



YONDR

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**Yondr** helps you  
to save, manage  
& spend **your**  
**money better**

**Yondr CSF Offer**  
Document



YONDR MONEY PTY LTD

# Crowd-sourced funding offer document

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Dated 22nd March, 2022

Offer of fully-paid ordinary shares in Yondr Money Pty Ltd at \$0.20 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 Yondr Money Pty Ltd. This Offer is made under the CSF regime in Part 6D.3A of the *Corporations Act 2001* (**Corporations Act**).

## **Issuer**

Yondr Money Pty Ltd ACN 625 732 569

## **Intermediary**

Birchal Financial Services Pty Ltd AFSL 502618

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## Section 1:

# Risk Warning

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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

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Yondr Money is developing a suite of uniquely personalised, user-first money solutions that empower Australian customers with deep financial intelligence via a world-class, simple to use, mobile app-based platform

## Letter from the founder

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On behalf of the team, I am excited to welcome you to Yondr Money. I appreciate your interest in becoming a shareholder through this CSF Offer document.

Yondr Money was established to provide Australian consumers with an intelligent customer-first transactional banking alternative.

By embracing automation, machine learning and a range of other data intelligence processes, Yondr is leading the charge towards a full-featured fintech that improves financial intelligence and outcomes for everyday customers. These modern services will chip away at the dated offerings provided by the big banks.

We have been overwhelmed by the uptake and customer response of the Yondr product acquiring over two hundred customers in the first 14 days since launching our Beta on the 16th of February 2022. Yondr's current offering includes: customer sign up and verification, digital BSB and account number, multi-currency wallet, virtual VISA cards, physical VISA card, spend analytics, in-app chat support via our Australian based support team, and card controls including limit cap controls all via a state of the art mobile app.

Yondr is committed to making finances simple and enjoyable to manage by providing a holistic range of exciting products and services combined with value add partnerships with leading companies that align with Yondr's customer-first objectives. In the short term we are constructing our offerings to provide customers with incentives and trust, encouraging them to transition all of their day to day transactional needs over to Yondr. Most importantly, we aim to continue building in a lean, well thought out methodical manner.

We have recognised several initial market opportunities where Yondr's product-market fit can accelerate customer acquisition. First opportunity lies in the overseas travel market, with our customer surveys revealing a strong intent to travel overseas in the next 24 months. New residents to Australia is another, where



students, migrants and expats average over 500,000 new arrivals annually.<sup>1</sup> Combining interactive transactional spend and multi-currency solutions makes Yondr a logical choice for these demographics.

Australian banks have the highest return on equity (ROE)<sup>2</sup> compared to their global peers and these margins become our opportunity. The time is right for Yondr and we are ready to innovate our interactions with money. As Yondr's offering grows, it becomes an exciting proposition for the 6.4 million plus millennials<sup>3</sup> who are looking for an innovative and sustainable alternative. We are committed to satisfying the demands of the disruptive generation.

Globally, neobanks have begun defining the future of banking.<sup>4</sup> In the UK alone, there are now over 37 neobanks disrupting how customers interact with their money. Following a successful launch in Australia, Yondr will target strategic expansion into underserved overseas markets.

On behalf of Yondr Money, I encourage you to consider taking advantage of this opportunity to become a Yondr Money shareholder and help us improve financially healthier outcomes.

Yours faithfully,

**Shane Chanel**

Co-founder & CEO  
Yondr Money

*The information contained in this section is a summary only and is not intended to provide complete information about Yondr Money and the Offer. It should be read in conjunction with the more detailed information supplied elsewhere in this CSF Offer Document.*

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<sup>1</sup> [https://www.apf.gov.au/About\\_Parliament/Parliamentary\\_Departments/Parliamentary\\_Library/pubs/BN/1011/AustMigration](https://www.apf.gov.au/About_Parliament/Parliamentary_Departments/Parliamentary_Library/pubs/BN/1011/AustMigration)

<sup>2</sup> <https://www.rba.gov.au/publications/fsr/2016/apr/graphs/graph-1.17.html>

<sup>3</sup> <https://millennialfuture.co/aboutus>

<sup>4</sup> <https://www.finextra.com/blogposting/21843/how-neobanks-are-defining-the-future-of-banking>





## 2.1. Company Details

This offer of shares is made by Yondr Money Pty Ltd ACN 625732569 (Company).

Company name	Yondr Money Pty Ltd
ACN	625 732 569
Date of incorporation	23rd April 2018
Registered office	710 Collins St, Melbourne, VIC, 3000
Principal place of business	710 Collins St, Melbourne, VIC, 3000



## 2.1.1 Description of the business



## 2.1.2 About the company

Yondr Money is a technology driven fintech company based in Australia that offers an intelligent and streamlined, customer-first alternative to mainstream banks. Yondr was created to address some of the banking industry's most pressing issues and to tip the balance back towards the customer.

Yondr has developed a cutting-edge fintech platform that combines the advantages of both traditional and digital money experiences. After completing extensive closed-group testing, a public beta was successfully launched to market during February 2022. The initial product group included a mobile



application with integrated spend analytics, multi-currency wallet, a physical VISA card, and the option for multiple personalised user-generated virtual VISA cards.

While money is a serious topic, Yondr is committed to making finances simple and enjoyable to manage. Yondr has built a platform and intelligent super-app that combines behavioural science and machine learning, designed to improve the customers' financial literacy.

Yondr's lean operating model and continuous product development life cycle ensures that the most exciting product offerings enjoy a short time to market to enhance customer experience rapidly and efficiently. Scalability is critical: the Yondr platform and digital infrastructure have been designed to accommodate any anticipated mass adoption and future development.

As the company's offering continues to mature, we hope to become a reliable financial tool in Australia and overseas. If you're saving for a goal or travelling overseas for business or pleasure, you will not want to leave without Yondr.

Yondr is currently available to Australian residents only and is developing options for international expansion.



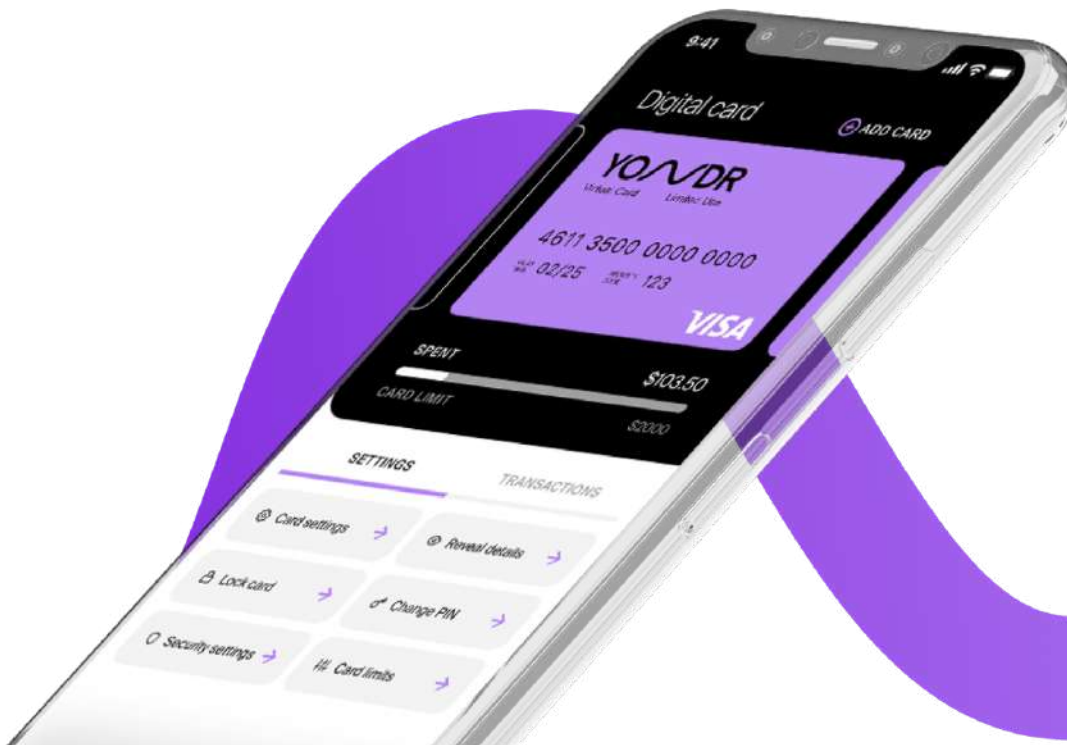
## 2.1.3 Products / Services

### Current Yondr Offering

Yondr's architecture was designed from the ground up in 2018 to make transactional products and money management more convenient for consumers and at a lower cost. Yondr uses smart technology automation and machine learning to provide the best in field, efficient and desirable money solutions.

Being completely electronic, Yondr bypasses the added costs and nuisances associated with traditional banks and provides customer-viable features that can only be provided by the innovation of modern-day financial platforms.

Yondr's simple to use mobile app Beta is available for use now and offers an extensive set of features including customer sign up and verification, digital BSB and account number generation, multi-currency wallet, virtual VISA card, physical VISA card, Google Pay (Apple Pay coming soon), spend analytics, in-app chat support via our Australian based support team, and card controls including limit caps to give greater control over personal finances.



## Yondr Customer Signup & Customer Verification

Customers can sign up for a Yondr account via an easy process through the mobile-app. Customers' details are then verified against national and worldwide databases in order to meet the Know Your Customer (KYC) requirement. Using this method of verification, customers can set up a Yondr account in minutes.

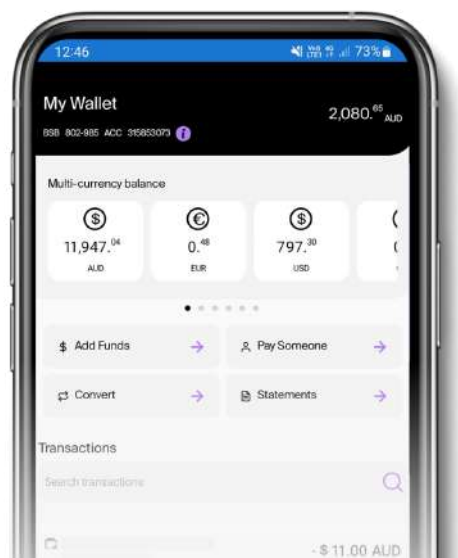
In the case where an automated KYC is unable to match the customer's details, a manual verification is performed. Exceptions can include recently relocated customers, new surname, no middle name provided or simply mistakes when entering customer details.

### Verification



## Digital BSB & ACC numbers

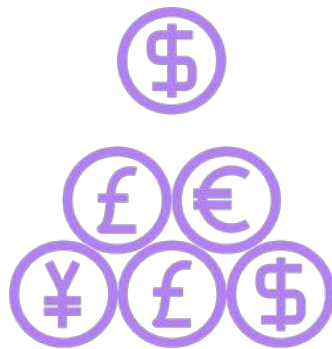
Yondr customers are allocated their own unique BSB and account numbers. Yondr customers have the ability to fund their own wallets from any Australian bank. Customers can also send funds to any of their Yondr contacts in any currency, instantly.



## Multi-currency account

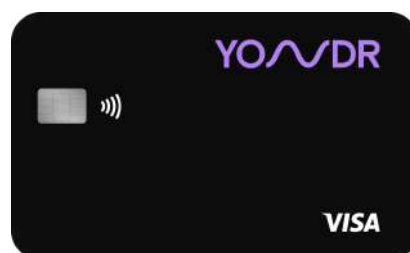
The Yondr multi-currency wallet can hold up to nine different currencies. This includes: Australian Dollar (AUD), US Dollar (USD), Euro (EUR), Indian Rupee (INR), Thai Baht (THB), British Pound (GBP), Japanese Yen (JPY), Hong Kong Dollar (HKD), and Singaporean Dollar (SGD).

The currencies can be exchanged within the wallet from one currency to another at any moment. Yondr gives customers the freedom to convert currencies at their leisure, allowing them the opportunity to lock in their preferred currency when rates are favourable. Yondr has the option to add new currency channels in the future to meet customer demand.



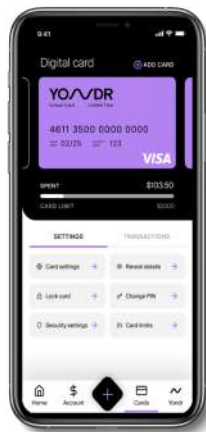
## Yondr Physical VISA Card

After the customer has successfully completed the sign-up process, a physical Yondr VISA card will be automatically issued. The Yondr card can be used like any other VISA card in over 200 countries and at millions of retailers. The physical Yondr card gives customers card access in case digital wallets for Google or Apple Pay are inaccessible.



## Virtual VISA Card

Yondr customers can quickly and easily set up virtual VISA cards in their mobile-app. Allowing customers to activate more than one virtual VISA card gives them the option of nominating a card for online shopping only, household bills, recreational spending or any other purpose. Yondr's virtual cards can be customised and restricted to a set spending limit, providing the customer with greater protection in case of compromised cards along with the ability to maintain personal spending limits. Customers will be able to view each transaction that corresponds with each respective card in a clear and ordered manner.



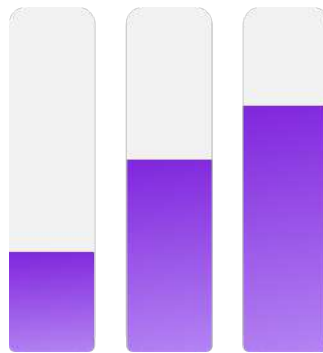
## Apple & Google Pay

For ease of use in mobile payments, both physical and virtual Yondr cards can be added to Apple or Google wallets, enabling tap and go (NFC) payments at any enabled merchant. Apple Pay is scheduled to be ready for customers in coming weeks.



## Spend Analytics

Yondr places great value on providing its customers with a concise analysis of where their money is going. Yondr aims to revolutionise its customer's relationship with money by providing a pathway to financial literacy and freedom to spend in the most informed way. The data team is currently working to improve personalised on-demand spending analytics. Providing world-class insights into the customer's individual savings plan, there is the ability to show customers how they compare to the wider community. Yondr knows how important it is to utilise customers' transactions and enrich this data to provide the best feedback and insights.



## Australian Based Support

Yondr has built in support via the mobile app for any customer enquiry. Australian based Yondr customer service individuals will be able to respond to any support enquiry via the app. A smart bot has also been included in the app to provide instant support. As customer interaction has increased, Yondr has continued to improve automated support services and nearly 30% of conversations are satisfactorily completed by the smart bot. The bot has been programmed with multiple scenarios, with the aim to allow customers to self-serve in over 60% of the most common customer enquiry areas.



## Development outlook

Yondr has an optimised product-market fit and entertains an important industry position with multiple currency wallets, savings goals, equity-based micro-investing and digital asset offerings.

The Big Four Banks dominate the financial industry in Australia.<sup>5</sup> With the poor reputation of the banks and minimal offerings when it comes to personal financial management tools (PFM)<sup>6</sup>, Yondr has the perfect opportunity to become a viable and preferred customer choice.

Yondr is focused on providing a truly customer-first product range. Utilising partnerships with best in class technology providers as well as building proprietary capabilities where necessary, Yondr will have an attractive, comprehensive and enviable product range. Some upcoming products and services include:

### 3rd Party Pay-in & Payout

Yondr is currently finalising the framework for their customers to complete third-party pay-in and payout transactions within Australia. Customers will be able to receive funds from anyone using an Australian bank account. Yondr customers will also be able to send money to any bank account in Australia.

### Advanced Analytics & Budgeting

Personal Financial Management (PFM) is a key tool which will help promote financial literacy and positive spending habits for customers. To provide the best PFM in the industry, Yondr is developing a decision matrix that allows customers to receive immediate responses when they make transactions and provide feedback. This is intended to provide personalised analytics and insights useful for all customers, regardless of their financial literacy.

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<sup>5</sup> <https://www.rba.gov.au/publications/confs/2007/pdf/davis.pdf>

<sup>6</sup> <https://ia.acs.org.au/article/2022/the-fintechs-telling-you-the-best-day-to-fill-up.html>

## Foreign Transactions/Remittance

Transferring funds abroad remains one of the most expensive money transactions for Australians. Australia ranked as the third-most expensive G20 country to send money from in the fourth quarter of 2018 by The World Bank. It costs an average of \$8.12 for every \$100 sent to a G20 country from Australia – higher than the G20 sending average (\$7.22) and the global average (\$7.01).<sup>7</sup> Yondr is developing mechanisms to enable customers to remit funds overseas. Whether you're sending money back home to your family or paying invoices, you will be able to do it all with competitive low rates with Yondr.

## Customer Rewards

Yondr understands that early in the customer's lifecycle, transaction volumes will grow gradually as trust is built. A combination of market competitive incentives are expected to be offered to customers to encourage them to use their Yondr services for everyday transactions through to big ticket items. Yondr is currently building relationships with rewards providers with the intention to increase customer value. Decentralising this process is designed to mitigate burdens on internal finance resources, allowing Yondr to concentrate on key product development activities.

## Open banking

During 2020, open banking was introduced into the financial industry. Open banking allows customers to share their transaction data with accredited third parties. Yondr intends to partner with best in class providers to be able to provide customers with a holistic overview of all of their financial analytics across all of their accounts from all of their financial institutions. As open banking is the initial phase of Australia's economy-wide consumer data right (CDR), accreditation also opens pathways to participating in customer-driven data sharing in other sectors, such as energy and telecommunications. Yondr will have an active role in the open banking CDR landscape, allowing customers to make data rich decisions based on their personal data.

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<sup>7</sup> <https://www.comparethemarket.com.au/blog/money/international-money-transfer-mistakes/>

## **Round Up Savings**

Yondr is developing a round-up feature in its app to provide customers the ability to hit their savings goals faster. This financial literacy tool is based on set and forget – the customer sets an amount to round up each purchase they make, with the rounding amount being set aside into a nominated savings account. The customer has the ability to personalise the automated round up when they are setting new financial goals or smashing their current goals.

## **Travel Insurance**

For Australians, Yondr can be a market leading travel companion. In conjunction with low exchange rates accessible via an easy-to-use app, Yondr is looking to provide its customers with a travel insurance option. A detailed survey of over 200 Yondr individuals, prioritised travel insurance as an essential add-on item for their upcoming travel. In upcoming partnerships with existing insurance providers, Yondr customers may be able to access a discounted Yondr travel insurance solution, all available within the current Yondr app platform.

## **Digital Assets**

Yondr intends to be a market leader in the utilisation of digital asset management. Currently Yondr offers a multi-currency wallet available to the major foreign exchange currencies, but also intends to add wallet capabilities to hold crypto assets such as Bitcoin, Ethereum and many more. Yondr may allow customers with the ability to invest in the top crypto pairs through the app via a simple auto invest feature. This will help customers to have a complete overview of their digital assets in one platform, assisting Yondr to build the bridges for the future of finance.

## **Treasury & Lending Products**

Yondr's focus over the short to medium term is to be the transactional champion. As Yondr grows, a variety of treasury and lending products are planned to grow with it. These products will be carefully cultivated in consultation with customer demands and taking into account total customer lifecycle value.

## Vertical-Integration projects

Yondr has several exciting products early in their product life cycle. We believe that these products and services will add significant value to not only our customers' experience, but their ability to be more financially astute by using Yondr's analytics. These products will be packaged together to form Yondr's premium offering.

Yondr's is focused on building its customer lifecycle value while continuing to innovate personalised customer-centric products that drive personal referrals.

## 2.1.4 Marketing & distribution



### Target market

To ensure ongoing market relevance, Yondr has built a scalable product offering that can appeal to a broad audience. The Yondr product pipeline is dotted with features to simultaneously attract and maintain customers over multiple market segments. As Yondr's product grows, customer scope grows stronger.

As we exit the COVID era, a range of Yondr product features will drive desire and accelerate consumer adoption. Our initial go to market phase includes core features such as; no international transaction fees and great international exchange rates bundled in a simple to use mobile app. This sets the bar higher than other market offerings from day one.

We have identified many market segments and present three of these demographics to illustrate some of the options for industry improvements in our sights.

## World travellers

Approximately 10 million Australian residents travel overseas every year<sup>8</sup> and are the second biggest spending travellers in the world, second to Saudi Arabia. The average Australian spending per overseas trip is approximately \$4,000 and it is estimated that Australians return home with \$267 unspent on their travel cards.<sup>9</sup> Money left on travel cards is usually forgotten about, often incurring multiple inactivity fees.

Yondr customers can use their VISA card at over 70 million merchants worldwide and travellers enjoy better outcomes with a combination of zero international transaction fees and some of the best exchange rates on the market.

## New arrivals

Australia receives over 500,000 long-term arrivals (residents, business migrants and students) every year. Due to the expected influx of new arrivals entering the country post COVID, the Yondr product-market fit is well positioned for adoption amongst this market segment.<sup>10</sup> Approximately 7.6 million Australians were born overseas, and their remote family remains central to their culture.<sup>11</sup> This cohort is highly motivated to give money back to their relatives, and in recent years, the transfers of money by foreign workers have caused remittances to reach all-time highs.<sup>12</sup>

The World Bank estimates remittances from Australia to be worth US\$16 billion – with the largest remittance countries being China, India, Indonesia, UK, and Philippines.<sup>13</sup>

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<sup>8</sup> <https://www.statista.com/statistics/619864/australia-outbound-tourists-by-destination/>

<sup>9</sup> <https://www.traveller.com.au/aussies-the-worlds-secondbiggest-spending-travellers-2sxe1>

<sup>10</sup> [https://www.apf.gov.au/About\\_Parliament/Parliamentary\\_Departments/Parliamentary\\_Library/pubs/BN/1011/AustMigration](https://www.apf.gov.au/About_Parliament/Parliamentary_Departments/Parliamentary_Library/pubs/BN/1011/AustMigration)

<sup>11</sup> <https://www.abs.gov.au/media-centre/media-releases/30-australias-population-born-overseas>

<sup>12</sup> <https://www.un.org/sw/desa/remittances-matter-8-facts-you-don%E2%80%99t-know-about-money-migrants-send-back-home>

<sup>13</sup> <https://www.finder.com.au/remittance-statistics>

The lack of seamless, easy to use, low-cost providers in this space provides opportunities for Yondr to capture significant market share by providing a user-friendly, flexible, and low-cost alternative to their usual banking services.

## Millennials

By 2025 approximately 75% of the workforce will be represented by millennials. It is also indicated that 28% of Gen Y's hold accounts with three or more financial institutions.<sup>14</sup>

This demographic shows a strong appetite for innovative offerings that are delivered through fun and interactive channels. 59% of millennials say they've never come across a financial product specifically meant for them.<sup>15</sup>

Younger generations contributed prominently to the \$50.46 billion (up 57% YOY) spent by Australians in 2020 and with COVID in the mix, this trend is expected to rise.<sup>16</sup> Access to international business via online shopping showcases a key Yondr benefit of no hidden fees, making Yondr an intelligent choice.

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<sup>14</sup> <https://www2.deloitte.com/content/dam/Deloitte/global/Documents/About-Deloitte/gx-dttl-2014-millennial-survey-report.pdf>

<sup>15</sup> <https://www.finextra.com/blogposting/14945/todays-banks-need-a-millennial-banking-technology-framework>

<sup>16</sup> [https://auspost.com.au/content/dam/auspost\\_corp/media/documents/ecommerce-industry-report-2021.pdf](https://auspost.com.au/content/dam/auspost_corp/media/documents/ecommerce-industry-report-2021.pdf)



## Addressable market

The Australian commercial banking industry is tightly regulated with high governance and restrictions. The big four banks control 82% of all loans in Australia.<sup>17</sup>

There are 33 active market participants generating revenue of \$148.2 billion and profit of \$46.1 billion per annum. Total market revenue is expected to grow significantly by 7.6% per year reaching \$269.3 billion by 2026-27.<sup>18</sup> The four big banks account for over 80% of the Australian banking industry.<sup>19</sup> Combined they earned revenue of \$79.4 billion and profits of \$26.8 billion. Due to the profitability of the Australian banks, shareholders have enjoyed the highest average Return on Equity compared to any of its global peers, currently at 9.9%.<sup>20</sup>



<sup>17</sup> <https://www.balmain.com.au/balmain/PublicationsDetail.aspx?id=9>

<sup>18</sup> <https://www.ibisworld.com/au/industry/finance/1740/>

<sup>19</sup> <https://www.theguardian.com/business/grogonomics/2018/feb/08/the-big-four-banks-are-getting-even-more-powerful-at-australians-expense>

<sup>20</sup> <https://www.mckinsey.com/industries/financial-services/our-insights/global-banking-annual-review>

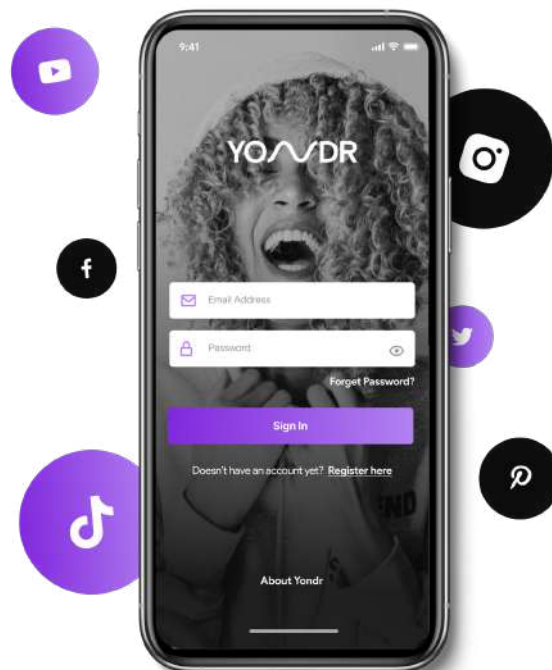
## Building the Yondr tribe

In Yondr's journey to building a world leading premium product, success will be accelerated by assembling a tribe of passionate followers and customers that will become important brand advocates.

Yondr endorses and follows lean business practices and will deploy a largely low-cost and efficient digital messaging campaign. Our targeted digital channels will include: socials, search engine marketing, re-marketing, PR and Influencer/Partnership campaigns. Yondr will astutely conduct customer journey retargeting, focusing on nurturing customer messaging, driving gradual engagements to extract maximum value throughout the customer lifecycle.

### Distribution Channels

- |   |  |
|---|--|
| <ul style="list-style-type: none"> <li>• Facebook, Instagram, TikTok and Twitter</li> <li>• Search engine marketing</li> <li>• App Store</li> </ul> | <ul style="list-style-type: none"> <li>• Social influencer programs</li> <li>• Partnership Programs</li> <li>• EDM via Email and Push</li> </ul> |
|---|--|



## 2.1.5 Market & Competitors

### Challenges of our competitors

The rapid growth and adoption of internet enabled computers has forced traditional banks to adopt emerging technologies while being locked into outdated paper systems. As technology rapidly evolves, the method in which customers interact with their money provider will become even more demanding over the current decade.

Analysis of the world's largest 200 banks has reported that their aggregate costs have risen substantially in the last 10 years.<sup>21</sup> Major components of these costs are attributed to maintaining the burden of legacy systems, restructuring, and compliance charges.<sup>22</sup> This data demonstrates that traditional banks' flexibility and scalability is less than compelling.

Bank branches in Australia continue to close at speed with 447 branches closed in 12 months to June 2021, while approximately 4491 stay in operation<sup>23</sup> The fight for digital superiority is mixed with a desire to exit expensive traditional banking methods.

In FY21, Australian major banks reported a combined cash profit after tax from continuing operations of \$26.8 billion, up 54.7% on FY20.<sup>24</sup> This is despite increases in maintenance of legacy systems and traditional banking methods.

The points below identify some of the specific challenges, opportunities, and areas of cost savings within the banking sector.

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<sup>21</sup> <https://www.bis.org/publ/cgfs60.pdf>

<sup>22</sup> [https://assets.ey.com/content/dam/ey-sites/ey-com/en\\_gl/topics/digital/ey-global-banking-outlook-2018.pdf](https://assets.ey.com/content/dam/ey-sites/ey-com/en_gl/topics/digital/ey-global-banking-outlook-2018.pdf)

<sup>23</sup> <https://www.smh.com.au/national/devastating-community-impact-why-banks-are-closing-their-doors-20220128-p59s42.html>

<sup>24</sup> <https://home.kpmg/au/en/home/insights/2021/11/major-australian-banks-full-year-2021.html>

## Legacy Issues and Cost of IT

Numerous banks are centuries old. A combination of mergers and acquisition coupled with technological advancements have created various inefficiencies during integrations and attempted modernisations.

Integrations and system upgrades can only be executed strategically in limited phases to avoid major disruptions of services. For most tier one banks, IT costs stretch into the billions. For example, in an attempt by Westpac to improve IT systems and improve banking costs, they incurred one-off costs totalling an eye-popping \$4.2 billion in the past year alone.<sup>25</sup> It is anticipated that technological advances including developments in smartphone capabilities will continue to weigh down organisations with expensive legacy systems.

## Cost of International Transactions

In addition to lengthy settlement periods, costs of cross-border transactions remain a large pain point for most travellers, migrant families, businesses and everyday customers. The costs of international payments are so high, it prompted the ACCC to release an article titled “Australians paying millions too much for foreign currency services.”<sup>26</sup> The inquiry was preceded by findings by the World Bank in June 2018 that the cost of sending money overseas from Australia was approximately 11% higher than the G20 average.

## Simple Banking

Processes such as the closing of bank accounts and other simple banking requests are a friction point for many traditional organisations. In addition, the recent Australian Banking Royal Commission found customers were being charged for various fees, including hidden fees, ‘fee for no service’ along with numerous overcharges.<sup>27</sup> Simple banking should be simple and honest. Yondr believes in transparency for the customer.

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<sup>25</sup> <https://www.afr.com/companies/financial-services/scepticism-over-westpac-s-ability-to-cut-one-off-costs-to-hit-target-20211102-p59560>

<sup>26</sup> <https://www.accc.gov.au/media-release/australians-paying-millions-too-much-for-foreign-currency-services>

<sup>27</sup> <https://thewest.com.au/business/your-money/the-staggering-amount-of-compensation-paid-out-so-far-after-fees-for-no-advice-scandal-was-unveiled-c-5914442>

## Inefficiencies between Systems

Traditional banks have legacy systems at their core that throttle interoperability, preventing the adoption and implementation of real-time functionality and new features desired by the market.<sup>28</sup>

To compensate for the lack of interconnectivity between systems and to provide an up-to-date single view of a customer, legacy systems require inefficient manual and system override processes. These system deficiencies erode profit due to increased running costs.

## Application Times

Customers have a growing expectation for applications to be assessed instantly. Loan applications can take weeks or even months due to inefficient infrastructure workflows and technological system inefficiencies that require manual inputs.<sup>29</sup> A loan application traditionally passes through multiple hands including loan officers, processors, assessors, title, property appraisals, credit checks and underwriting before it comes back into the customer's view.

## Fraud Prevention

The Australian Payments Clearing Association's 2017 report provided statistics revealing \$534 million in fraudulent transactions over a 12-month period, with 80% of this fraud occurring while there was no card present.<sup>30</sup> Greater security options can be provided by fintech's like Yondr who provide customers with the ability to set limits and enable channel restrictions.

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<sup>28</sup> <https://www.itnews.com.au/news/big-four-legacy-systems-cop-another-spanking-from-rba-over-slow-npp-progress-519791>

<sup>29</sup> <https://www.savings.com.au/home-loans/lenders-with-fast-home-loan-approval-times>

<sup>30</sup> <https://www.auspaynet.com.au/resources/fraud-statistics>

## Neobanks become the new normal for modern customers

Neobanks are completely online, offering cost, flexibility, and performance advantages over traditional bricks and mortar banks. Combining this with the growing fintech industry and the rise of digital assets, neobanks have started to stand out as clear winners. Although Yondr itself is not a bank, via Nium Yondr leverages a global banking partner to provide its offering. Combining security and innovation, the general goal is to revolutionise how customers interact with their money. With lower costs, better interfaces, spend tracking and more, you don't need to be a digital native to enjoy the benefits. Comparable Neobanks in Australia.

Some notable neobanks in Australia are 86-400 and Up. All of these have different origins and ideas of how banking should work, with the aim to modernise banking.

### 86-400

86-400 was founded in 2017 in Sydney, Australia and was provided with an ADI licence in July 2019. This neobank was the first to offer home loans and, due to its success, was acquired by NAB in a \$220m deal in 2021.<sup>31</sup>

### Volt Bank

Volt was founded in 2017, and APRA first issued it with a restricted ADI licence in May 2018. In January of 2019, it was granted a full right to operate as an ADI. To date, it is estimated that Volt has raised over \$90.1 million.<sup>32</sup>

### Up (Ferocia)

Up was founded in 2018 and has onboarded over 400,000 customers as of 2021. Bendigo and Adelaide Bank (BEN) purchased Ferocia, which included 50% of Up.

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<sup>31</sup> <https://www.afr.com/companies/financial-services/money-flows-and-work-begins-as-nab-completes-86-400-buyout-20210521-p57txr>

<sup>32</sup> <https://australianfintech.com.au/neobank-volt-closes-70m-oversubscribed-series-c-hits-100m-total-funding-and-sets-sights-on-ipo/>

Due to their partnership with BEN, they didn't require a banking licence, operating under BEN.<sup>33</sup> In 2021, BEN acquired the remaining 50% of UP for \$116 million.

## Neobanks Globally

Neobank's in Europe have begun to cause major disruptions within the banking industry.<sup>34</sup> Specifically in the UK, new regulations brought in by the Bank of England (BOE) have created hundreds of fintechs changing aspects of the way money is handled. There are now over 37 neobanks handling over 20 million customers in the UK alone.<sup>35</sup> The uptake success of these customer-centric offerings provides evidence of the discontent many customers have with traditional banks. Neobanks provide simple digital-only offerings targeting traditionally high margin banking products. These organisations are all targeting different markets and demographics with mixed product offerings.

Adoptions in Australia have been slow, but as new neobanks enter the market and create awareness, uptake is expected to rise.

Yondr has taken many learnings from neobanks globally and looks to build on their successes in creating a new age of banking products.

Neobanks globally have placed a large focus on the customer experience and automation of operations and services through machine learning and artificial intelligence.

## Revolut

Revolut was founded in 2015 in the UK. It is now the largest neobank in the world and has had the most funding. It has since expanded into most countries in Europe, Asia and the Middle East. Its large valuation has come from its range of features including the ability to purchase stocks and crypto, travel insurance and more.<sup>(13)</sup> In July 2021, Revolut completed a AUD\$1.12 billion Capital Raise at a AUD\$46 billion valuation.

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<sup>33</sup> <https://www.smartcompany.com.au/startupsmart/news/bendigo-adelaide-bank-up-fintech-ferocia-acquisition/>

<sup>34</sup> <https://www.thalesgroup.com/en/worldwide-digital-identity-and-security/bank-payment/magazine/how-traditional-banks-can-counter-neo>

<sup>35</sup> <https://newsroom.accenture.com/news/uk-neobanks-near-20-million-customers-in-2019-but-customer-and-deposit-growth-rates-slow-according-to-research-from-accenture.htm>



## Monzo

In February 2016, Monzo set the record for "quickest crowd-funding campaign in history" when it raised £1 million in 96 seconds. Monzo has over 5 million customers and to date has raised AUD \$1.54 billion. After a challenging 2020, Monzo is currently valued at AUD \$6.18 billion in its latest raise in 2021.<sup>36</sup>

## Starling Bank

Starling was founded in 2014 in the UK by Anne Boden. It focuses both on consumers and business and is one of the premier banks in the UK. In its latest funding round in May 2021, Starling Bank raised AUD\$97 million at a valuation of AUD\$2.1 billion.<sup>(14)</sup>

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<sup>36</sup> <https://www.reuters.com/business/finance/monzo-valuation-jumps-45-billion-after-fresh-funding-round-2021-12-08/>

## **2.1.6 Key differentiators**

Traditional banks find it difficult to keep up with consumer demand for improved money services and product flexibility. Their future development is also restricted as they need to support clunky legacy systems that use inefficient manual processes, lack interoperability and have high operational and maintenance costs. This performance translates to higher banking costs, lack of flexibility and a poor overall experience for customers.

Yondr is capitalising on the opportunity to present the market with a better way to manage their money. With a purpose-built, flexible and scalable platform at its core, Yondr's technology-led solution has a great opportunity to capture market share by providing customers with lower costs for them to utilise their money. The next generation app-based system also provides the consumer with a superior user experience while enjoying compelling margins for Yondr.

Yondr puts customer confidence front of mind with the ability to add unique measures and safeguards designed to improve their financial security. Without the burden of legacy systems, Yondr is super-fast! You can sign up, add a virtual VISA card and start spending in minutes.

## **2.2. Business and revenue model**

As a technology company, Yondr is implementing a comprehensive software development lifecycle approach to its launch, marketing and onboarding roadmap. The priorities for development and customer payoff are closely evaluated to provide maximum customer attraction while scaling the infrastructure as required. This lean approach is intended to rapidly improve Yondr's product offering in the most economical way.

### **Stage 1 – Soft launch: Growth in users and transactions**

Yondr Money executed the first phase of its growth strategy, offering the Yondr App under a free subscription model to an invitation only beta test group of up to 40 users in June 2021.

During the 8 months of extensive testing and feedback by the user group, up to 14 different iterations of the app were implemented to improve the features and user experience of the App.

The initial revenue earned by Yondr Money is from interchange fees, generated by customers using the VISA card plus a currency conversion markup on international transactions.

### **Stage 2 – Public Launch**

Yondr Money has commenced the public launch of its App from the 16th of February 2022 by removing its invitation only access. The App is now available to all Australian customers to download for free on the Apple App Store and Google Play Store.

Over the next 12 months Yondr Money plans to introduce a Premium model. This will be done by introducing a variety of additional features and updates. These features will be of extraordinary value to customers compared to Yondr's free

option, therefore, Yondr will tier its offering with a premium version of the App with a monthly subscription fee. Yondr's focus will be solely on the growth of its customer base and monthly recurring revenue.

## **Stage 3 – Long-term Strategy**

Yondr Money believes it can improve the financial health of consumers by becoming a platform and financial control centre that connects to various complementary services. Long-term, Yondr Money aims to:

- A. Adopt a platform business model, fostering an ecosystem of partners within its own Marketplace, allowing Yondr to earn income from revenue share arrangements with other companies and partnerships;
- B. Publish and monetise its own API products;
- C. Introduction of lending and treasury division
- D. Transition into SME banking via partnerships and offer integrations to key accounting platforms such XERO and MYOB introduced via open banking integrations as well as merchant acquiring tools; and
- E. Expand into other key international markets. Expansion will be subject to Yondr's ability to raise additional working capital and its capability to scale up its user base.

## Partnerships

Yondr's desire to build a lean, automated, intelligent technology-led financial management platform offering the best-in-class products and services led it to seek out the best in class technology partnerships.

Partnerships that are at the centre of Yondr's core includes:

**NIUM** - A recognised Unicorn, Nium's solutions allow payment providers, travel companies, banks and other businesses to collect and disburse funds to over 190 markets, plus issue physical and virtual cards globally. Yondr's key partner is NIUM Pty Ltd who provides some of the company's backend services that power Yondr's offerings. Leveraging from Nium's banking partnerships enables Yondr to launch in multiple countries in a lean agile methodology. Yondr is an Authorised Representative under NIUM's AFSL.

**VISA** - As one of the world's largest payments organisations, VISA enables consumers and merchants to do business with confidence. Yondr is included in VISA's scheme program as a certified third party agent. Yondr provides its customers with a Physical VISA card as well as multiple customer generated Virtual VISA cards. Yondr also benefits from VISA's state of the art fraud prevention platform.

**Microsoft** - Being one of the worlds largest Tech companies, Microsoft has revolutionised computer interaction methods across the globe. Yondr is honoured to be accepted as a member of Microsoft's \$25,000 Startup Founder Program. Via the program, Yondr utilises various Microsoft products including development tools, cloud services, cognitive computing and other technologies to deliver its services.

## Revenue Model

Yondr's ambition is to vertically integrate products strategically into its offering. These products have been designed to provide significant benefits to the customer and therefore adding to the company's revenue model. Current planned objectives have been undertaken in conjunction with various customer surveys and feedback. It should be noted that, as technology and customers demand change, Yondr will adapt, and manoeuvre as required to ensure it meets its long-term objectives of disrupting the banking industry.

Revenue for Yondr Money will primarily be earned from the following revenue lines:



### **Interchange**

Every time a transaction is made, the Merchant pays a transaction settlement fee. When a transaction is made using the Yondr card, a rebate will be paid on the net interchange amount;



### **Currency conversion**

While Yondr foreign exchange fees are reasonable, international card payments and remittances attract modest incentives for Yondr. Every time a currency is converted into another currency using the Yondr app, a commission is made on the conversion rate;



### **Remittance**

Providing a holistic transactional banking solution, Yondr's remittance service in partnership with Nium, allows us to earn a fixed fee on the transaction and a commission on the exchange rate.



### **Premium accounts**

Yondr is working on building a suite of value add products which will be built into a premium model. The features will be available to customers on a premium subscription with a fixed monthly fee charged to the customer;



## **Travel Insurance**

Low-cost policies via Insurer partnerships will draw healthy premiums for Yondr while allowing customers to access easy and low-cost products via the app.



## **Treasury and Lending products**

Whilst this may be a medium-long term offering, Yondr will benefit from the net interchange margin (NIM) from a variety of lending products.

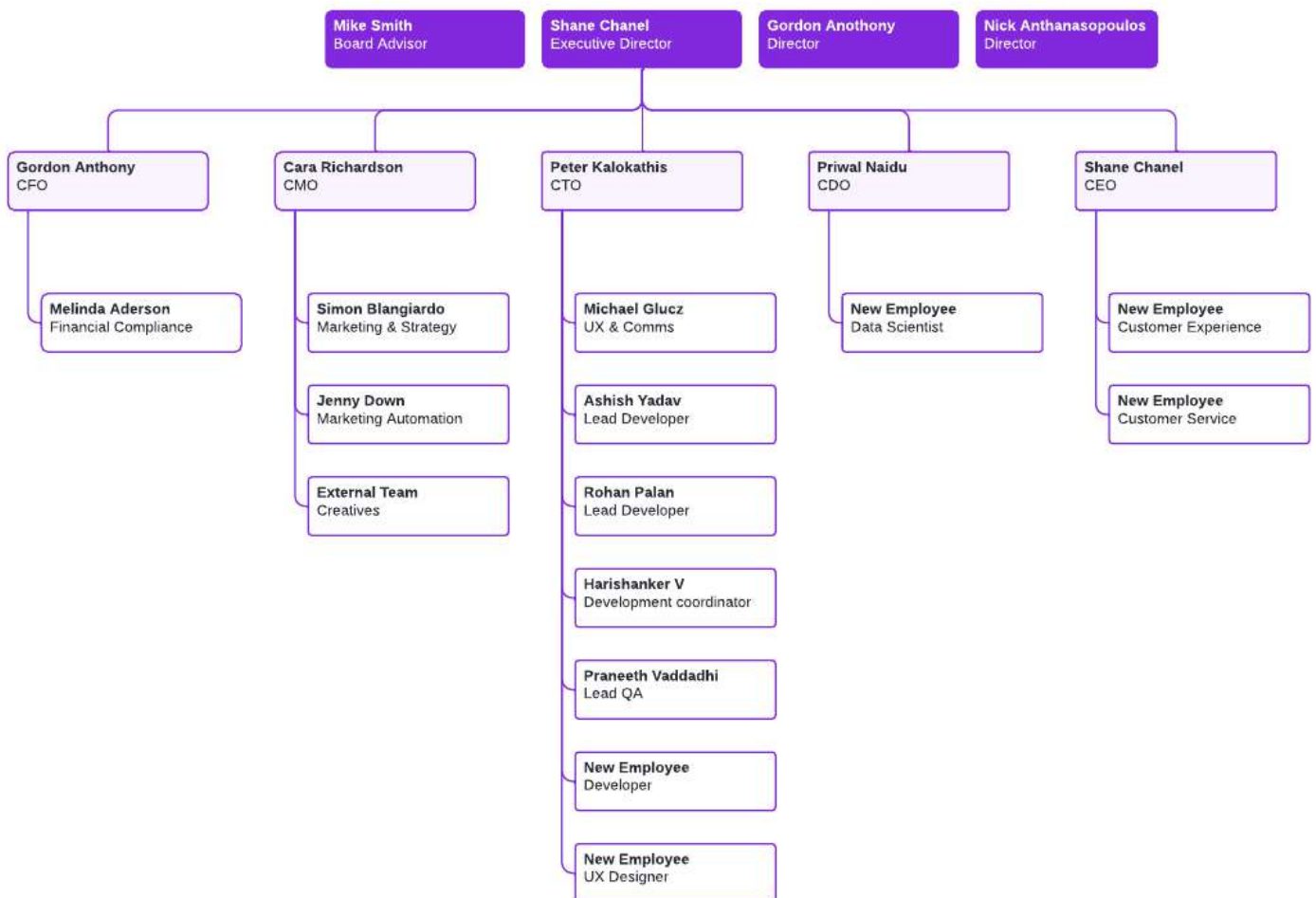
## 2.3. Business strategy

<p><b>Phase One</b></p>	<p>Started on 16<sup>th</sup> of February 2022 with a public Beta launch. Significant development and MVP refinement was completed over the past two years in close consultation with the development team and a 40-user closed group test team.</p>
<p><b>Phase Two (Short-term)</b></p>	<p>During this phase, Yondr will continue to build momentum and test and refine the application and processes with a growing customer base. A limited marketing push will be used to acquire new customers in line with platform scaling activities. Yondr will also make some key hires to its team during this time.</p> <p>Feature introductions</p> <ul style="list-style-type: none"> <li>• 3<sup>rd</sup> Party Pay-In</li> <li>• Pay out to any BSB and account</li> <li>• International Remittance</li> <li>• Advanced analytics</li> <li>• Customer Rewards</li> <li>• Retail brand partnerships</li> <li>• New and Improved user interface</li> </ul> <p>Begin exploring overseas markets</p>
<p><b>Phase 3 (Medium-term)</b></p>	<p>During this phase, Yondr will become more aggressive in its marketing and growth targets. Having refined its processes for greater scalability, customer acquisition strategies, product rollouts and partnerships are scheduled to increase.</p>



	<p>Feature introductions</p> <ul style="list-style-type: none"> <li>• Premium accounts</li> <li>• Expanded rewards program</li> <li>• Travel Insurance</li> <li>• Round up</li> <li>• Savings tools</li> <li>• Predictive analytics</li> <li>• Split and Request payments</li> <li>• Open banking integrations</li> <li>• Digital asset integrations</li> <li>• QR Code pay</li> <li>• Secret project</li> </ul> <p>Other objectives</p> <ul style="list-style-type: none"> <li>• Launch in an overseas market</li> <li>• Begin exploring credit products</li> <li>• Explore Dollarmite accounts</li> </ul>
<p><b>Phase four (Long-term)</b></p>	<p>Yondr will consolidate its experience and begin advancement into new Australian markets and globally.</p> <p>Feature introductions</p> <ul style="list-style-type: none"> <li>• Joint accounts</li> <li>• Credit products</li> <li>• High interest savings</li> <li>• Expanded partner rewards</li> </ul> <p>We expect to have various other value-add products driven by close consumer consultation.</p> <p>Other objectives</p> <ul style="list-style-type: none"> <li>• Launch in an additional overseas market</li> </ul>

## 2.4. Organisational Structure



## 2.5. Capital Structure

### 2.5.1 Issued capital (before and after the Offer)

**Table 1: \*Issued capital of the Company before the Offer**

Table 1 below sets out the issued capital of the Company before the Offer.

Name	Number of shares	Class	% Fully diluted
Founder	47,000,000	Ordinary	42.95%
Existing Shareholders	62,420,000	Ordinary	57.05%
Total Shares	109,420,000		100.00%

\*share split and reclassification lodgment with ASIC has occurred and is awaiting registry update

**Table 2: \*Issued capital of the Company following a Minimum Subscription of the Offer**

Name	Number of shares	Class	% Fully diluted
Founder	47,000,000	Ordinary	38.14%
Existing Shareholders	62,420,000	Ordinary	50.65%
CSF Offer	1,500,000	Ordinary	1.22%
ESOP**	12,320,097	Ordinary	10.00%
Total Shares on Issue	123,240,097		100%

\*share split and reclassification lodgment with ASIC has occurred and is awaiting registry update

\*\*unallocated and unissued

**Table 3: \*Issued capital of the Company following a Maximum Subscription of the Offer**

Name	Number of shares	Class	% Fully diluted
Founder	47,000,000	Ordinary	36.18%
Existing Shareholders	62,420,000	Ordinary	48.05%
CSF Offer	7,500,000	Ordinary	5.77%
ESOP**	12,973,736	Ordinary	9.99%
Total Shares on Issue	129,893,736		100%

\*share split and reclassification lodgment with ASIC has occurred and is awaiting registry update

\*\*unallocated and unissued

## 2.5.2 Rights and liabilities associated with securities

As at the date of this Offer, the only class of shares on issue are ordinary shares. There is no shareholders agreement between the existing shareholders and as such, the rights and liabilities associated with the shares are as set out in the Company's constitution.

Under the Constitution, the Board has the discretion to approve a transfer of shares to a third party. A more detailed description of the rights and liabilities associated with the shares is set out in Section 3.3 below. A copy of the Company's Constitution is available on the Intermediary's platform.

### Options

The Company has adopted an Employee Share Option Plan (ESOP) which will allow the Company to issue options and shares to employees and contractors who provide services to the Company. Some of the key reasons that the Company has implemented an ESOP are to:

- Offer staff incentives based on business success. This win-win approach will see their equity will increase in value as the business does; and
- incentivise key employees to stay in the business long term through the concept of vesting.

The Company may issue options under the ESOP up to a maximum of 10% of the fully diluted share capital of the Company. The Company may choose not to issue any options or shares under the ESOP.

The ESOP complies with the requirements of the Australian Tax Office's 'start up' tax concessions.

As at the date of this CSF Offer Document, the Company has issued zero (0) options to employees under the ESOP.

This ESOP scheme is governed by a set of rules. Some of the key rules are:

- all ESOP participants are subject to vesting arrangements, unless otherwise decided by resolution of the Company's Board;
- unless there is an exit event (such as a sale of the Company's business or the Company is listed on a securities exchange such as the ASX), the options will not expire until the employee is no longer employed by the Company;
- the terms of the ESOP govern the treatment of options and shares once an employee or contractor ceases to be engaged by the Company.

### **2.5.3 Sources of financing, including debt financing and other financing**

To date, our activities have been primarily funded by the Company's founding shareholder Shane Chanel. The founding shareholders have loaned funds of \$34,244 in total to the Company. The key terms of these loans are set out below.

Any shareholder loan made to the Company will be repaid after 12 months of trading if it does not negatively impact the Company's cash flow. The founder loans will not be repaid with the funds raised under the Offer.

## 2.6. Directors and Senior Managers





## 2.6.1 Our directors and management

### Directors and Key Team

#### Advisors



**Mike Smith**

Board Advisor

Mike has excelled for over 40 years in high-ranking roles in the worlds' biggest banks: HSBC, Hang Seng Bank and ANZ. Mike was the CEO of ANZ Bank from 2007 to 2015. With over 1000 organisations vying for his attention, Mike believes Yondr Money is the perfect platform to re-imagine the digital age of banking.

Duties: Partnerships, Introductions, Strategic Initiatives and Advisory.

#### Directors



**Shane Chanel**

Co-Founder & CEO

Shane has over 15 years of experience in banking, finance and SME businesses, along with experience in capital markets, product and business development, asset management, debt and equity markets. With past roles at TJM, iProsper and ASR, he brings strong leadership and management skills to lead the Yondr team.

Duties: Risk and Governance, Investor Relations, Registry, Operations, R&D, Customer Experience, Product Roadmap, Partnerships, Due Diligence, HR, Licensing and Strategic Initiatives.



**Gordon Anthony**

Co-Founder & CFO

Gordon brings wide ranging financial industry, investment and direct equity experience over mining, real estate, transportation, farming and more. In addition to his time as the head of exchange control at the Reserve Bank, Gordon is a CPA, tax agent and auditor with a career spanning more than 30 years.

Duties: Reporting, Forecasting, Fund Raising, Accounting Practices, Capital Management Plan, Tax, Prevention Reporting and Financial Risk Monitoring.



**Nick  
Athanasopoulos**

Director

A world known thought leader in the research, development and installation of industrial food manufacturing automation systems, Nick is a qualified industrial Chemist and as a Director of Production continues to evolve food industry workflows into streamlined and cost effective manufacturing services.

Duties: Partnerships, Vendor Negotiations, Review and Recommendations.



## Key Team



**Peter Kalokathis**

Chief Technology Officer

Peter brings over 30 years of Information technology experience from organisations such as Fonterra, Just Jeans, Mitre 10, WEX, Vicroads and is regarded as one of the most reputable Solutions Architect/ Solutions Designer. Having rolled out numerous large deployments, Peter is a reliable leader with a wealth of experience across many platforms.

Duties: Yondr Application, Architecture, Data Security, API, Cloud & DevOps, AI & ML, BCP & DRP, Technical Forecast, Planning, Roadmap, Reporting and Integrations.



**Priwal Naidu**

Head of Data & Digital Assets

Prijwal has experience in finance, quantitative trading and data science. With machine learning and statistics underpinning most of his work, he brings strong analytical and mathematical dexterities to the Yondr Team. Prijwal has a unique ability in making data talk.

Duties: Data Engineering, Modelling, Automation (AI&ML), Digital Assets Integrations, Special Projects, R&D, Development and Testing, Transactional and Data Enrichment, Innovations, Performance and Insight Management, CX Feedback Reporting and Recommendations.



**Cara Richardson**

Chief Marketing Officer

Cara brings over 20 years of branding and marketing experience. Drawing upon years of cross-sector expertise, Cara is renowned for building million dollar brands. Cara's humanistic, ethical approach to strategic branding and marketing is underpinned by a relentless pursuit to look beyond the typical response to deliver outstanding ROI.

Duties: Website, SEO, SEM, Digital Strategies, Performance Tracking, Analytics, Reporting and Recommendations.



**Michael Glucz**

Digital Comms & UX

Michael brings over 30 years of technology industry experience, with specialist skills in the programming and development of automated premium transactional reporting for the superannuation sector. An accomplished award winning designer, Michael assists Yondr to refine their industry leading platform.

Duties: Customer Communications, Planning, Design, Customer Experiences and Testing.



**Melinda Anderson**

Financial Compliance

Melinda is an accredited tax agent with over 20 years of experience in her own firm. Specialising in financial analysis, Melinda assists businesses reach their goals with comprehensive strategic advice. Melinda ensures that Yondr keeps on top of all of its risk and reporting compliance.

Duties: Audits, Tax, Risk Reporting and Compliance.

## 2.7. Risks facing the business

An investment in Yondr Money Pty Ltd should be seen as high-risk and speculative (see [page 3](#) of this CSF Offer Document). A description of the main risks that may impact the Company's 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 the Company (for example, risks relating to general economic conditions or the inability to quickly or easily sell your shares).

Risk	Description
Cash flow risk	Yondr's operating activities involve a series of cash inflows and outflows. Although Yondr seeks to manage its cash flow efficiently, there is a risk that Yondr may not have sufficient cash or working capital, at times, to fund both its operations and its expansion plans. This could affect Yondr's profitability, future prospects, and its ability to meet its business objectives.
Funding risk	<p>Yondr is in the process of raising funds to achieve its strategic business objectives and to cover its projected operating expenses. Yondr may not raise all of the required funding and therefore not achieve all of its business objectives.</p> <p>Yondr may also need to raise additional funds in the future from investors or third parties. There is no assurance that Yondr will be able to obtain additional rounds of funding on substantially the same terms as outlined in this CSF Offer Document or at all. Yondr's value may be materially affected if the required additional funding is not available.</p>
Third party risk	To limit unnecessary development costs and maximise time to market, Yondr will utilise the services of various third-party service providers. Disruption of third-party partners may cause interruption of specific Yondr services.

	Yondr will have contingency services for all critical infrastructure to ensure business continuity, including service level agreements with each partner to negate operational impacts of any service failures.
<b>Insolvency risk</b>	Yondr is not yet profitable. The company is seeking to obtain further funding to achieve its objectives. There is no guarantee that funding will be available on favourable terms or that Yondr will receive any level of funding at all.
<b>Key person risk</b>	As an early-stage business, Yondr is susceptible to the loss of key team members as they are considered critical to the continued success of Yondr. If a key team member was lost, due to illness for example, this could significantly affect Yondr's ability to continue its operations or achieve its business objectives as the case may be.
<b>Technology risk</b>	Yondr uses a number of sales, marketing and member communication technology solutions. Despite Yondr's measures to effectively manage these systems and risks, if any of these technologies were to fail without notice, it could interrupt Yondr's ability to sell or communicate with customers, which could have a direct impact on revenue and profitability.
<b>Strategic risk</b>	<p>Yondr has a limited operating history and will build the business with the funds raised through this crowd-sourced funding offer.</p> <p>As an early-stage business, Yondr is subject to all of the risks associated with early-stage companies, including uncertainty around the volume and origin of revenue streams, size and existence of repeat customers, and risks associated with evolving technology. In particular, Yondr is not yet profitable and is yet to generate revenue through certain anticipated revenue streams.</p> <p>The commercial success of the business will depend on many factors including Yondr's ability to attract and retain quality staff and loyal customers</p>

<b>Brand risk</b>	<p>If Yondr does not maintain consistent levels of quality and service in its offering, Yondr's brand and reputation could be damaged. In an increasingly connected world, damage to a company's brand and reputation can be catastrophic. Yondr is acutely aware of this risk and is vigilant to ensure that it maintains a consistently high level of product quality and customer service.</p>
<b>Business model risk</b>	<p>Yondr is at the proof-of-concept stage of the business cycle. As such, it carries the risks of a start-up business. Given the limited trading history of Yondr, no assurance can be given that Yondr will achieve commercial viability through the implementation of its business plan.</p>
<b>Regulatory risk</b>	<p>As Yondr grows, it will seek new regulatory licences to expand its model and offering.</p> <p>There is no guarantee that we will receive all necessary regulatory approvals and we cannot predict with certainty the timelines for such approvals, or whether other requirements may be imposed or changed by regulatory authorities.</p> <p>Yondr is in the process of applying for their own AFSL. Currently, Yondr is an authorised representative (AR) under the AFSL of NIUM Pty Limited (ACN 601 384 025 AFSL 464627) ("NIUM"). Should Nium be materially impacted or our AR arrangement be terminated, it would considerably affect Yondr's ability to continue its services until the business receives its own AFSL or transitions to another arrangement.</p>
<b>Intellectual property risk</b>	<p>The protection of Yondr's intellectual property is critical to our business and commercial success. If we are unable to protect or enforce Yondr's intellectual property rights, there is a risk that other companies will copy our product and technology, which could adversely affect our ability to compete in the market.</p>

## **2.8. Financial information**

Below are the financial statements of Yondr for the financial year ended 30 June 2020, 2021, and 6 months ending 31st December 2021 have been prepared in accordance with the Accounting Standards.

### **A. Introduction**

The Management of Yondr Money has prepared the financial information set out in this CSF Offer Document and has been adopted by the Directors. This financial information has not been audited and Investors are urged to read all of this information in full.

### **B. Basis of Preparation**

The Financial Information has been prepared in accordance with the Australian Accounting Standards and the Corporations Act.

Yondr's accounting policies meet the requirements of the Australian Accounting Standards and interpretations issued by the Australian Accounting Standards Board. The Directors believe that there are no significant matters to affect the "going concern" of Yondr.

### **C. Forecast**

The Directors are of the opinion that the financial performance of Yondr in any period will be influenced by various factors that are outside their control especially as the payment app has recently been launched. Therefore, the Directors have concluded that it is not appropriate to provide any forecast financial information in relation to Yondr.

### **D. Significant accounting policies of Yondr**

The financial information in this section should be read in conjunction with all of the significant accounting policies which are included with the attached financial statements of Yondr. The significant accounting policies have been included to assist in a general understanding of the Financial Information.

## 2.8.1 Balance sheet

Statement of financial position for the years ended:	Year ended 30 June 2020	Year ended 30 June 2021	6 Months ended 31 Dec 2021
	\$	\$	\$
<b>Current Assets</b>	\$	\$	\$
Cash and cash equivalents	45,650	73,623	164,636
Trade and other receivables	2,719	4,766	3,536
<b>Total Current Assets</b>	<b>48,369</b>	<b>78,389</b>	<b>168,172</b>
<b>Non-Current Assets</b>			
Plant and equipment	-	-	-
Intangible assets	-	928	812
<b>Total Non-Current Assets</b>	<b>-</b>	<b>928</b>	<b>812</b>
<b>TOTAL ASSETS</b>	<b>48,369</b>	<b>79,317</b>	<b>168,984</b>
<b>Current Liabilities</b>			
Trade and other payables	-	-	-
Short-Term Borrowing	33,706	34,244	34,244
Other liabilities	-	-	17
<b>Total Current Liabilities</b>	<b>33,706</b>	<b>34,244</b>	<b>34,261</b>
<b>Non-Current Liabilities</b>	<b>-</b>	<b>-</b>	<b>-</b>
Other liabilities			
<b>Total Non-Current Liabilities</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>TOTAL LIABILITIES</b>	<b>33,706</b>	<b>34,244</b>	<b>34,261</b>
<b>NET ASSETS</b>	<b>14,663</b>	<b>45,073</b>	<b>134,723</b>

Equity			
Issued capital	75,100	210,725	357,500
Accumulated profits (losses)	(60,437)	(165,652)	(222,777)
<b>TOTAL EQUITY</b>	<b>14,663</b>	<b>45,073</b>	<b>134,723</b>

## 2.8.2 Profit and loss statement

Statement of profit or loss for the years ended:	Year ended 30 June 2020	Year ended 30 June 2021	6 Months ended 31 Dec 2021
	\$	\$	\$
Revenue	-	-	-
Other Income	-	-	-
Advertising	(15,000)	(454)	(1,791)
Amortisation expenses		(232)	(116)
Bank Charges	(40)	(120)	(60)
Computer Software	(771)	(854)	(2,783)
Software Development	(3,666)	(94,177)	(9,913)
Consultants Fees			(10,000)
Filing Fees		(639)	(1,798)
Legal Fees	(8,000)	(4,500)	(4,500)
Office Expenses			(500)



Marketing Expenses			(19,257)
Postage			(100)
Printing and Stationery	(306)		(2,293)
Travel and Meeting	(4,408)	(404)	(2,086)
Travel Overseas			(552)
Website Expenses	(151)	(3,835)	(1,376)
Loss before income tax	(32,342)	(105,215)	(57,125)
Income tax expense	-	-	-
Total comprehensive income (loss)	(32,342)	(105,215)	(57,125)

## 2.8.3 Cash flow statement

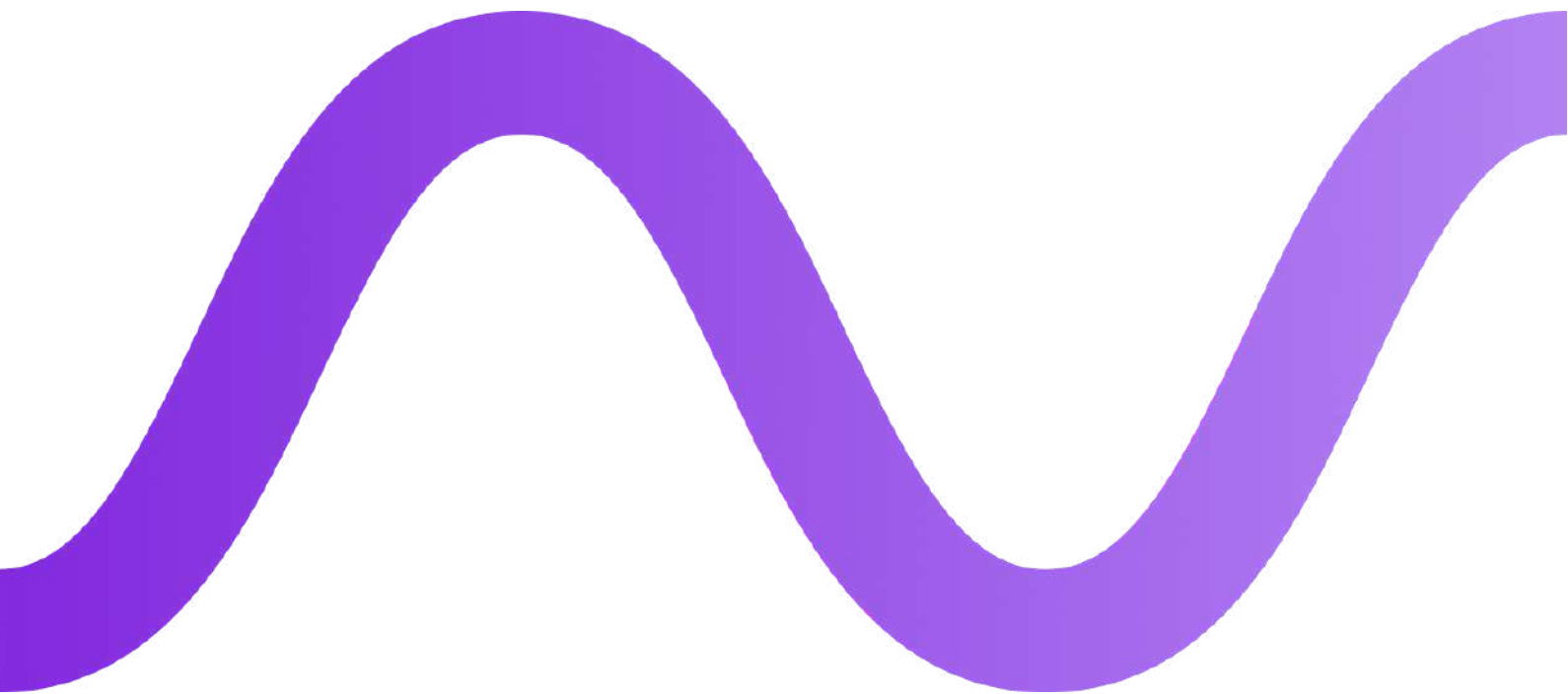
Statement of Cash flow	
For the period ended 31st December 2021	
<b>Cash Flow from Operating Activities:</b>	
Expenses paid during the period	(\$57,125.00)
Decrease in accounts payable	\$1,230.00
Decrease in asset	\$116.00
Increase in Accounts payable	\$117.00

Cash Flow from Equity Activities:	
Additional equity raised during the period	\$146,775.00
Cash Flow from Investments:	
Borrowings during the period	\$0.00
Net Increase in Cash during the Period	\$91,013.00
Add Cash Balance as at 30 <sup>th</sup> June, 2021	\$73,623.00
Cash Balance as at 31 <sup>st</sup> December, 2021	\$164,636.00

## 2.8.4 Statement of changes in equity

Statement of Changes in Equity	
For the period ended 31st December 2021	
Balance as at 30 <sup>th</sup> June, 2021	\$45,073.00
Capital contributed during the period	\$146,775.00
Profit (loss) for the period	(\$57,125.00)
Dividends	\$0.00
Asset Revaluation	\$0.00
Balance as at 31 <sup>st</sup> December, 2021	\$134,723.00

## Section 3: Information about the Offer



### 3.1. Terms of the Offer

Yondr Money Pty Ltd is offering up to 7,500,000 shares at an issue price of \$0.20 per share to raise up to \$1,500,000.

The key terms and conditions of the Offer are set out 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](http://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.

Term	Details
Shares	Fully-paid ordinary shares
Price	\$0.20 per share
Minimum Subscription	\$300,000
Maximum Subscription	\$1,500.000
Minimum parcel size	\$250.00
Opening date	22/03/2022
Closing date	07/04/2022

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

Investors may withdraw their application during the Cooling-off Period. Further information on investor cooling-off rights can be found in Section 4.1 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.

Use of proceeds	Minimum Subscription		Maximum Subscription	
	%	\$(AU)	%	\$(AU)
Development of further products & services	40%	\$120,000	35%	\$525,000
Working Capital, Licencing and Administration	24.7%	\$74,200	9.8%	\$147,200
Marketing/growth and promotions	16.7%	\$50,000	20%	\$300,000
Offer Costs (6%), inc \$2,800 Admin Fee	6.9%	\$20,800	6.2%	\$92,800
Transaction expenses	11.7%	\$35,000	2.3%	\$35,000
Expansion into other Markets	0%	\$0	26.7%	\$400,000
<b>Total</b>	<b>100%</b>	<b>\$300,000</b>	<b>100%</b>	<b>\$1,500,000</b>

The use of funds table above is based on Yondr's current intentions as at the date of this CSF and is subject to change. The Offer costs include 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.

Notes:

- A. The development costs include the ongoing development costs of the future products and further development of the premium version.
- B. Working Capital includes costs paid to Nium for the use of their platform, charges of service providers, legal expenses, licence and application fees, server costs, office rental costs, directors' fees, accounting and tax costs, insurance, and other administrative costs.
- C. Marketing costs associated with the Company's user acquisition strategy including creative production, awareness, promotion, public relations, agency costs, incentives and internal labour costs.
- D. Capital raising cost is payable to Birchal
- E. Transaction expenses include adviser and legal fees of approximately \$35,000, video production, printing and distribution costs and company secretarial costs.
- F. The offer is not underwritten.

Yondr is also concurrently developing a premium version of the current app that contains features intended to greatly enhance monetisation.

We expect that the current funding offer amount will be sufficient to meet Yondr's short-term objectives over the next 6-12 months.

Yondr will require further funding to be able to carry out our intended activities over the next 12-18 months. In such circumstances, Yondr may consider

undertaking further capital raising and may also consider conducting another crowd-sourced funding under the CSF regime.

## **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 are set out in Yondr's constitution. These key rights are described below. A copy of the constitution is available on the Intermediary's platform.

### **3.3.1 Voting rights**

You are entitled to vote on the matters as set out in the Constitution.

### **3.3.2 Dividends**

All shareholders have a right to receive any dividends declared and paid by Yondr. 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 Yondr's assets are sufficiently in excess of its liabilities immediately before the dividend is declared and where it may materially prejudice Yondr'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. In accordance with the Corporations Act, Shareholders who hold at least 5% of the votes which may be cast at a general meeting of Yondr 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**

A Shareholder that individually holds at least 20% or more of the total issued Shares may appoint a person as a Director. If a Shareholder ceases to hold 20% or more of the total issued Shares, they must ensure that any director appointed by them is immediately removed.

The Founder Shareholder has a right to appoint a director as long as the Founder Shareholder holds 5% or more of the shares in Yondr.

Shareholders may vote to remove a director from office then appoint another person as a director in that director's place by way of special resolution (75%).

### **3.3.5 Winding-up**

If Yondr is wound up, the liquidator, with the sanction of a Special Resolution of the Shareholders:

- A. may divide among the Shareholders, in specie or in kind, the whole or any part of property of Yondr available for distribution and may, for that purpose, set the value as the liquidator considers fair on any specific assets of Yondr to be divided; or
- B. may vest specific assets of Yondr in a trustee or trustees on trust for the benefit of any of the Shareholders as the liquidator thinks fit but so that no Shareholder is compelled to accept any shares or other securities in respect of which there is any liability on the part of the holder.

### **3.3.6 Restrictions on sale, transfer or issue**

The following share sale restrictions are adopted in the Constitution of Yondr:

- A. Drag and tag along rights
  - a. Drag along rights at 60% of the shares: if 60% of share capital agrees to sell to someone, the buyer can also buy your shares.



- b. Tag along rights at 50% of the shares: if 50% of share capital agrees to sell to someone, you have the right to sell at the same price to the buyer.
- B. Pre-emptive rights
  - a. New issues
    - i. Shares may only be issued by Yondr in accordance with clause 12.2 of the Constitution. This means that, except in respect of certain excluded issues (as described in clause 12.2(c) Constitution), where Yondr wishes to issue new shares, Yondr must offer the right to non-CSF Shareholders (as defined in the Constitution) holding at least 10% of the shares in the Company to subscribe for those new shares before those new shares can be issued to third parties.
  - b. Sale of existing shares
    - i. Shares may only be transferred by a shareholder in accordance with clause 12.34 of the Constitution. This means that, except in respect of certain Permitted Transfers (as described in the Constitution), shareholders wishing to sell shares must offer those shares to Yondr for buy back and cancellation. If Yondr does not take up this right the shareholder must then offer the shares to all non-CSF Shareholders (as defined in the Constitution) holding at least 10% of the shares in the Company before those shares can be sold to third parties.
- C. Board's discretion to refuse to register a transfer of shares
  - a. Board can refuse transfers at their sole discretion (see Constitution)
- D. Investors are not able to sell shares acquired under the CSF Offer within 12 months of their issue without a prospectus or other disclosure document, unless:
  - a. an exemption in s708 applies (e.g. sales to sophisticated or professional investors); or
  - b. ASIC makes an exemption.

### 3.4. What can I do with my shares?

Shares in Yondr are considered illiquid as they cannot easily be transferred or sold. However, there are numerous possible circumstances that may create an opportunity for shareholders to exit their investment in Yondr. These include, but are not limited to:

- A trade purchase of Yondr
- A listing on a registered stock exchange (e.g. the ASX)
- A private equity investment in Yondr
- A share buy-back by Yondr

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

### 3.5. Early Stage Innovation Company

From 1 July 2016, if you invest in a qualifying early stage innovation company (ESIC), you may be eligible for tax incentives. The incentives provide eligible investors, who purchase new shares, with:

a. Non-refundable carry forward tax offset equal to 20% of the value of their qualifying investments. This is capped at a maximum tax offset amount of \$200,000 for sophisticated investors and their affiliates and \$50,000 for retail investors and their affiliates.

B. A modified capital gains tax (CGT) treatment, under which capital gains made or accrued on qualifying shares that are continuously held for at least 12 months and less than ten years are exempt from CGT. Capital losses made or accrued on shares held less than ten years are also disregarded.

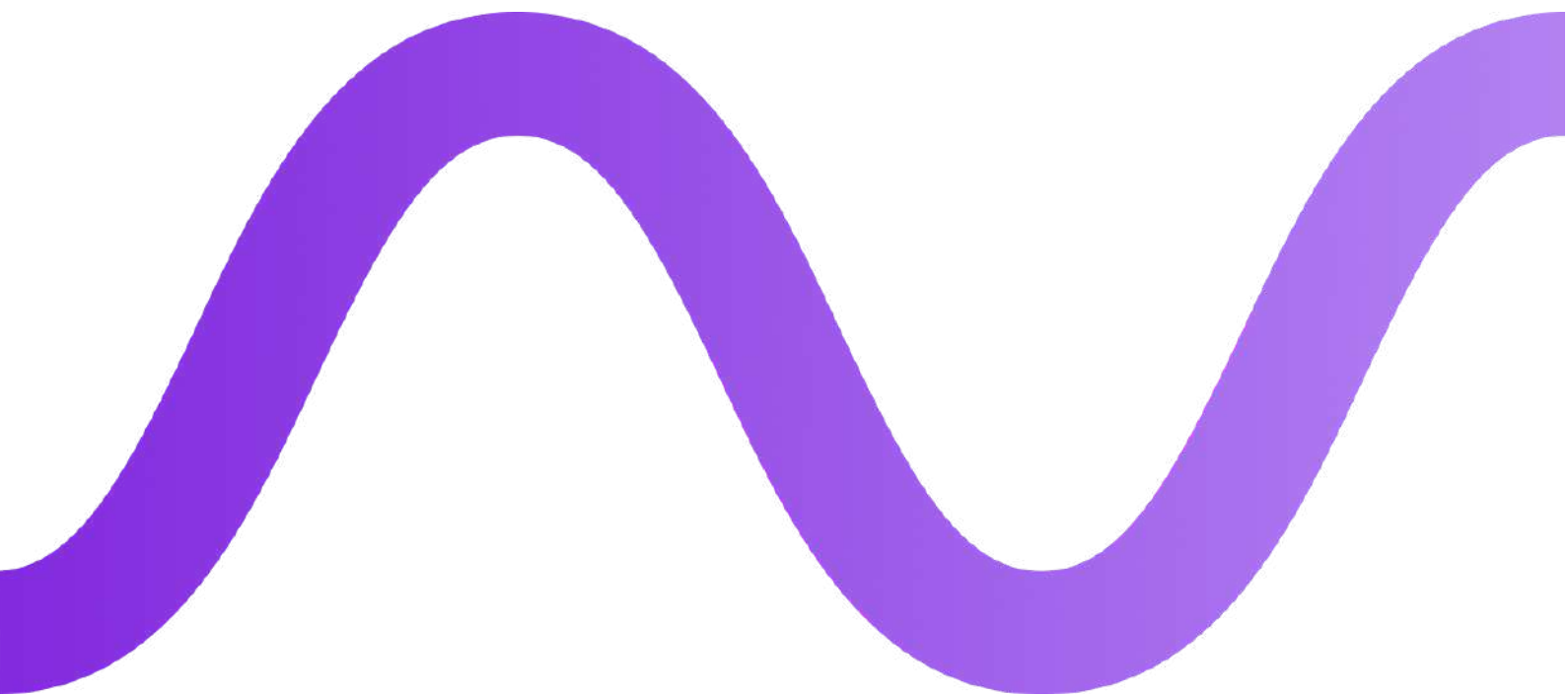
More information about the ESIC regime is available from the ATO website here – <https://www.ato.gov.au/Business/Tax-incentives-for-innovation/In-detail/Tax-incentives-for-early-stage-investors/>

Based on an objective self-assessment with the assistance of advisors, Yondr has assessed itself and believes that it meets the criteria as a qualifying ESIC for the

purposes of this Offer. Investors who purchase new shares in qualifying ESICs may be eligible for certain early stage tax incentives.

Yondr does not warrant or guarantee that it will qualify under relevant rules as an ESIC, and is not able to form a view or give investors tax advice as to whether they are eligible for any tax incentives. Neither Yondr nor Birchall Financial Services Pty Ltd take any responsibility for investors that invest on the assumption that ESIC will apply to them or Yondr. We recommend that investors seek independent tax advice about their investment.

## 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 Yondr), 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 Yondr 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. Yondr and/or the Intermediary will also be able to respond to questions and comments posted by investors.

Officers, employees or agents of Yondr, and related parties or associates of Yondr or the Intermediary, may participate in the facility and must clearly disclose their relationship to Yondr 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

While Yondr is currently a small proprietary company that is not required to prepare annual financial reports and directors' reports, if we successfully complete this Offer, then we will be required to prepare and lodge these annual reports with ASIC (within four months of the financial year end). Yondr 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 Yondr's financial reports will not be subject to auditor oversight and, therefore, there will be no independent assurance of

Yondr's financial statements. However, the directors are still required to ensure that the financial statements give a true and fair view of Yondr'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**

Yondr is not required to notify shareholders in writing of the options to receive or access the annual report. Shareholders will not be able to elect to receive a copy of the annual report by way of email or post. However, shareholders can access the annual report from [www.cakeequity.com/au](http://www.cakeequity.com/au) or can purchase the report from ASIC.

### **4.3.3 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 Yondr (for so long as we continue to have CSF shareholders). This means that Yondr is required to obtain shareholder approval before giving financial benefits to related parties of Yondr (e.g. directors and their spouses, children or parents), subject to certain exceptions (such as reasonable remuneration provided to directors).

### **4.3.4 Takeovers**

If we successfully complete this Offer and have more than 50 shareholders, the takeover rules in the Corporations Act will only apply to Yondr in a very limited way. If someone wants to buy more than 20% of the voting shares in Yondr, they will be able to do so without complying with the takeover rules. This means a person may be able to get control of Yondr 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 Yondr. 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 Yondr. In addition, the Takeovers Panel has jurisdiction to hear disputes relating to control of Yondr.

## **4.4. Company updates**

Yondr will provide regular updates to investors on Yondr's website at the following address [www.yondr.money](http://www.yondr.money), via Yondr's share registry website at the following address [www.cakeequity.com/au](http://www.cakeequity.com/au) and via the Intermediary's platform.



## Glossary of terms

**Act** means the Corporations Act 2001 (Cth) and includes any regulations and instruments made under the Act and any consolidations, amendments, re-enactments or replacements of any of them.

**Company** means Yondr Money Pty Ltd (ACN 625 732 569).

**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.

**CSF** means crowd-sourced funding under Part 6D.3A of the Corporations Act.

**CSF Offer** means an offer of eligible Equity Securities that is made under the CSF Regime in Part 6D.3A of the Act.

**CSF Offer Document** means this offer document.

**CSF Shareholder** means a Shareholder that holds one or more eligible Equity Securities in Yondr as a result of:

- A. being issued eligible Equity Securities under a CSF Offer; or
- B. acquiring eligible Equity Securities that were originally issued under a CSF Offer.

**Equity Securities** means Ordinary Shares, Preference Shares, any securities, or instruments convertible into Ordinary Shares (including convertible notes and preference shares), any options to subscribe for any such Ordinary Shares or convertible securities or instruments and any other class of securities the Board designates as Equity Securities.

**Founder Shareholder** means Shane Peter Chanel and Shane Peter Chanel as trustee for the Chanel Investment Trust.

**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.

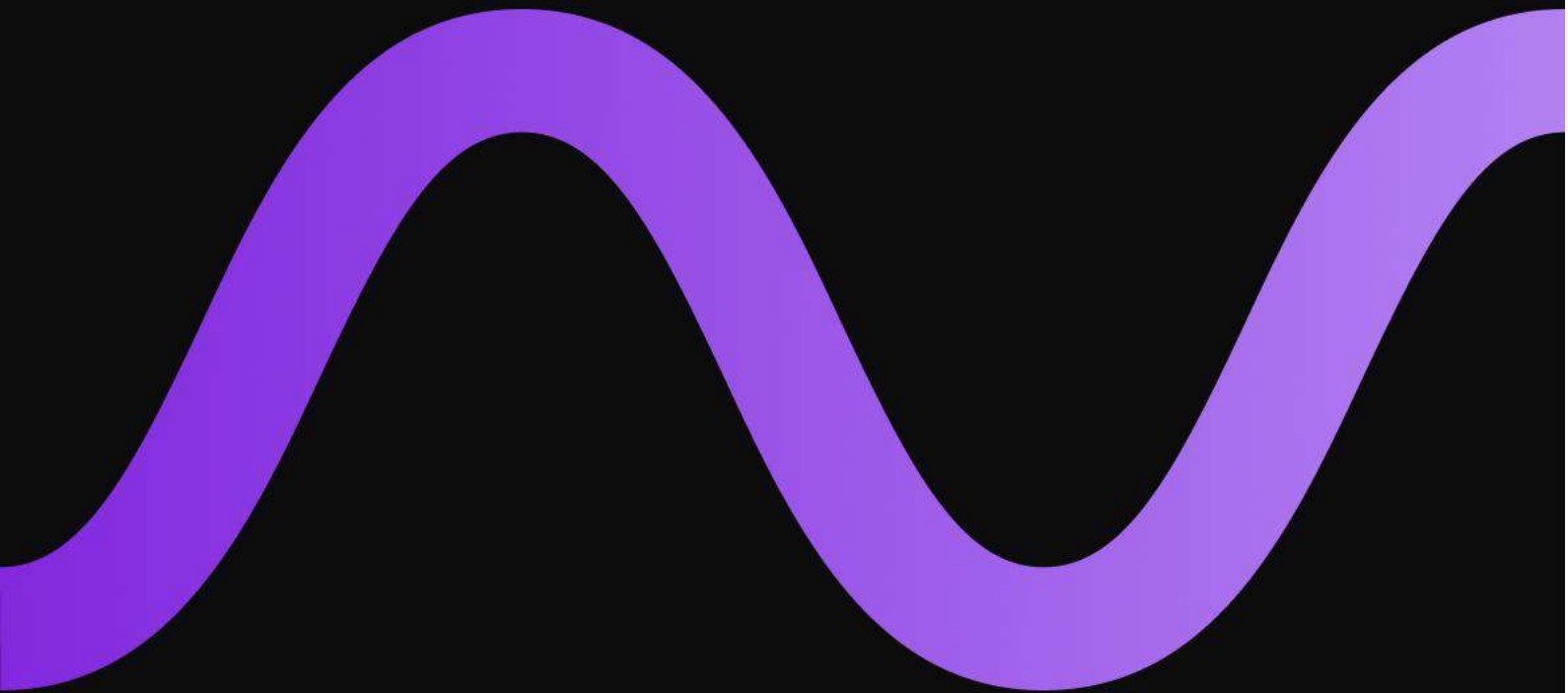
**Offer** means an offer of fully-paid ordinary shares by Yondr under this CSF Offer Document.

**Register of Shareholders** means the register listing each person who is a holder or joint holder of a share which Yondr maintains under the Act.

**Retail investor** has the meaning given to the term “retail client” under the Corporations Act.

**Shareholder** means a person entered in the Register of Shareholders as a holder of Shares in Yondr.

YONDR



[www.yondr.money](http://www.yondr.money)