

Investment-Profile „Low & Solid“ – Investment in Established Businesses

Investment and Pooling Contract – Summary

This summary should help understand and navigate the investment and the pooling contract. To read this summary does not substitute to read and understand the complete agreement. Before making an investment, we highly recommend to read the agreements in their entirety. This is a convenience translation only and not legally binding. The German “investment agreement” is prevailing.

	What does the contract say	What does this mean for the investor
Type of investment	Subordinated loan	<ol style="list-style-type: none"> 1. The investor provides a loan, he does not become a shareholder of the company. The investor has the rights of a lender, but no shareholder rights. 2. The loan is subordinated, which means in case of insolvency of the company the investment is treated similar to equity (subordinated to all other creditors, but has preference over the shareholder’s investments).
Conditions for the closing of the contract	<ol style="list-style-type: none"> 1. Condition precedent: payment of the investment amount by the investor 2. Dissolving condition: The company does not reach the funding threshold 	<ol style="list-style-type: none"> 1. The contract is only valid after the investor has paid in the investment. 2. The contract is automatically dissolved if the company does not reach the funding threshold in the timeframe chosen. In this case, the company will reimburse all investments made and paid.
Payment	Payment is due to the crowd investing bank account of the company immediately after making the investment. Until the successful completion of fundraising, the company needs an approval from SpaceStarters to utilize the proceeds.	The approval requirement ensures that the company pays back investments in full to the investors in case the funding threshold has not been reached.
Term of the Investment	5 years, the is individually defined for each company.	During the term of the investment, the contract can only cancelled with cause.
Payback	The loan will be paid back in equal annual installments on each January 31, so that it is fully paid back at the end of the term. The company can opt to fully repay the loan in full before the end of the term.	The commitment period is significantly shorter than in the Risk-Return-Profiles „High & High“ and „Low & Solid“, as the payback starts already during the term.
Subordination	The contract includes a qualified subordination clause.	<ol style="list-style-type: none"> 1. If interest payment or payback to an investor would lead to insolvency of the company, the investor cannot claim the interest payment or payback. 2. In case of insolvency, payments to investors are subordinated behind payments to creditors of the company.

	What does the contract say	What does this mean for the Investor
Interest	The loan has a fixed annual interest. The interest rate is determined individually for each company. The interest is payable on a quarterly or semi-annual basis. The investor does not participate in the company's losses.	The interest rate is fixed and interest payments follow a fixed, plannable schedule.
Pooling Agreement	<p>The investor signs a pooling agreement with FunderNation Support UG (limited liability).</p> <p>In case future investors in the company propose to pay back the subordinated loan before the end of its term, or the company proposes to change the loan contract for the subordinated loan, FunderNation Support UG (limited liability) will coordinate communication between company and investors and voting among the investors of the subordinated loan</p>	<ol style="list-style-type: none"> 1. The coordination by FunderNation supports the interaction between the company and its investors and facilitates reporting. This provides best possible transparency by ensuring that all investors receive the same information at the same time. 2. FunderNation Support UG (limited liability) is the central point of contact for both investors and the company. 3. Possible changes to the crowd investment agreement will be coordinated and facilitated based on the pooling agreement. The pooling agreement is a key prerequisite for Venture Capital investors when considering an investment in the company. 4. In case the crowd investors need to vote, decisions are taken with 75% majority.
Cancellation	The loan cannot be cancelled before the end of the term of the investment.	Only cancellation for cause is possible.
Right of rescission	According to German consumer protection law, the investment can be rescinded within 14 days after signing of the investment agreement. (Also see paragraph 15 of the investment agreement.)	In case of valid rescission, the amount invested will be returned to the investor.
Risks	<p>An investment in a company carries numerous risks. The success of the undertaking cannot be guaranteed.</p> <p>FunderNation does not consult or advise the investor and is not responsible for the development of the companies on SpaceStarters.</p> <p>The investment decision rests solely with the investor.</p>	<p>The investment risk can result in a full loss of the investment. A single investment should therefore only be a small part of the total asset allocation of an investor. For the same reason, an investment should not be leveraged.</p> <p>Further details to the risks related to investments can be found in paragraph 14 of the investment agreement and on www.SpaceStarters.com "Risikohinweise".</p>
Information Rights	<p>The company has to provide the following to each investor:</p> <ul style="list-style-type: none"> ▪ information regarding interest payments: annually on 31. January ▪ annual statement: annually on 15. Mai 	The investor is a lender, not a shareholder in the company. Therefore the investor does not have voting, control or delegation rights. The company is obliged to provide the investor with the data specified on the left.

	What does the contract say	What does this mean for the Investor
Bank Account	The investor is obliged to provide SpaceStarters with a valid bank account (in a EU country) and keep this information up to date during the term of the investment.	The company uses the bank account information of the investor on SpaceStarters for interest and loan payback payments.
Taxation	If required by law, the company will retain and report dividend tax. If that is the case, the investor will be notified accordingly.	Investors should verify the tax implications of an investment with their tax advisors.