, has placed the Adviser Ratings business model in a unique position.

Our current consumer-adviser marketplace has helped create an ecosystem of data solutions for the wealth industry, including fund managers, superannuation funds, wealth platforms and life insurers. In a few short years, these data solutions have generated cumulative revenues of more than \$9M², built scalable technology and onboarded major blue-chip clients on multi-year contracts.

To grow our capability and take advantage of this regulatory change, we are undertaking a capital raise of up to \$1,500,000. The proceeds of the capital will be invested in strengthening our proprietary data assets, our industry

data marketplace and sales capabilities.

The demand for wealth data and insights is enormous in Australia and will become more pronounced³ given ongoing volatility in the markets. Financial advisers now manage 45% of Australians \$6.7 trillion superannuation and wealth money.⁴

As McKinsey noted in its future proofing for 2025, "Data marketplaces enable the exchange, sharing, and supplementation of data, ultimately empowering companies to build truly unique and proprietary data products and gain insights from them. Altogether, barriers to the exchange and combining of data are greatly reduced, bringing together various data sources in such a way that the value generated is much greater than the sum of its parts."⁵

A stylized, handwritten signature in black ink, consisting of several loops and a long horizontal stroke.

Angus,
Founder and Executive Director

1 & 4. 2022 Financial Advice Landscape Report.

2. Since Financial Year 2017

3. Deloitte, Wealth and asset management 4.0

5. <https://www.mckinsey.com/business-functions/quantumblack/our-insights/the-data-driven-enterprise-of-2025>

2.1 Company details

Key investment takeaways

- Adviser Ratings is a revenue generating and cash flow neutral start-up in the regtech/fintech space.
- Earnings are derived mainly from the sale of data-led compliance and distribution products to wealth sector vendors, our white-label SaaS and CRM engagements.
- As financial advisers, consumers and wealth vendors move “online”, our business is positioned well to capitalise on this change. Current market volatility has seen an increase in the demand for financial advice and wealth management solutions.
- Blue-chip client base consisting of some of the largest vendors in the wealth industry.
- 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 solutions with AustralianSuper, ASX and Colonial First State (CFS).
- The business as of June 2022 now has 31 “Tier 1” clients, including netwealth, Hub24, Vanguard, Blackrock, AustralianSuper, QSuper and ASX to name a few - annual contracted revenue is \$2m.
- Since our previous raise, we have implemented significant platform enhancements, including a new adviser portal to allow advisers to reach consumers in new ways including social media integration.
- We are raising up to \$1,500,000 from CSF shareholders to provide the necessary capital to accelerate our growth and seize the opportunities presented by recent regulatory changes.

This offer of shares is made by Adviser Ratings Pty Ltd ACN 154 273 640:

Company	Adviser Ratings Pty Ltd
ACN	154 273 640
Date of Incorporation	15/11/2011
Offer Type	Crowd-sourced funding
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	‘Tower 3’ Level 22, 300 Barangaroo Avenue, SYDNEY NSW 2000

Progress Scorecard

Strategic Focus	Year	Strategic Objectives from Offer Documents	Progress	Future	Status
Technology development	2020	Grow our white-label "Find An Adviser" service with further market penetration.	Since launching the first white-label solution, we have rolled out our white-label solution to two other major customers.	We are looking to expand our white-label solution with additional features like Adviser Quality Scores (AQS) to further penetrate the wealth industry with this solution.	✓
Technology development	2019	Launch a 'Vendor Marketplace'	Prototype developed late 2019 and in the pipeline for release, COVID-19 delayed the launch and forced an evolution of elements of the product.	Future enhancement/development will focus on a marketplace for insights and data.	—
Data products	2019	Invest in smart data-science	<p>Data science proof-of-concept models continue to be developed with two key models rolled out into the wealth industry.</p> <p>Flight risk scores Predictive model to identify who is at risk of leaving the industry.</p> <p>Segmentation model Model that helps identify sales & distribution opportunities in the their client base.</p>	Further investment in infrastructure and talent to roll out data products in the first half of FY23.	✓
Data products	2019	Licensee Ratings	<p>The licensee rating has evolved into the Adviser Quality Score. The objective of the scores is to become the standard ratings system used across the industry relating to financial advisers.</p> <p>The AQS is governed by the external ratings committee (ERC) - refer to page 24 for more details.</p> <p>The AQS has been tested with several large wealth industry participants including a superannuation fund and a major retirement asset manager.</p> <p>'Beta' testing with licensees opened up in June 2022.</p>	<p>We continue to roll out the scoring system to wealth industry participants.</p> <p>Further commercialisation is planned for the product in the second half of FY23</p>	✓

2.2 Description of the business

2.2.1 About the company

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 financial licensee companies - a key driver in the quality of advice provided.

We assist wealth sector vendors such as fund managers, wealth management platforms 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 by offering scalable data solutions.

The advice industry is made up of approximately 17,000 financial advisers and 6,900 advice practices, licensed by around 2,000 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.

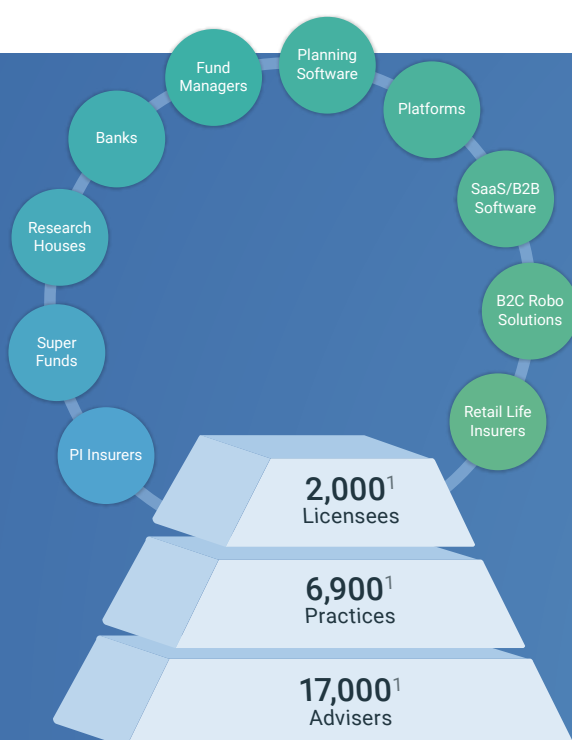
The Australian wealth market managed by financial advisers is expected to grow from \$3 trillion to \$10.1 trillion by 2035². Australia currently ranks 5th globally in terms of assets held in pension / superannuation funds at close to \$3.5 trillion, only behind the USA, UK, Japan and Canada³. This is partly driven by the structural foundations of the Superannuation Guarantee and its planned increase to 12% by 2025.

"Adviser Ratings' data is insightful and topical, with analysis that provides a genuine advantage to industry participants and investors alike."

Nicholas McGarrigle,
Founding Principal, Co-Head
of Emerging Companies
Research, Barrenjoey



Individual has provided consent to inclusion of this statement.



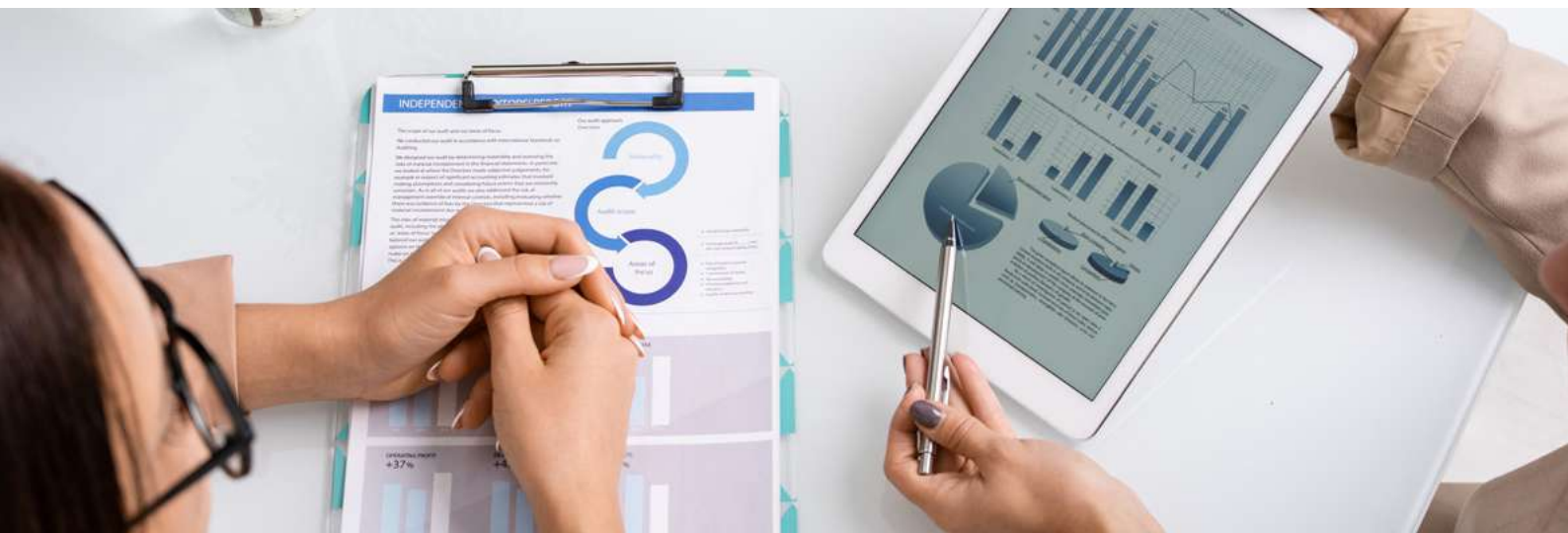
Australian Wealth Management Sector



1. ASIC Financial Adviser Register, Adviser Ratings

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

3. <https://www.thinkingaheadinstitute.org/research-papers/global-pension-assets-study-2022/>



2.2.2 Products / Services

The Adviser Ratings consumer website (www.adviserratings.com.au) sits at the core of the company's capability and value proposition. This site is free to access for consumers and advisers.

The consumer website captures a large dataset on the financial adviser community that is proprietary to Adviser Ratings. Consumers are incentivised to participate in using the website to research financial advisers and share feedback on advisers with other consumers.

When coupled with other external data sources, the Adviser Ratings dataset becomes a trusted source of quality information and insight into the adviser community and becomes invaluable to vendors in the wealth industry.

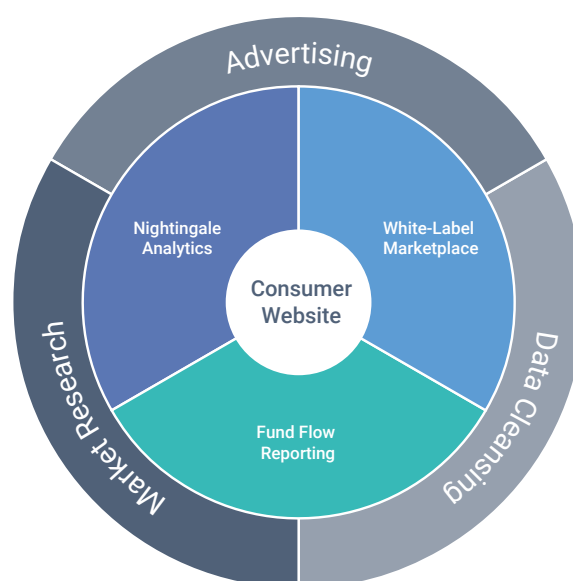
The datasets are commercialised by Adviser Ratings through its three core scalable data products:

1. Nightingale Analytics - A proprietary data, analytics and new adviser and licensee scoring solution, that can be embedded into the CRMs of our clients as part of their workflow.
2. A fund flow reporting solution that assists fund managers manage the flows into and out of their fund (Fund Flow Reporting).
3. The consumer website can also be white-labelled for clients who wish to leverage the features of the

platform to provide access for their end customers / members to financial advisers. Our platform is currently the white-label solution for AustralianSuper, ASX and CFS. This in turn enhances the network effect for advisers to manage their profile and data on the Adviser Ratings website.

Adviser Ratings also generates revenue from a range of complementary services, which either leverage the proprietary datasets or are designed to enhance client value in conjunction with delivery of the key products.

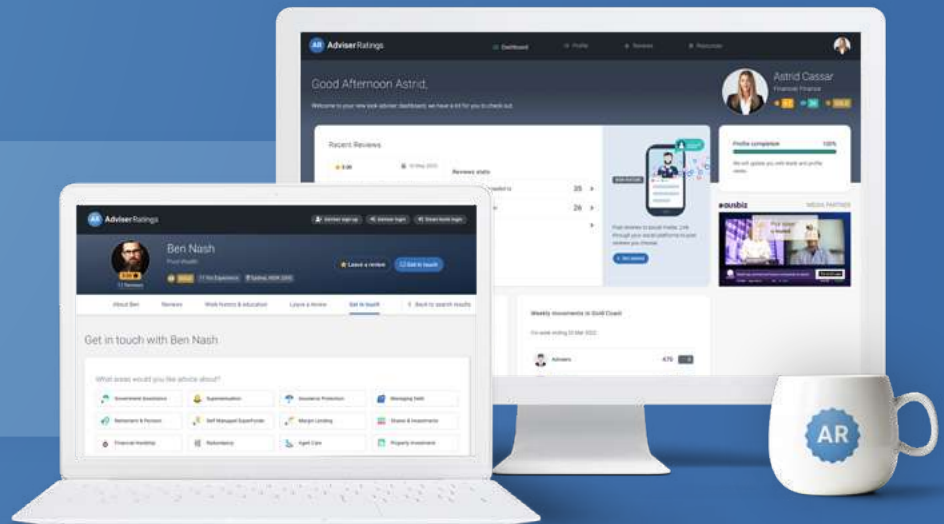
Chart: Adviser Ratings complementary services



Our Products

Consumer Marketplace

A public website that connects consumers with 17,000 financial advisers, through articles or research, and lead generation.



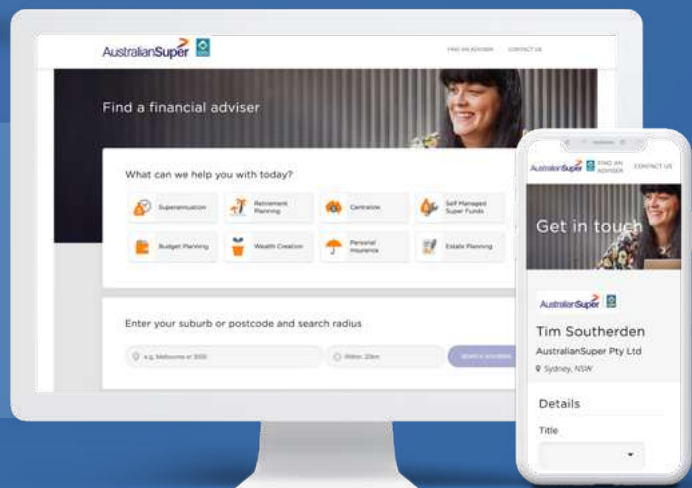
Nightingale Analytics

A customisable data service comprising contact and insight intelligence on the universe of advisers, practices and licensees for growth and compliance applications. Data is supplied via various means, including API and SFTP flat files.



White-Label "Find An Adviser"

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



Adviser Quality Scores

A proprietary scoring systems to determine "quality of advice" benchmark and standard on financial advisers. The 'credit score' of the financial advice industry.



Our Products

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.



CRM integration

Certified CRM experts that use inhouse solution design packages that fully leverage the Nightingale Analytics and Fund Flow data. Data updates can be automated via our API. Tactical, specialist and flexible CRM support is available with long term agreements.



Market Research

Essential fact-based research powered by our unique data insights. Featuring staple industry reports (free and paid), including the Financial Advice Landscape report and the quarterly Musical Chairs report.



2.2.3 Marketing & Distribution

Our marketing and distribution strategy will be opportunistic during this current period of market volatility. We believe this presents upside for our business model as consumers need more assistance for help from financial advisers, and wealth vendors need to position their solutions in a more tailored, targeted, cost effective and compliant way.

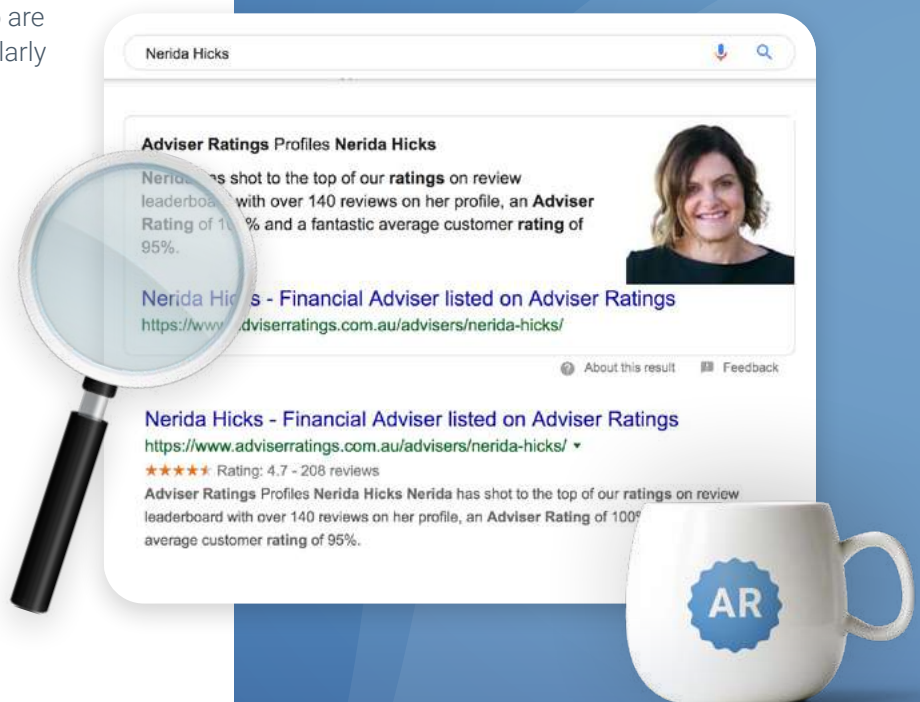
The messaging will be tailored to different audiences, depending on their needs:

Consumers

- **PR:** Adviser Ratings has developed good media relationships with mainstream and trade media. With the global economic uncertainty generating significant content around money matters, Adviser Ratings is well placed to be an independent thought leader.
- **Media Executive Strength:** we will continue to leverage our key shareholders in Adviser Ratings, media personalities and money commentators, David Koch and Christopher Zinn, 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. 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:** 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 the wealth industry) and corporations with large employee or member bases, who represent a significant opportunity for our white-label solution.

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 2.2.5 Key Platform Metrics) leads despite limited online marketing.

1. Brightlocal Research, Local Consumer Review Survey, 2018

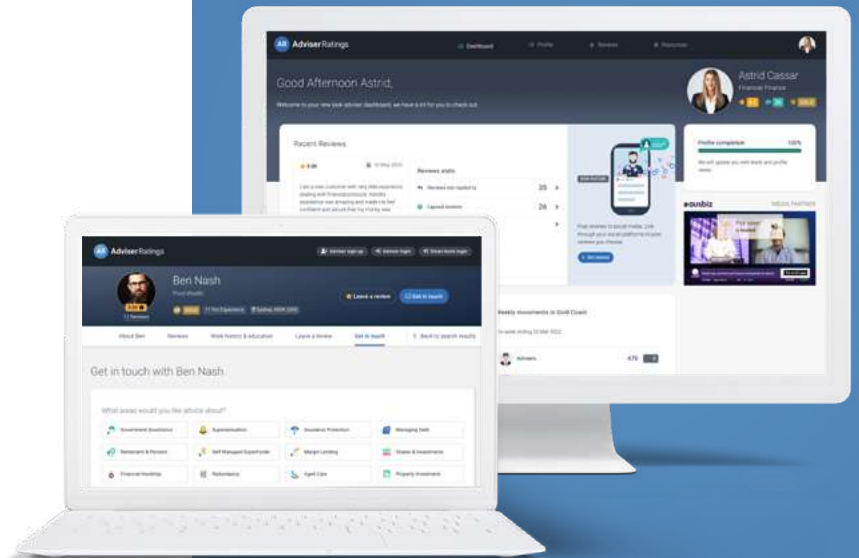


Advisers

- **eDMs (electronic direct mail) and Webinars:** we have one of Australia's most comprehensive databases 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 is intended to further the network effect and create increased engagement with Adviser Ratings.
- **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 to 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 one of Australia's largest databases of wealth sector vendors, given the 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. As part of our growth strategy we will build an insights portal for vendors to access research, data and insights. We will leverage existing work that was completed on the Vendor Marketplace
- **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 much of our engagement to date.



"Adviser Ratings has helped us scale. At a particular time now, where we're seeing so much movement in the industry, to be able to have that real-time data at our fingertips, to perform our marketing and sales activities has been fantastic. We're really a partnership with Adviser Ratings."

Andrew Campion, CFA

*General Manager,
Investment Products, ASX*

Individual has provided consent to inclusion of this statement.

2.2.4 Market & competitors

With Australia being the 5th largest pension market in the world¹ with a unique world leading superannuation system, and a financial adviser market that manages 45% of Australia's \$6.7 trillion wealth², we believe the opportunity to double down in this market is enormous.



Large Addressable Market With Strong Industry Tailwinds

- \$500m+ addressable market for Adviser Ratings data solutions in Australia.
- We see the increasing regulatory challenges facing the wealth industry driving vendors to seek solutions to address headwinds for product distribution, while consumers are seeking a transparent, independent source of truth regarding financial advisers.



Strong Competitive Position With Unique Barriers to Entry

- The consumer website has become the source of a difficult to replicate business model, and hence dataset on financial advisers in Australia offering insights for the wealth industry (Adviser Ratings' domain in data for the wealth industry in Australia alone is a \$100m+ market).
- Our dataset has been cultivated over nearly a decade, and coupled with external data sources, provides deep insight into the adviser population.



Sticky Blue-Chip Customer Base

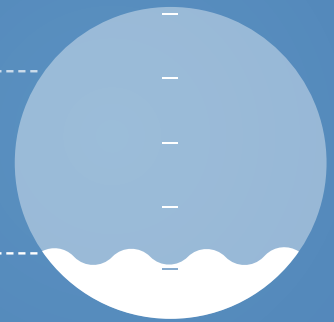
- Blue-chip client base consisting of some of the largest vendors in the wealth industry (e.g. superannuation funds, asset managers and wealth platforms).
- 100% of ARR maintained year on year from annual subscription clients.
- Ability to further increase share of wallet by upselling other data solutions from the product suite.

A\$500m

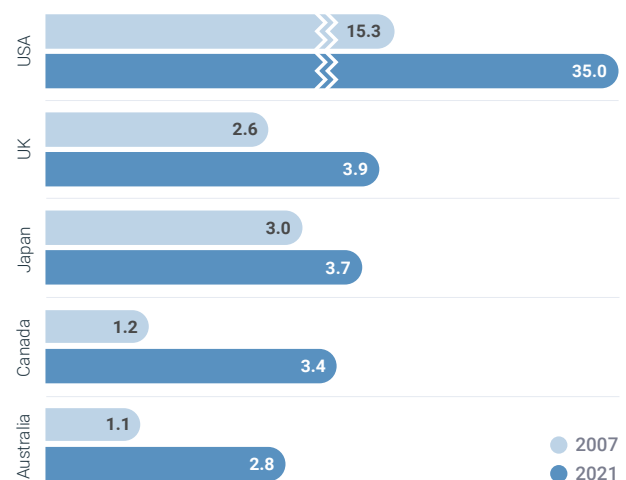
Total Addressable Market (TAM)

A\$100m

Total Serviceable Market (SAM)



Total estimated pension markets 2021 (USD Trillion)¹



There is no equivalent business to Adviser Ratings in terms of breadth of offering, reach and leverage in the financial advice space.³

Our marketplace that generates thousands of client reviews and free leads each year is our key differentiator. The white-label product also requires advisers to claim their profile and participate in Adviser Ratings' core marketplace (ie adviserratings.com.au) to be found on these white-label "Find-an-Adviser" solutions.

1. <https://www.thinkingaheadinstitute.org/research-papers/global-pension-assets-study-2022/>

2. 2022 Financial Advice Landscape Report

3. Management research into other vendor offerings

2.2.5 Key Platform Metrics

Key platform metrics for the consumer website that are measured by Adviser Ratings include profile claims, adviser reviews and leads. These metrics provide insight into the level of activity through the website, which contributes to the overall comprehensiveness and quality of the dataset underpinning its products.

The relative percent coverage of the Australian adviser community by Adviser Ratings has continued to increase

Profile Claims

Adviser profile claims on the platform are reflective of the extent to which Adviser Ratings is able to gather proprietary adviser data outside of publicly available data sources, and is a unique barrier to competition.

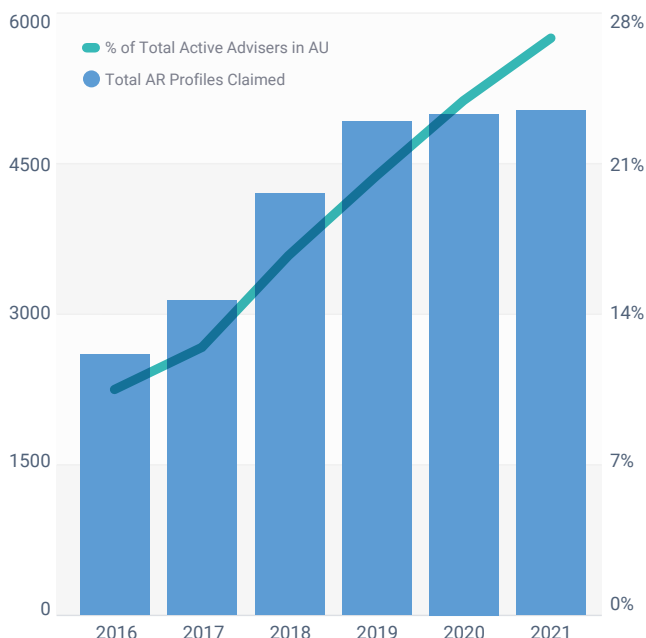
The adviser pool in Australia has declined by more than 40% since the Hayne Royal Commission¹ in 2019 and the creation of more stringent regulation that is focused on quality and education. Despite this, the relative % coverage of the Australian adviser community by Adviser Ratings has continued to increase.

Adviser Reviews

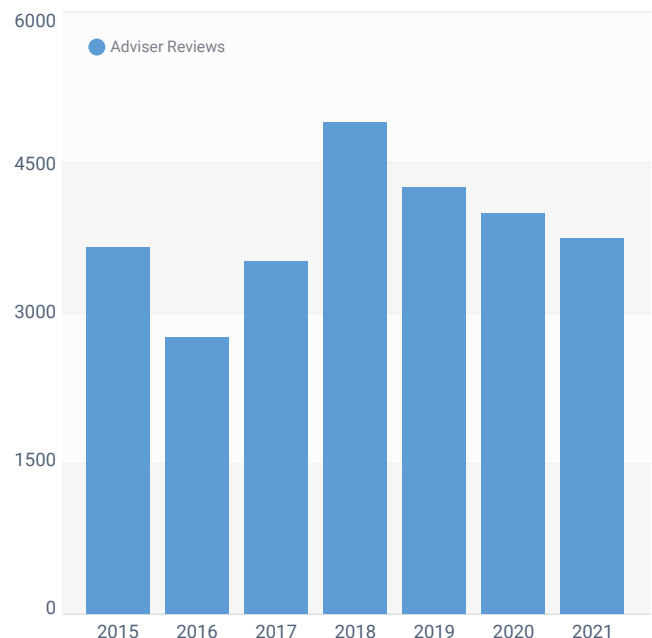
Adviser reviews on the consumer website reflect the level of activity on the platform, contributing to the quality of the datasets.

Historically, a limitation of the consumer website was a limitation on consumer reviews to 1 per consumer per adviser, but the recently refreshed consumer website in May 2022 removes this limitation, which will enable an increase in consumer reviews, corresponding data capture and increased adviser quality.

Profiles claimed on AdviserRatings.com.au²



Adviser reviews on AdviserRatings.com.au (2015-2021)



1. <https://asic.gov.au/for-finance-professionals/afs-licensees/financial-advisers-register/>

2. As of June 2022, claimed advisers represent 31% of active financial advisers

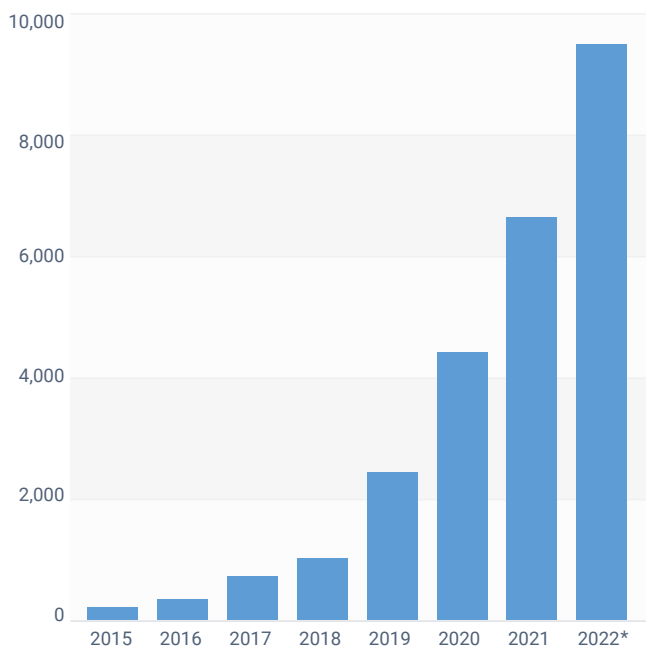
Leads

The increase in client leads and demand for financial advice provides an increased incentive for financial advisers to maintain a profile on Adviser Ratings and increase their engagement with the platform.

The white-label Find-an-Adviser offerings have led to an exponential increase in the volume of leads.

Increase in leads will translate to an acceleration in the continued enhancement of the Adviser Ratings datasets as client profile capture is a core consideration for wealth vendors design and distribution obligations (DDO) under the new DDO Act enacted in 2021.

Leads generated through our Find-an-Adviser platform including white-label



* Estimate based on 6 months to Jun-22 (5,145 leads)

Leads generated through our Find-an Adviser platform and white label solutions has increased by 2,200% between 2015 and 2021



"This week, we've been approached by two separate groups of new clients, that have relocated to our little piece of paradise and contacted us for initial appointments ... wait for it ... Based SOLELY on the influence they were afforded via the Adviser Ratings Platform. Both searched or "researched" via Google, and found the AR site, and made appointments with the top three locals. All did their groundwork prep using your site, read a few associated articles, got a virtual feel, and felt confident enough to request appointments. Furthermore, they turned out to be good clients and fantastic additions to our family of clients – so for that, I thank you!"

Ben Neilson

Financial Adviser

Individual has provided consent to inclusion of this statement.

2.2.6 Challenges facing the wealth industry



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 superannuation 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

More than 50% of advisers have switched licensees in the last 3 years¹ (March 2019 - March 2022).



Orphaned Clients

Over \$900b of advised wealth in transition over next 5 years² 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



1. ASIC Financial Adviser Register, Adviser Ratings

2. 2022 Financial Advice Landscape Report.

2.2.7 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 set aside billions of dollars to compensate customers¹ 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.

We believe 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.

¹. ASIC, 22-020MR

Our Data Assists the Wealth Industry at Multiple Touchpoints



2.3 Business and revenue model

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 licences to the entire data suite well in excess of \$150k pa.

The majority of the products are annual subscription / SaaS based. Our annual recurring revenue (ARR) currently sits at \$2m across 31 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.

Our insights ecosystem will generate revenue through a mix of predictive data products including our Adviser Quality Scores, along with access to interactive insights from descriptive through to prescriptive analytics.

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

2.4 Business strategy

The wealth industry is being forced to re-evaluate its entire proposition through increased digitisation and data. Leading wealth players, such as asset managers and superannuation funds, of which some are already existing clients of Adviser Ratings are adopting and adapting their data strategies as investment preferences and the regulatory environment, particularly in Australia, evolve at a rapid rate.

The amount of data globally has grown 136% since 2019, meaning more data has been created in the last three years than in the history of the human race¹. With exploding growth in data comes the need for businesses to organise, interpret and act on the information in real time to stay competitive. Data visualisation techniques improve the ability of business leaders to identify trends in a vivid, graphic context. It also lets them see and grasp important connections and identify new opportunities.

We believe the opportunities for these scaled data analytics and visualisation solutions and platforms are enormous in the Australian wealth industry. We

have already captured market leaders, such as ASX, Vanguard, Blackrock and AustralianSuper on multi-year contracts, showcasing the strength of our existing solutions and for our future solutions that will help the market navigate this disruption (refer to page 20 for examples of this disruption).

Our vision is to continue to enhance the financial advice and wealth ecosystem where the network effect of sharing information and insights is the cornerstone of positioning ourselves around this data theme. Existing and new clients will be able to actively participate in this ecosystem, stay ahead of regulatory change and allow us to augment shared data and resources to build and create bespoke data products.

1. <https://www.statista.com/statistics/871513/worldwide-data-created/>

"The amount of data created worldwide is expected to double again by 2025"
-statista.com

AustralianSuper

Find an Adviser | Contact Us

We've found 14 advisers that match your needs
Select from the list below for more details and to make contact

Display as: List | Map | Sort by: Name | Location | Distance | View

Location: Haymarket NSW 2000

Distance within: 20km

Type of help:

- Superannuation ☒
- Retirement Planning ☒
- Centrelink ☒
- Self Managed Super Funds ☒
- Budget Planning ☒
- Wealth Creation ☒
- Personal Insurance ☒
- Estate Planning ☒

Adviser	Company	Location	Distance
Tim Southerden	Australiansuper Pty Ltd	Sydney NSW 2000	0 km
Fernanda Havea	Australiansuper Pty Ltd	Sydney NSW 2000 & Sydney NSW 2000	0 km
Vitaliy Tsitalovsky	Australiansuper Pty Ltd	Sydney NSW 2000	0 km
Carolyn Spampinato	Mortgage Choice Pty Ltd	Woolahra	3 km
Kevin Smith	The Professional Ltd		
Craig Milroy	Much More Than		
Malcolm Greenlee	Principle Advisers Pty Ltd	Wentworth NSW 2060 & Baulkham Hills NSW 2153	3 km
Rodney Rose	Life Plan Financial Advisors	Bondi Junction NSW 2022	4 km

What can we help you with today?

- Superannuation
- Retirement Planning
- Centrelink
- Self Managed Super Funds
- Budget Planning
- Wealth Creation
- Personal Insurance
- Estate Planning

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

The growth strategy for Adviser Ratings revolves around:

- Roll out of the Adviser Quality Scores to licensees, superannuation funds, asset managers and product manufacturers to help navigate the increasing regulatory and compliance demands.
- Go-to-market strategy focused on a direct sales approach to convert a strong pipeline of existing leads and capitalise on the strong and growing market position as a leading data solutions supplier to the wealth and financial services market.
- Delivering enhancements to existing capabilities of the platform.
- Potential expansion into overseas markets and adjacent industry segments (e.g. mortgage brokers and accountants).

Our growth is aimed at helping the industry solve the following problems:

Area	Problem
Retirement Income Covenant (from July 2022)	Requires trustees of superannuation funds to develop a retirement income strategy for their members who are retired or are approaching retirement.
Quality of Advice Review (from Dec 2022)	The Government is committed to ensuring that Australians have access to high quality, affordable and accessible financial advice.
Design and Distribution Obligations (as of Oct 2021)	These reforms require firms to design financial products to meet the needs of consumers and to distribute their products in a more targeted manner.



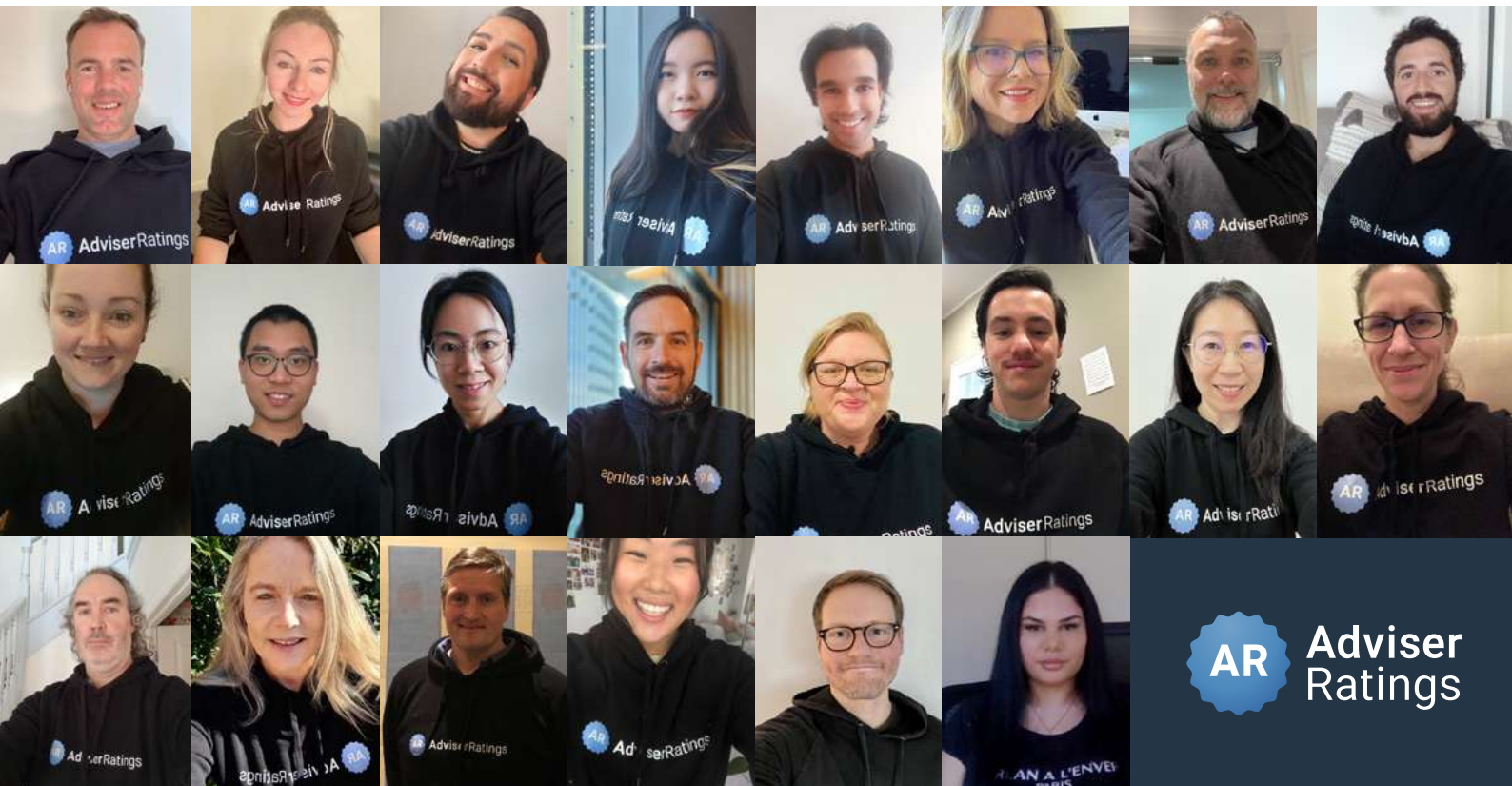
“

“From a product provider’s perspective, from Abrdn’s perspective, it’ll certainly allow us to more effectively target our product distribution. From a design and distribution perspective, and clearly that’s recent legislation that’s been introduced, Adviser Ratings can provide the industry with the ability to provide better, more targeted service to end consumers for the the benefit of everyone. Ultimately, that should improve the confidence in the wealth management industry.”

Brett Jolie

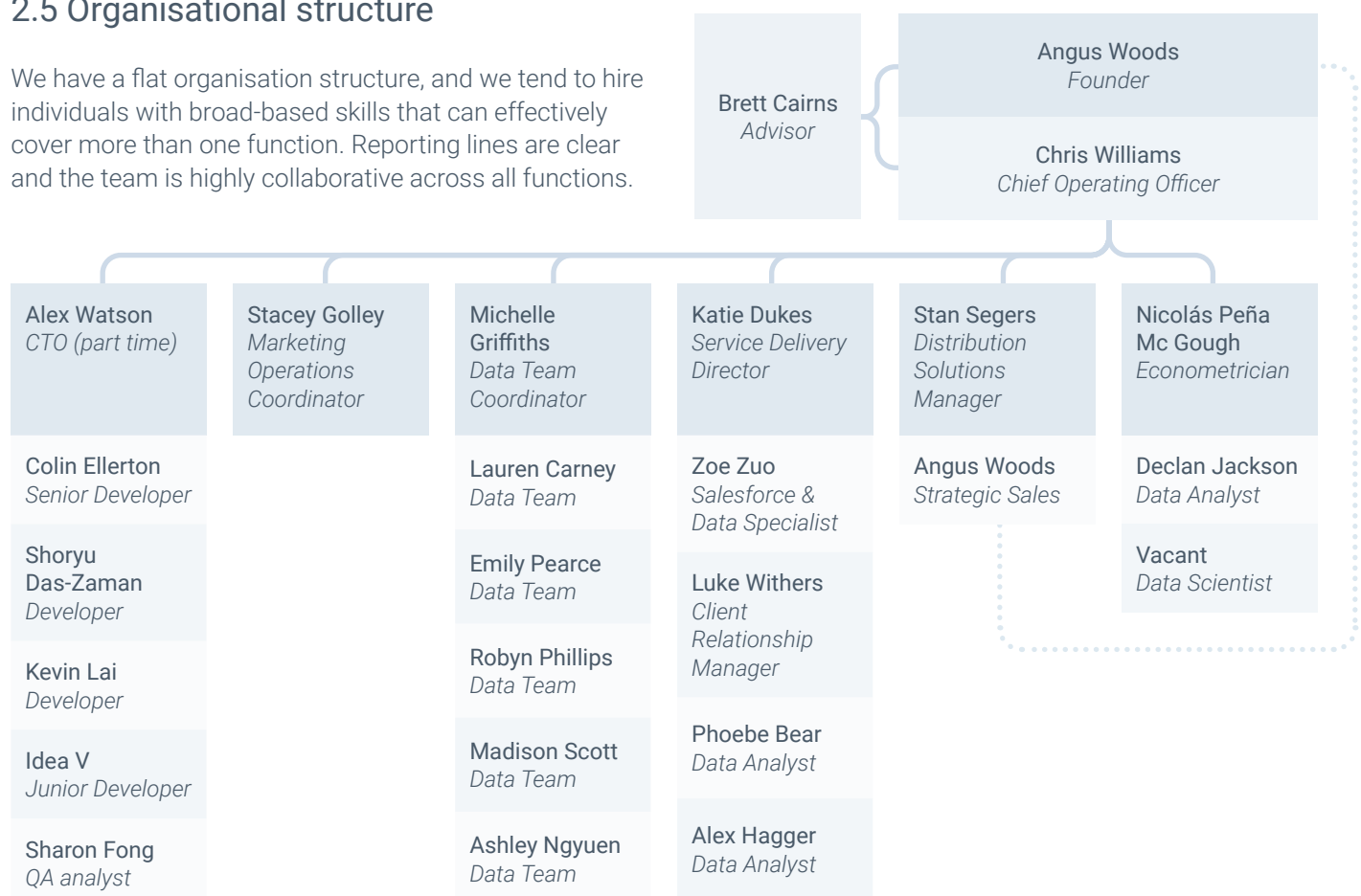
CEO Australia, Abrdn

Individual has provided consent to inclusion of this statement.



2.5 Organisational structure

We have a flat organisation structure, and we tend to hire individuals with broad-based skills that can effectively cover more than one function. Reporting lines are clear and the team is highly collaborative across all functions.



2.6 Capital structure

2.6.1 Issued capital (before and after the offer)

As at the date of this Offer Document, the Company has 439,340 ordinary shares and 44,516 options on issue. The Company has also allocated (but not issued) 39,904 options under

the Company's Employee Share Option Plan. The majority of shares are held by the Company's founders/directors. Table 1 below sets out the issued capital of the Company before the Offer.

Table 1: Issued capital of the Company before the Offer

Shareholder	Fully paid ordinary shares		Options	Fully Diluted (Pre offer)	
Angus Woods	192,194	44%		192,194	37%
Euclid Pty Ltd	25,485	6%		25,485	5%
Christopher Zinn	23,160	5%		23,160	4%
David Koch and associated entities	15,235	3%		15,235	3%
Elphinstone Holdings Pty Ltd	13,298	3%		13,298	3%
Issued Options		0%	44,516	44,516	8%
Other Shareholders ¹	169,968	39%		169,968	32%
Unallocated Options		0%	39,904	39,904	8%
Total	439,340	100%	84,420	523,760	100%

1. includes 39,151 shares issued under previous CSF raises

Options:

1. Previous CEO Mark Hoven has 12,312 options vested at the date of this document at a strike price of \$18.80. Along with 7,858 option issued at \$22.48.
2. COO Chris Williams was issued with 6,000 options at the date of this document with a strike price of \$22.48. 2,000 options have vested. The remaining options have varying performance hurdles 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 \$16.35 per share -
4. 6,039 vested are with previous senior leaders at a strike price of \$22.48.
5. There are 4,450 issued options at are unvested.
6. There are 39,904 unissued options .

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.

Table 2: Issued capital of the Company following the Offer

Table 2 sets out the issued capital of the Company following the Offer on a fully diluted basis (i.e. presuming all options are exercised).

Shares	Fully Diluted (post Offer) Minimum - \$250k		Fully Diluted (post Offer) Maximum - \$1.5M	
Angus Woods	192,194	36.2%	192,194	33.9%
Euclid Pty Ltd	25,485	4.8%	25,485	4.5%
Christopher Zinn	23,160	4.4%	23,160	4.1%
David Koch and associated entities	15,235	2.9%	15,235	2.7%
Elphinstone Holdings Pty Ltd	13,298	2.5%	13,298	2.3%
Issued Options	44,516	8.4%	44,516	7.8%
Other Shareholders ¹	169,968	32.0%	169,968	29.9%
Unallocated Options	39,904	7.5%	39,904	7.0%
Offer Shares	7,331	1.4%	43,987	7.7%
Total	531,091	100%	567,747	100%

1. includes 39,151 shares issued under previous CSF raises

2.6.2.1 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.

Under the Constitution, the Board has the power to refuse a transfer of shares to a third party. A more detailed description of the rights associated with the shares is set out in section 3.3 below.



2.6.2 Debt funding and other sources of funding

The business is funded through ongoing operations. The business' balance sheet as at the 29 June 2022 shows the following liabilities:

R&D Loan - \$169,505

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 5 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.

Related Party Loan - \$95,000 (Director – Chris Williams)

The original loan was for \$95,000 at a fixed rate of 5%, with the loan to be settled once the R&D refund is received. The loan was provided as a working capital buffer. The paydown of the loan has been factored into our financial forecasts and will be paid for out of existing revenue sources. The loan term is extendable if required.

Related Party Loan - \$50,000 (Caroline Hill Wife of Founder, Angus Woods)

The original loan was for \$50,000 interest free, the loan commenced May 2022 and is expected to be repaid by August 2022. The paydown of the loan has been factored into our financial forecasts and will be paid for out of existing revenue sources.

The loans listed in 2.6.2 will not be repaid with the funds raised under the Offer.

2.7 Directors and senior managers

Directors

Angus Woods

Founder and MD

- 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 focused on the large strategic opportunities with enterprise clients and the roll out of Adviser Quality Scores into the wealth industry



Chris Williams

Chief Operating Officer

- Previous head of Data & Analytics at Eclix Group, previous corporate development & strategy focused on M&A and organic start ups
- Chris is focused on the data and analytics strategy for Adviser Ratings and how to deliver commercial data products to the industry



Leadership

Katie Dukes

Client Delivery

- Former Rio Tinto executive in document and data management
- Katie manages our existing clients and is responsible for retention, cross sell and up sell



Nicolás Peña Mc Gough

Data

- Former data scientist in numerous start-ups including Restorando and OLX
- Nicolás is responsible for the execution of the data strategy



Stan Segers

Sales

- Former financial planner and Citibank sales executive
- Stan is focused on generating new leads, new business opportunities and nurturing the existing sales pipeline



External Ratings Committee

The role of the committee is to review and assess recommendations relating to our recently launched proprietary Adviser Quality Score (AQS) as well as to provide an additional governance layer for checks and balances regarding adherence to the rating criteria.

Dr Jerry Pawarda

Committee Chairman

- Professor of Finance and former Director of Academic Strategy at UNSW Business School
- Jerry's research specialises in investment management and financial markets



Dr Michelle Cull

Committee Member

- Associate Dean (Engagement) at WSU School of Business and leading academic in financial planning



Tom Reddacliff

Committee Member

- Director and CEO Encore Advisory Group.
- Former GM MLC Advice Solutions, former MD Godfrey Pembroke



2.8 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 Analytics"), competitors may start to develop a stronger presence or other data assets they currently don't possess that may impact our market penetration.
Brand Risk	If the Company does not maintain consistent levels of quality and service in its offering, the Company's brand and reputation could be damaged. In an increasingly connected world, damage to a company's brand and reputation is a key risk. The Company is acutely aware of this risk and is vigilant to ensure that it maintains a consistently high level of product quality and customer service.

Type of risk	Description of risk
Provision of adviser data	The value of the business lies in our data. The primary source of data is financial advisers. If advisers stop believing in the value of providing information (eg. they stop getting profiled through Google or other platforms through which we have relationships) 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 future growth of Adviser Ratings Pty Ltd 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, Chris, Katie, Nic and Stan. Given these dependencies, there would be reasonable disruption to the business should one of these individuals leave. This risk has been mitigated with the team being trained across multiple areas of the business.
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 a 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.
Insolvency	The Company has resized itself to be profitable. However, in light of the current economic climate brought on by global uncertainty and geopolitical conflict, 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.

2.9 Financial Information

Below are the financial statements of the Company for the financial years ended 30 June 2020 and 30 June 2021 which have been prepared in accordance with the Accounting Standards. To assist investors to understand the business, Adviser Ratings Pty

Ltd has provided financial information for the period 1 July 2021 to 28 June 2022 and is based on management accounts and accordingly may be subject to change.

2.9.1 Profit and loss statement

Profit & Loss	Year Ending 30/6/2020	Year Ending 30/6/2021	Management Accounts to 28/6/2022
Revenue			
- Advertising	534,709	660,075	546,568
- Data and technology revenue	1,182,475	2,024,220	2,016,209
- Other income	130,834	360,279	128,563
- Cost of Sales	(63,146)	(491,404)	(38,002)
- Unearned Revenue ¹	(456,417)	(303,704)	4,881
Total Revenue	1,328,455	2,249,466	2,658,219
Costs			
- Staffing	(1,202,711)	(1,433,019)	(1,768,856)
- Selling expenses	(98,245)	(139,977)	(111,622)
- Non-capitalised IT costs	(57,323)	(128,610)	(191,012)
- Other operating expenses	(345,944)	(16,045)	(184,344)
- Administrative expenses	(571,152)	(619,896)	(400,514)
Total Costs	(2,275,374)	(2,337,545)	(2,656,347)
Non-Operating Revenue & Costs			
- R&D Refund	631,839	246,301	349,000
Total Non-Operating Revenue & Costs	631,839	246,301	349,000
EBITDA	(315,080)	158,222	350,871
Depreciation and amortisation expenses	(321,653)	(396,845)	(421,102)
Interest and extraordinary items	(107,392)	(35,745)	(8,604)

1. Accounting treatment to convert financial statements from a cash basis to accrual basis. These annual contracts have been invoiced to be paid upfront so the likelihood of this revenue not being earned is very low.

2.9.2 Balance Sheet

Balance Sheet	Year Ending 30/6/2020	Year Ending 30/6/2021	Management Accounts to 28/6/2022
Assets - Current			
- Cash at Bank	302,268	314,397	322,437
- Trade Debtors	477,125	307,502	356,081
Assets - Non Current			
- Web Design and Development	2,536,021	2,628,268	3,135,399
- Less Accumulated Depreciation	(929,957)	(1,251,170)	(1,597,614)
- Licensee Ratings Construction	348,089	278,471	228,070
Assets - Other Non Current			
- Intangible Assets	10,051	10,051	13,696
- Shareholder Loan - Christopher Zinn	250,000	250,000	250,000
- Shareholder Loan - David Koch	250,000	250,000	250,000
- Shareholder Loan - Rodney Lester	25,000	25,000	25,000
- Financial Assets	0	65,000	65,000
Total Assets	3,268,597	2,877,519	3,048,068
Liabilities - Current			
- Unearned revenue accrual ¹	(456,417)	(760,120)	(755,239)
- Payables	(331,301)	(252,412)	(391,549)
- R&D loan	(268,294)	0	(169,505)
- R&D provision	586,812	246,301	349,000
- Provisions	(445,776)	(152,744)	(176,744)
- Related party loans	(267,247)	(134,978)	(141,500)
- GST	(14,481)	(43,660)	(63,841)
Liabilities - Non Current			
- Other Non-Current Liabilities	(20,000)	(2,382)	0
Total Liabilities	(1,216,704)	(1,099,995)	(1,349,378)
Net Assets	2,051,892	1,777,525	1,698,690
Equity			
- Share Capital	(4,979,313)	(4,979,313)	(4,979,313)
- Retained Earnings	2,183,295	2,927,420	3,201,788

1. Accounting treatment to convert financial statements from a cash basis to accrual basis. These annual contracts have been invoiced to be paid upfront so the likelihood of this revenue not being earned is very low.

2.9.3 Cash flow statement

Account	Year Ending 30/6/2020	Year Ending 30/6/2021
Operating Activities		
- Receipts from customers	1,643,459	3,282,964
- Payments to suppliers and employees	(2,692,260)	(3,509,435)
- Cash receipts from other operating activities	209,222	57,027
- Cash payments from other operating activities	(421)	0
Net Cash Flows from Operating Activities	(840,000)	(169,444)
Investing Activities		
- Proceeds from sale of property, plant and equipment	359,534	496,307
- Payment for property, plant and equipment	(850,226)	(197,724)
- Other cash items from investing activities	(1,123)	(65,000)
Net Cash Flows from Investing Activities	(491,815)	233,583
Financing Activities		
- Other cash items from financing activities	1,522,308	(52,010)
Net Cash Flows from Financing Activities	1,522,308	(52,010)
Net Cash Flows	190,493	12,129
Cash and Cash Equivalents		
- Cash and cash equivalents at beginning of period	111,675	302,168
- Net change in cash for period	190,493	12,129
- Cash and cash equivalents at end of period	302,168	314,297

2.6.4 Statement of changes in equity

Account	Year Ending 30/6/2020	Year Ending 30/6/2021
Equity		
- Opening Balance	1,611,052	2,051,892
Increases		
- Profit for the Period	(744,125)	(274,368)
- Other Increases	1,184,966	0
Total Increases	440,841	(274,368)
Total Equity	2,051,892	1,777,525

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.
- In the growth stage of Adviser Ratings we have reinvested revenues to grow our ecosystem. However, there are variable cost levers that can be pulled to preserve cash when required.
- Since “turning on” our core data products four years ago, we have now secured 31 clients on one, two or three year contracts with annual recurring revenue (ARR) of \$2m. This represents an 81% increase in ARR and number of clients since the last CSF raise in April 2020.
- COVID-19 disrupted our business with uncertainty which turned our focus to preservation and meant accepting non-recurring revenue rather than building long term relationships. Since late 2021 the business has refocused on winning longer term contracts with several key clients won in the last 6 months.
- In financial year 2022 significant investment was made into the adviser platform allowing advisers to add more data and to connect with consumer through multiple channels with the sharing of reviews on social media.

Management and the Board have significant plans around the growth of the business in all products currently specifically around Adviser Quality Scores (AQS), white-label ‘Find-An-Adviser’ tool and data/insights products.

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 Nightingale Analytics, Fund Flow Reporting and white-label products. This pipeline estimate takes a conservative view of client scope and does not factor in any unit price increases.
- The sales pipeline does not include opportunities with our Adviser Quality Scores (AQS).
- Post-raise, we will be seeking to bolster our sales team to grow and convert the pipeline faster and roll out the Adviser Quality Scores.

Comments on revenue outlook are inherently uncertain and should not be solely relied upon as they are subject to change, uncertainty and unexpected events, many of which cannot be controlled. Accordingly, actual results are likely to differ from the forecasts. No representation or assurance is or can be given that the forecasts will be achieved. Past performance is no guarantee of future performance. This revenue outlook has been prepared by Adviser Ratings Pty Ltd and has not been validated by an independent third party.

Section 3: Information about the Offer

3.1 Terms of the Offer

Adviser Ratings Pty Limited is offering up to 43,987 shares at an issue price of \$34.10 per share to raise up to \$1,500,000. The key terms and conditions of the Offer are set out below.

Term	Details
Shares	Fully-paid ordinary shares
Price	\$34.10 per share
Minimum Subscription	\$250,000
Maximum Subscription	\$1,500,000
Minimum parcel size	\$500
Opening date	30 June 2022
Closing date	21 July 2022

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

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. If the Minimum Subscription is not reached or the Offer is closed but not completed, you will be refunded your application money.

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 and there is no guarantee that these funds will be raised.

3.2 Use of funds

The table below sets out the intended use of funds raised under this Offer based on the minimum and maximum subscription amounts.

Intended use	2023 Financial Year Minimum Subscription	2023 Financial Year Maximum Subscription
Data lake infrastructure	\$117,000	\$400,000
Investment in sales staff	N/A	\$350,000
Investment in data science team	\$115,200	\$375,000
Working capital	N/A	\$282,200
Offer costs	\$17,800	\$92,800
Total	\$250,000	\$1,500,000

The Offer costs 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 Company 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 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).

3.3.3 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 Election and removal of directors

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

3.3.5 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 Constitution. 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 Constitution.

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 Angus Woods 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.

On 28 April 2020, Adviser Ratings launched its second CSF offer. At that time, the directors were Angus Woods, Jason Muhs and Paul Hunyor. Information about Angus Woods is available in Section 2 of this offer document.

In the second CSF offer, Adviser Ratings offered up to 22,242 fully-paid ordinary shares at an issue price of \$22.48 per share to raise up to \$500,000. That CSF offer was completed raising \$200,049.

Section 4: Information about investor rights

4.1 Cooling-off rights

If you are a retail investor, 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 (**Cooling-off Period**).

You must withdraw your application via the Intermediary's platform. You will be able to withdraw your application within the Cooling-off Period by following the link and the instructions within your portfolio 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.

4.3.4 Related party transactions

If we successfully complete this Offer, the rules on related party transactions in Chapter 2E of the Corporations Act will 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).

4.3.5 Takeovers

If we successfully complete this Offer and have more than 50 shareholders, the takeover rules in the Corporations Act will only apply to the Company 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.
Retail Investor	Means an investor who who satisfies the definition of a "retail client" under the Corporations Act.



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