

INFORMATION REGARDING INVESDOR AND THE SERVICES PROVIDED BY INVESDOR

INFORMATION REGARDING INVESDOR

Invesdor is a financial technology (fintech) company focusing on digital fundraising and investment crowdfunding, which includes equity (shares) and debt crowdfunding (bonds). Invesdor is an investment service provider licensed to provide investment advice, placing of financial instruments without a firm commitment basis, reception and transmission of orders, safekeeping of financial instruments and advice on capital structure and mergers. Invesdor is licensed to help companies from 28 countries in the European Economic Area (EEA), and currently actively operating in six countries: Finland, Austria and Germany.

CONTACT DETAILS

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SUPERVISION

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Invesdor Ltd is supervised by the FIN-FSA under the license number FIVA 39/02.02.00/2014.

COMMUNICATION

Invesdor provides service and documentation as a general rule in English, Finnish and German.

Communication between Invesdor and its clients take place via the webpage, e-mail or phone. At the customer's request, Invesdor will also provide the customer with the information contained in this document on paper, free of charge.

Invesdor only accepts assignments and orders via Invesdor's webpage.

SERVICES

Invesdor is providing services on placing of financial instruments without a firm commitment basis and reception and transmission of orders. Investment advice and safekeeping of financial instruments is not currently offered by Invesdor.

Placing of financial instruments without a firm commitment basis

Invesdor agrees to procure potential subscribers for the securities via the digital subscription channel provided by Invesdor without any underwriting firm commitments.

Reception and transmission of orders

The services are offered through the online platform at www.invesdor.fi. Currently, the securities offered through Invesdor's platform may be transferable equity shares or bonds. Furthermore, the service offering includes the Invesdor OwnersPortal, to manage the securityholders' register and investor relations of Target Companies and PaaS solution for the financial services industry.

APPROPRIATENESS EVALUATION

Invesdor executes an appropriateness evaluation on all investors investing via Invesdor. The purpose of the evaluation is to ensure that the financial instruments offered by Invesdor are appropriate for the investor. At the latest when investing for the first time, the investor needs to answer a few questions about their investment history and knowledge as well as their understanding of different financial instruments. If Invesdor, based on the investor's answers, considers the financial instruments offered by Invesdor not to be appropriate for the investor, Invesdor will notify the investor of this. Should the investor still want to proceed with the investment in question, the investor is capable of doing so.

REPORTING TO CLIENTS

In case Invesdor holds client assets for longer than 3 months on the client asset account, a statement in a durable medium of those financial instruments or funds is sent to the investor, unless the statement has been provided in another periodic statement.

The investors who have made an investment during a funding round will receive an e-mail after the round has been closed. The e-mail will contain information on the allocation of the securities and how many securities the investor has acquired or if the investor was left with no securities after the allocation in the event of oversubscription.

Invesdor also sends a newsletter regularly to its clients who have given their consent for it.

TAXATION

Taxation of financial instruments depends on the investors' individual circumstances. Investors should always check with their local tax authority and ask them how they treat subscriptions of new securities, dividends paid by private or non-listed companies and profits from selling securities of private companies. Invesdor does not report investors' subscriptions or returns to their tax authorities. Investors are solely responsible for their own tax reporting.

CLIENT CLASSIFICATION

Invesdor's clients are legal entities and natural persons, who make an investment via Invesdor's platform. Additionally, Invesdor's clients are Target Companies, who are seeking funding through the platform.

Invesdor classifies its clients in three different client categories: non-professional, professional and eligible counterparty. The aim of client classification is to adapt investor protection to the right level and determine Invesdor's obligations towards a client according to the client's individual needs and preconditions.

Most of Invesdor's clients are non-professional clients. Clients are treated as non-professional clients if they do not separately ask to be treated as professional clients. In case of such a request, the client has to confirm that they understand that they will lose some

investor protection and protection of the Investor Protection Fund. Additionally, Invesdor evaluates whether the client fulfils the conditions for being treated as a professional client according to the Finnish Act on Investment Services.

CUSTODY AND PROTECTION OF CLIENT ASSETS

Client assets are separated from the assets of Invesdor, the custodian bank and other clients of the custodian. Invesdor regularly monitors that the requirements for depositing client assets are fulfilled by the custodian bank. The monetary assets of Invesdor's clients are placed with Danske Bank, A/S, Finland Branch.

Client assets are retained in a client asset account until the end of a funding round. Depending on the outcome of the funding round, the funds will either be transferred to the Target Company's bank account in accordance with the order made by the investor or returned to the investor's bank account.

Invesdor has agreed with the custodian bank about a prohibition of offsetting, according to which any claims the custodian may have on Invesdor can never be offset from the client asset account. The agreement on prohibition of offsetting is protecting the client assets.

An investment firm cannot, without a prior consent from the client, pledge or hand over financial instruments belonging to the client or client assets on their own or another client's behalf. Invesdor does not pledge or hand over client assets.

INVESTOR PROTECTION

The client funds of non-professional investors are protected by the Finnish Investor Protection Fund. The amount of compensation to be paid to the same investor is nine tenths (9/10) of the amount of the investor's receivable from Invesdor, however, not more than EUR 20 000. The Finnish Investor Protection Fund will reimburse the investor if Invesdor is unable to meet its obligations due to permanent insolvency. The compensation does not apply to losses caused by changes in the value of securities. More information on the Investor Protection Fund can be found on <https://www.en.sijoittajienkorvausrahasto.fi>.

CONFLICTS OF INTEREST

General

Invesdor is taking reasonable actions to identify and prevent conflicts of interest. When identifying and preventing conflicts of interest, the small size of Invesdor and the type, scope and diversity of Invesdor's business is taken into account.

There are many varieties of conflicts of interest that apply to a wide range of behaviours and circumstances. Typically, a conflict of interest arises when two or more persons have competing interests and a duty of care or trust exists between those persons. An employee may face a conflict of interest in the course of working at Invesdor which could have the potential to compromise his or her professional judgement and objectivity or otherwise hinder the proper discharge of duties and responsibilities owed by the employee to Invesdor. Failure to recognize and appropriately manage conflicts of interest could result in inappropriate or adverse consequences for clients, Invesdor, or employees. Conflicts of interest relevant to Invesdor include those that arise between:

- Invesdor and one or more of its clients;
- an employee and a client;
- two or more clients in the context of the provision of services by Invesdor to those clients;
- an employee and Invesdor;
- individual employees of Invesdor;
- Invesdor shareholder and one or more of Invesdor's clients;
- a material shareholder and Invesdor.

Types of conflicts of interest

By managing conflicts of interests Invesdor strives that the Company, its Board of Directors, CEO, employees or a person directly or indirectly linked by way of control to Invesdor (e.g. a shareholder) or their insider family members or other related parties do not:

- make a financial gain, or avoid a financial loss, at the expense of Invesdor or its clients;
- have an interest in the outcome of a service or an activity provided by Invesdor to a client or of a transaction carried out on behalf of Invesdor or a client, which is distinct from Invesdor's or the client's interest in that outcome;
- the interest of a client or group of clients over the interest of Invesdor;
- the interest of one client or a group of clients over the interest of another client or group of clients; or
- receives or will receive from a person other than Invesdor or its investors an inducement in relation to investment services, in the form of monies, goods or services other than the standard commission or fee for that service.

Conflicts management

The Board of Directors of Invesdor Group has approved a Conflict of Interest Policy which describes how conflicts of interest are managed so that the clients are treated according to their best interests.

Invesdor is aware of that it is not possible to completely avoid conflicts of interests and strives to recognise and prevent the situations when they may arise. If a conflict of interest cannot be avoided, Invesdor treats all its clients honestly, equally, and according to their best interests. The client is informed about the nature and ground to the conflict of interest before conducting a transaction. Because of the nature of investment services offered by Invesdor, conflicts of interests between different products, services or functions are not likely.

If Invesdor cannot avoid a conflict of interest, the conflicts of interest are diligently identified and disclosed to all parties concerned. The disclosure includes sufficient details about the nature and reasons of the conflict of interest and the actions taken in order to reduce the risks related to it in order to enable the client to make an informed decision before conducting the transaction.

INDUCEMENTS

Invesdor is taking reasonable action to assess the risks and problems related to inducements. The main issues with inducements relate to the fair and equal treatment of investors as well as taxation. Equal treatment of customers and the high-risk nature of our services are the main issues to assess when considering a benefit. Any inducements shall be clearly disclosed and communicated and accompanied with a disclaimer instructing not to base the investment decision on the inducement but to consider the investment as if the benefit was not included. Inducements and their effects shall be explained in more detail in the pitch text of the funding round material, as well as the risk section of the materials.

In principal, possible inducements are kept modest and justifiable and the emphasis is on inducements that can be claimed by investing early rather than by investing large amounts, e.g. getting quantity discounts. An inducement is always equally available to all clients and the client will have an option to refuse the inducement.

Inducements paid to Invesdor in general

Inducements from a third party with no business-based interest are generally not considered acceptable and in principle, a third party inducement may only be allowed if it is designed to enhance the quality of the service to the client and does not in any way impair compliance with our duty to act in the best interest of the client.

Inducements paid by Invesdor in general

The rule governing possible inducements received from a third party, as described in the section above, also applies to any possible inducements from Invesdor to a third party.

Invesdor does not hand out inducements in cash, particularly due to the tax consequences, and instead possible inducements are in the form of a discount, gift card or similar.

COSTS AND CHARGES

Invesdor does not charge investors any administrative fees or any service or subscription fees in connection with the fees or investments. The profits the investments make belong to the clients. The client may receive information on fees and charges by telephone prior to making an investment.

Invesdor does not charge a fee for advice given by e-mail or via the chat function on the website. Invesdor also does not charge for advice given by telephone, i.e. the only costs incurred by the customer are the normal mobile phone charges and the local network charge for calls made from a landline, as charged by the customer's telecoms operator.

The fees charged from the Target Companies are affected by the details of the funding round. Invesdor's pricing is generally based on three elements: a fixed fee (listing fee), a percentage of the funds raised during a successful round (success fee) and a predetermined fee after a successful funding round (closing fee). Invesdor and the Target Company may negotiate the fees to be charged on a per financing round basis.

RISKS

Properties and risks related to financial instruments

a) Risks related to financial instruments

There are always risks related to investing in financial instruments. Risks refer to the degree of uncertainty and potential financial loss inherent in an investment decision. Earlier financial profit is never a guarantee of future profits. The investor is always responsible for bearing the financial consequences of their investment decisions and therefore has to familiarise with the information provided about the financial instruments and the terms that apply.

Unlisted growth companies are high-risk investments. Making a high-risk investment involves risks such as losing the investment, lack of liquidity, irregular or rare dividends and dilution of your stake.

It is recommended that the investors familiarise themselves with the investment target of their choice, reduce risks by investing in several investment targets and balance their investment portfolio with more liquid investments.

Invesdor also advise the investors to pay attention to the Target Company specific risk descriptions, which are found in the pitch materials.

b) Central definitions related to risks

Market risk means the risk caused by economic developments or other events that affect the entire market.

Liquidity risk means the risk of being unable to sell your investment at a certain time, because the trading is minimal or there is no secondary market.

Interest rate risk means the risk caused by changing interest rates. Increasing interest rate lowers the market prices of a fixed-interest bond and decreasing interest rate increases the market price.

Issuer risk means the possibility of changes in the financial position of the issuer of a security, which could lead to insolvency of the issuer.

Tax risk means the risks of changes in tax regulation or tax rates causing adverse taxation.

Foreign exchange risk refers to the effect that movements in exchange rates can have on the value of your investment.

c) Properties and risks related to crowdfunding in general

Crowdfunding is an umbrella term that refers to a way of collecting funds from a large number of people, typically online, by means of a public funding campaign.

At the core of crowdfunding are three defining aspects: Investments come from large numbers of investors (hence the 'crowd'), the average investment is relatively low (from hundreds to thousands of euros) and the investments and fundraising campaigns often take place online.

Crowdfunding can refer to several very different types of fundraising. In the case of equity and debt type crowdfunding, the entity seeking funding is always a company, generally a limited liability company. For those who provide funding, participating in a crowdfunding campaign equals to making an investment: it carries a risk of losing the invested capital while also having the potential to make a profit.

When making an investment, there is always a risk of losing money. Both equity and debt crowdfunding investments are generally regarded as high-risk investments as the investments are often made in early-stage companies that have a higher failure and bankruptcy risk compared to more established companies, they generally do not pay dividends, and the liquidity for the investment is low because the securities are not listed on a trading venue. These investment risks are somewhat lower if the funding round is for an IPO, as listed shares are considered ordinary investment instruments. Investors should always carefully consider what they are investing in and invest responsibly.

d) Properties and risks related to debt crowdfunding

The investor will not become a shareholder in the Target Company and thus they usually will not profit from a possible increase in the valuation of the company. Instead the company will make interest payments on predetermined interest payment dates throughout the loan period and at the end of the period pays back the principal amount in full. Invesdor or any other party will not, in any situation, be held responsible for the Target Company's solvency, and the investor might lose the invested capital partly or in full. Bonds are high-risk investment products.

Losing the invested capital and interest. The Target Company might not be able to stay solvent throughout the loan period, making it possible that the company will not be able to pay back the invested capital at the end of the loan period. In the worst-case scenario, the investor will act as a bankruptcy creditor and might not get the capital back in full. The Target Company might not be able to pay the interests either. The investor is responsible for their investment decisions and no one will compensate the possible losses caused by poorly performing investments.

Poor liquidity. Liquidity means the ability to convert the investment into cash. Bonds are by definition transferable. However, aftermarkets for unlisted securities are still fairly quiet and it may be difficult to sell the bond, or you may not be able to sell it at all during the loan period.

Unsecurity of the bonds. Bonds are typically unsecured. This means that if a company loses its solvency, no security is guarding the invested capital or the unpaid interest payments, and the investor might lose their investment. In case of insolvency, secured debts and other preferential claims are paid before the unsecured ones and unsecured bond holders are in a weak position in the order of creditors in liquidation.

Repayment risk. In general, the Target Company can repay the capital it has borrowed at any time before the end of the loan period, and the investor cannot prevent this. However, the investor is then entitled to receive a predetermined percentage of the interest that would have accrued on the investment over the entire original term of the loan.

Lending capital for the whole loan period. The investor has no other way to turn their investment into cash during the loan period but to sell the bond forward. Redemption clauses relating to equity investing do not apply to bonds.

Interest risk. The interest rate for the loan is predetermined and changes in the general level of interest rates won't have an effect on it.

Foreign exchange risk. Foreign exchange risk refers to the effect that movements in exchange rates can have on the value of your investment. When you invest in an offering organized in a foreign currency, you are subject to foreign exchange risk. Furthermore, depending on your chosen payment method, your bank may charge a currency conversion fee according to their pricing.

e) **Properties and risks related to convertible bonds**

Convertible bonds are hybrid securities that combine features of a regular bond (such as interest payments) with the option of converting the bond into shares of the issuing company at a later date.

When issued, convertible bonds act as regular bonds. The bond's terms, however, detail how the bonds can be converted into shares of the issuing company. These terms will include, among other terms, the conversion price which will determine the number of shares the convertible bond can be converted into (predetermined conversion price or a discount percentage), interest rate, situations when the conversion can take place and events that may trigger an automated conversion process.

It is also possible that the company that issued the convertible bond becomes insolvent, i.e. is unable to meet its financial obligations, or goes bankrupt during the course of the bond's lifetime. In such cases, the investor faces the risk of losing some or all of their invested capital.

The convertible bonds do not usually have any collateral. The liquidity is also poor as unlisted securities do not currently have active aftermarkets.

f) **Properties and risks related to equity crowdfunding**

By using Invesdor's Service, an investor can subscribe shares of unlisted Targets. The shares include normal shareholder rights set out in the legislation of the Target's home state, unless stated otherwise in the material related to the funding round.

Irregular or rare dividends. Especially in the beginning, it is not very likely for the Target Company to pay dividends. Paying of dividends depends on the results the Target Company is making, and companies in their early phase usually invest their profit in their growth. You are likely to not get continuous returns on the investment and it is possible that you will not get returns at all.

Losing the invested capital. Please be aware, that the majority of start-ups fail and are not able to reach their goals as planned. It is likely that you will never get any returns on your investment and you lose the entire capital invested or a portion of it. If the Target Company fails, no-one will pay back your investment, thus you should never invest more than what you are ready to lose and spread your risks by diversifying your investment portfolio.

Poor liquidity. Liquidity means the ability to convert the investment into cash. Shares are by definition transferable, although there may be some restrictions to the transferability. However, aftermarkets for unlisted securities are still fairly quiet and it may be difficult to sell your shares or you may not be able to sell them at all.

Dilution. Dilution refers to the decrease of an investor's relative ownership in a company caused by the company issuing more shares. Many Target Companies will eventually organize a second funding round. Your stake in the company will be diluted unless you subscribe more shares in proportion to your existing stake, however, this may not be possible if the Target Company organizes a directed share issue surpassing the existing shareholders' pre-emptive right.

Foreign exchange risk. Foreign exchange risk refers to the effect that movements in exchange rates can have on the value of your investment. When you invest in an offering organized in a currency other than your own, you are subject to foreign exchange risk. Furthermore, depending on your chosen payment method, your bank may charge a currency conversion fee according to their pricing.

CHANGES AND UPDATES

The information given herein will possibly change from time to time. Information regarding the changes will be available on the Invesdor webpage. Changes and updates will enter into force the day after being published