

**Supplement no. 1**

pursuant to § 16 (1) of the German Securities Prospectus Act

of 11. December 2019

to

**SECURITIES PROSPECTUS**

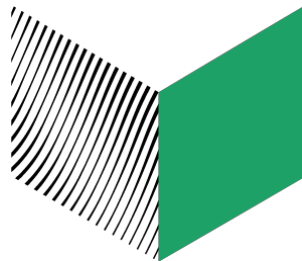
from

**11. July.2019**

for the public offer  
of  
subordinated token-based bonds  
of

**FND German RE GmbH**  
**Barmbeker Strasse 5A, 22303 Hamburg**

(formerly trading under the company name  
Fundament RE Germany GmbH)



Please note: the prospectus including the supplement no. 1 that was approved by BaFin only contained the English terms and conditions. This version is a non-binding English translation for your convenience.

Supplement No. 1 pursuant to § 16 (1) of the German Securities Prospectus Act (WpPG; in the version valid until 20. July 2019) of FND German RE GmbH (formerly trading under the company name Fundament RE Germany GmbH), Barmbeker Strasse 5A, 22303 Hamburg (hereinafter also referred to as the "Issuer") dated 11. December 2019 to the securities prospectus dated 11. July 2019 for the public offering of subordinated token-based bonds already published on the Issuer's website at <https://www.fnd.group/real-estate> (formerly <https://www.fundament.group/real-estate>). The Securities Prospectus was approved by the Federal Financial Supervisory Authority (BaFin) on 17. July 2019 in accordance with § 13 (1) of the WpPG in the version applicable until 20. July 2019.

#### **Revocation instruction**

**Pursuant to § 16 (3) WpPG in the version applicable until 20. July 2019, investors who have made a declaration of intent to purchase or subscribe to the securities prior to the publication of the supplement have the right to revoke this declaration of intent within a period of two working days after publication of the supplement, provided that the new circumstance or incorrectness has occurred pursuant to § 16 (1) WpPG in the version applicable until 20. July 2019 prior to the final conclusion of the public offer and prior to delivery of the securities.**

**The revocation need not contain any reasons and must be sent in text form to:**

**FND German RE GmbH  
Barmbeker Strasse 5A, 22303 Hamburg  
E-Mail: [contact@fnd.group](mailto:contact@fnd.group)**

**In order to meet the deadline, timely dispatch is sufficient.**

### **Circumstances giving cause for a supplement**

#### **1. New company name of the Issuer**

By shareholder resolution dated 5. November 2019, the Issuer's shareholders' meeting resolved to change the name of the company from "Fundament RE Germany GmbH" to "FND German RE GmbH". The new company name FND German RE GmbH was entered in the Commercial Register of the Hamburg District Court on 27. November 2019 under the Commercial Register number HRB 150935.

With the change in the company name of the Issuer, the e-mail address and the address of the Issuer's website have also changed; these are now as follows:

E-Mail address: [contact@fnd.group](mailto:contact@fnd.group)  
Internet address: [www.fnd.group](http://www.fnd.group)

In particular, the terms and conditions of the bonds reproduced in the securities prospectus regarding the new name of the issuer will be adjusted accordingly.

#### **2. Increase of the total nominal amount**

By shareholder resolution of 16. September 2019, the shareholders' meeting of the issuer FND German RE GmbH resolved to increase the total nominal amount of the offered subordinated token-based bonds from EUR 250,000,000.00 by a further EUR 250,000,000.00 to a total of EUR 500,000,000.00.

The issue will now serve to raise funds in the amount of EUR 500,000,000.00 ("total issue volume") plus 5% premium, i.e. a total of EUR 525,000,000.00. In accordance with the denomination of EUR 1.00 nominal amount each, 500,000,000 FND token will now be publicly offered (maximum number of shares). The issue-related costs, taking into account the premium, will increase accordingly to an expected maximum of EUR 65,000,000.00. After deduction of the issue-related costs, the net proceeds of the token-based bonds are expected to amount to EUR 460,000,000.00.

#### **3. Participation of another shareholder of the Issuer**

With a notarised share transfer agreement dated 17. September 2019, BAUWENS digital GmbH, Cologne (Commercial Register of the Local Court of Cologne, HRB 93140), as buyer of Silver Lining GmbH, Hamburg, as seller, acquired 3,750 shares each (current no. 21,251 to 25,000, corresponding to a share of 15% each) in the

issuer and in Silver Lining REIM GmbH. The issuer's share capital, which is divided into a total of 25,000 shares with a nominal value of EUR 1.00 each, is therefore now distributed as follows:

No.	Nominal amount (EUR)	Shareholder	Percentage share in share capital	Total participation
1 - 21.250	each 1,00	Silver Lining GmbH Place: Hamburg AG Hamburg, HRB 139138	each 0,004 %	85 %
21.251 - 25.000	each 1,00	BAUWENS digital GmbH Place: Cologne AG Köln, HRB 93140	each 0,004 %	15 %

## Supplementary changes

Due to the aforementioned circumstances triggering the supplement, the securities prospectus dated 11. July 2019 is supplemented as follows:

### 1. Regarding the new name of the Issuer

- The name of the Issuer will be changed from "Fundament RE Germany GmbH" and the designation "Fundament RE Germany" to "FND German RE GmbH" on the following pages of the securities prospectus: Cover page, page 4 (Sections A.1, B.1, B.5), page 5 (Section B.5), page 6 (Sections B.14 and C.1), page 11 (Section E.2b and Section E.3)), page 14 (Section 2.1), page 29 (Sections 3.1, 3.2 and 3.4), page 31 (Sections 4.1, 4.3 and 4.4), page 32 (Section 4.4), page 33 (Organization chart of the Group, see below item 3. on subsequent page 6 of this Supplement), page 34 (Section 4.5.1), page 35 (section 4.6.1), page 38 (section 4.8), page 39 (section 4.11), page 42 (section 5.2), page 43 (section 5.5), page 57 (§ 1 paragraph 1 of the Terms and Conditions of the Bonds), page 70 (penultimate line).
- On the following pages of the Securities Prospectus, the issuer's e-mail address will be changed from "contact@fundament.group" to "contact@fnd.group": page 31 (section 4.1), page 44 (section 5.5),
- On the following pages of the Securities Prospectus, the reference to the issuer's website will be changed from "www.fundament.group" to "www.fnd.group": page 36 (section 4.7.1).
- The Internet address for publications of the Issuer concerning the token-based Bonds offered will be changed from "https://www.fundament.group/real-estate" to "https://www.fnd.group/real-estate" on the following pages of the Prospectus: page 9 (section C.9), page 12 (section E.3), page 30 (section 3.4), page 42 (section 5.2), page 43 (section 5.4), page 44 (section 5.5), page 45 (section 5.6 and section 5.7), page 48 (section 5.8.4), page 50 (section 5.8.10), page 69 (§ 11 paragraph 1 of the Terms and Conditions of the Bonds).

### 2. Concerning the increase of the total nominal amount

- The total nominal amount of the offered subordinated token-based bonds and the total issue volume will be changed from "EUR 250,000,000.00" to "EUR 500,000,000.00" on the following pages of the Securities Prospectus: Cover Page, page 6 (Section C.1), page 11 (Section E.2b), page 12 (Section E.3), page 40 (Section 5.1) and page 42 (Section 5.2).
- The maximum number of subordinated token-based bonds offered will be changed from "250,000,000" to "500,000,000" on the following pages of the Securities Prospectus page 12 (Section E.3) and page 42 (Section 5.2).
- The total funds to be raised through the issue (total issue volume plus 5% premium) are changed on the following pages of the securities prospectus from "EUR 262,500,000.00 in total" to "EUR 525,000,000.00 in total": Page 11 (Section E.2b) and page 40 (Section 5.1).

- The issue-related costs are changed from "EUR 32,500,000.00" to "EUR 65,000,000.00" on the following pages of the securities prospectus: Page 11 (Section E.2b) and page 40 (Section 5.1).
- The table on page 40 (section 5.1) of the Prospectus regarding the issue-related costs.
- 

<b>Design and project planning costs</b>	<b>(in EUR)</b>	<b>(in % of total emission volume)</b>
▪ Prospecting and auditing	1.000.000,00	0,20 %
▪ Legal, tax and other consulting services	20.000.000,00	4,00 %
▪ Software development	4.000.000,00	0,80 %
<b>Sum of the design/project costs</b>	<b>25.000.000,00</b>	<b>5,00 %</b>
<b>Selling and marketing expenses</b>		
▪ Closing or sales commissions	25.000.000,00	5,00 %
▪ Marketing	15.000.000,00	3,00 %
<b>Total sales and marketing costs</b>	<b>40.000.000,00</b>	<b>8,00 %</b>
<b>TOTAL</b>	<b>65.000.000,00</b>	<b>13,00 %</b>

### 3. Regarding the participation of another shareholder of the issuer

- On page 4 of the Prospectus, the first paragraph of Section B.5 is replaced in full by the following paragraph: "The Issuer FND German RE GmbH is part of the group of companies of its principal shareholder Silver Lining GmbH. Silver Lining GmbH is a real estate project developer of new construction and revitalisation projects throughout Germany with a focus on residential and commercial properties."
- On page 6 of the Securities Prospectus, the first sentence in section B.14 is replaced in full by the following sentence: "Silver Lining GmbH, as the principal shareholder (85% of the voting and capital shares), may pass all resolutions in the issuer's shareholders' meeting."
- On page 6 of the Securities Prospectus, the first sentence in section B.16 is replaced in its entirety by the following sentence: "Silver Lining GmbH, as the principal shareholder (85% of the voting and capital shares), may pass all resolutions at the shareholders' meeting of the Issuer. Silver Lining GmbH is thus in a position to exercise significant influence on the Issuer. BAUWENS digital GmbH with its 15% shareholding is not in a position to exercise significant influence on the Issuer. As of the date of the Prospectus, the Issuer does not hold any investments."
- On page 31 of the Securities Prospectus, the second paragraph of Section 4.4 is replaced in its entirety by the following section: "The principal shareholder of FND German RE GmbH is Silver Lining GmbH, Hamburg (Commercial Register of the Hamburg District Court, HRB 139138) with a share in the share capital of EUR 21,250 (shares no. 1 to 21,250 with a nominal value of EUR 1.00 each; corresponds to a share of 85%). Another shareholder of the Issuer is BAUWENS digital GmbH, Cologne (Commercial Register of the Local Court of Cologne, HRB 93140) with a share in the share capital of EUR 3,750 (shares no. 21,251 to 25,000 with a nominal value of EUR 1.00 each; corresponds to a share of 15%). The share capital of the issuer FND German RE GmbH is therefore distributed as follows:

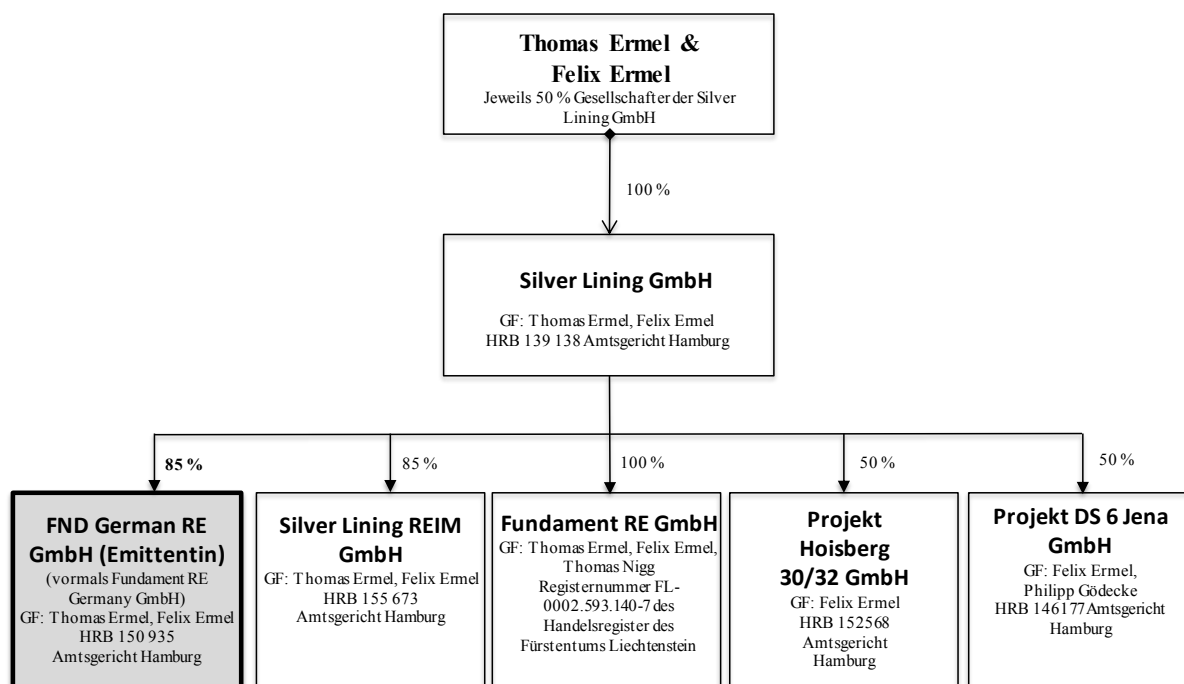
No.	Nominal amount (EUR)	Shareholder	Percentage share in share capital	Total participation
1 - 21.250	each 1,00	Silver Lining GmbH Place: Hamburg AG Hamburg, HRB 139138	each 0,004 %	85 %
21.251 - 25.000	each 1,00	BAUWENS digital GmbH Place: Cologne AG Köln, HRB 93140	each 0,004 %	15 %

- On page 32 of the securities prospectus (continuation of section 4.4), the second and third paragraphs are completely replaced by the following paragraphs: "Via these holdings in Silver Lining GmbH, the aforementioned persons Thomas Ermel and Felix Ermel each hold an indirect stake of 42.50% in the issuer. Silver Lining GmbH as the main shareholder (85% of the voting and capital shares) can pass all resolutions in the issuer's shareholders' meeting. Silver Lining GmbH is therefore in a position to exercise significant influence on the issuer. BAUWENS digital GmbH with its 15% shareholding is not in a position to exercise significant influence on the Issuer. A control and profit transfer agreement does not exist. Beyond the above, there are no indirect shareholdings or indirect control relationships in the issuer and there are no existing agreements whose exercise at a later date would result in a change in the company's ownership structure. in the control of the Issuer.

The Issuer is a company in the legal form of a limited liability company (GmbH). Its liability is limited to its corporate assets. The shareholders of the issuer Silver Lining GmbH and BAUWENS digital GmbH are each proportionately liable for the provision of the share capital of EUR 25,000 in total, which is fully paid up. In the event of a default of the issuer, the shareholders of the issuer are therefore generally not liable for claims of third parties against the issuer."

- On page 32 of the Prospectus (continuation of section 4.4) the fifth paragraph is replaced in full by the following paragraph: "The Issuer FND German RE GmbH is part of the group of companies of its principal shareholder Silver Lining GmbH. Beyond the companies of the group of companies of the principal shareholder expressly mentioned in this Prospectus, there are no other companies which are part of the group of companies of Silver Lining GmbH as of the date of this Prospectus."

- On page 33 of the Prospectus, the organisation chart (chart) of the Issuer's group of companies is completely replaced by the following organisation chart:



- On page 35 of the Securities Prospectus (Section 4.6.1), the second paragraph is replaced in its entirety by the following paragraph: "There are no contracts between the members of the administration and the Issuer or other companies of the group or the other shareholder of the Issuer BAUWENS digital GmbH on the basis of which the members of the administration are granted remuneration or benefits to the Issuer on account of their function in this regard and upon termination of this function."

## Publication and availability

The securities prospectus of the issuer FND German RE GmbH (formerly Fundament RE Germany GmbH) has been published since 18. July 2019 on the website of FND German RE GmbH (<https://www.fnd.group/real-estate>) in accordance with § 14 paragraph 2 sentence 1 no. 3 lit. a) WpPG in the version applicable until 20. July 2019 and will be available for download for the duration of the public offering of the token-based bonds.

This Supplement No. 1 is published in accordance with § 16 paragraph 1 sentence 5 in conjunction with § 14 paragraph 2 sentence 1 no. 3 lit. a) WpPG in the version applicable until 20. July 2019 on the website of FND German RE GmbH (<https://www.fnd.group/real-estate>) and will also be available for download for the duration of the public offering of the token-based bonds.

## Declaration of responsibility

The FND German RE GmbH, Barmbeker Strasse 5A, 22303 Hamburg, assumes responsibility for the content of this Supplement No. 1 and declares that to its knowledge the information in this Supplement No. 1 is correct and no material circumstances have been omitted. The Issuer declares that in the preparation of this Supplement No. 1 it has exercised due diligence to ensure that, to the best of its knowledge, the information set out in this Supplement No. 1 is correct and no facts have been omitted which are likely to alter the statements made in this Supplement No. 1.

Hamburg, 11. December.2019

## FND German RE GmbH

The Management

# SECURITIES PROSPECTUS

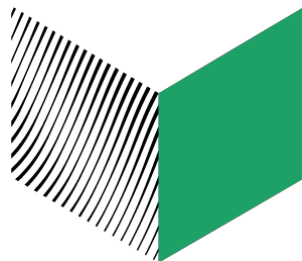
for the public offer  
of  
subordinated token-based bonds  
of

**Fundament RE Germany GmbH**  
**Barmbeker Strasse 5A, 22303 Hamburg**

with a nominal amount of EUR 1.00 each  
and a total nominal amount of EUR 250,000,000, -

from

**11 July 2019**



**Please note: the prospectus that was approved by BaFin only contained the English terms and conditions.  
This version is a non-binding English translation for your convenience.**

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## 1. SUMMARY

Summaries are composed of specification requirements called “elements.” These elements are listed in Sections A to E (A.1 to E.7). This summary contains all the elements that should be included in such a summary for this type of securities and issuer. Since some elements do not need to be handled, the numbering of the elements may have gaps. Although an element must be included in the summary because of the nature of the security and the issuer, it may be possible that relevant information cannot be provided in this regard. In such cases, a brief description of the item with the note “not applicable” will be included in the summary

### A. Introduction and warnings

#### A.1 Brochure introduction / Warnings

This summary (“Summary”) is to be understood as an introduction to this prospectus (hereinafter the “prospectus” or the “Securities prospectus”). The investor (hereafter referred to as “investor”) should base any decision to invest in the token-based bonds offered herein (hereafter the “token-based bonds”) on the audit of the entire prospectus. In case that information contained in this prospectus are asserted as claims in a court, the investor acting as plaintiff may have to bear the costs of translating the prospectus prior to the process under the national legislation of the Member States of the European Economic Area. The Foundation RE Germany GmbH, Barmbeker Strasse 5A, 22303 Hamburg (hereinafter also referred to as the “Issuer” or the “Company”), which has assumed responsibility for the summary, including any translations thereof, or of which the decree is issued, may accept responsibility for the content however, the summary shall be held liable only in the event that the summary is misleading, inaccurate or inconsistent, when read together with the other parts of the prospectus, or not all when read together with the other parts of the prospectus required key information.

#### A.2 Consent to the use of the prospectus by financial intermediaries

Not applicable; no consent has been given to the use of the prospectus for the subsequent resale or final placement of the token-based bonds by financial intermediaries.

### B. Issuer

#### B.1 Legal and commercial name of the Issuer

The legal name of the issuer is Fundament RE Germany GmbH. The commercial name of the Issuer is the same as the legal name.

#### B.2 Location, legal form, applicable law and country of incorporation of the Issuer

The registered office of the Issuer is the Federal Republic of Germany. The Issuer is a limited liability company under German law.

#### B.4b Any known trends that affect the Issuer and the industries in which it operates

Not applicable. The Issuer is not aware of any known trends, uncertainties, commitments or incidents that relate to the Issuer and the industries in which it operates.

#### B.5 Group structure

The issuer Foundation RE Germany GmbH is part of the group of companies of its sole shareholder Silver Lining GmbH. Silver Lining GmbH is a Germany-wide real estate project developer of new construction and revitalisation projects with a focus on living and business. Other companies that are part of the group of companies do not exist at the time of the prospectus.

The Issuer, Fundament RE Germany GmbH, intends to manage its own assets as well as the acquisition, management and sale of real estate, investments in project developments and the granting of subordinated loans, with the exception of activities requiring authorisation, in accordance with its statutory object. In addition to direct investments in real estate and real estate project developments, the Issuer plans to pursue its activities through subsidiaries, affiliated companies or participations. Subordinated loans are only provided within the group to subsidiaries, affiliates or equity interests. Furthermore, Fundament RE Germany GmbH has the function within

the Group as issuer of the token-based bonds offered. The Issuer has no interests at the date of the prospectus.

The Issuer is not yet active on the prospectus date. In this respect, the object of the company in accordance with its articles of association is the planned area of activity of the Issuer.

#### **B.9 Profit forecasts or estimates**

Not applicable. No profit forecasts or estimates were made.

#### **B.10 Restrictions in the audit opinion on historical financial information**

Not applicable. The annual financial statements of the Issuer, which are based on the historical financial information, are issued with an unqualified audit certificate.

#### **B.12 Selected material historical financial information and statement that the prospects of the Issuer have not materially deteriorated since the date of the last annual accounts**

The following selected items on the balance sheet of the Issuer as at 31.12.2018 and the subsequent selected items in the income statements for the period from 13.03.2018 to 31.12.2018 were taken from the annual financial statements prepared and audited in accordance with German commercial law (HGB).

The audited annual financial statements as at 31.12.2018 are the first annual financial statements of the company founded on 13.03.2018. The company is registered with the district court Hamburg in the commercial register in department B under the trade mark HRB 150935. Accordingly, 2018 is a short fiscal year.

##### ***Selected items in the balance sheet of the Issuer***

<b>Assets</b>			<b>Liabilities</b>	
	31.12.18 (checked) EUR	13.03.18 EUR	31.12.18 (checked) EUR	13.03.18 EUR
<b>Current assets</b>				
I. Receivables and other assets	131,74	12.500,00	A. Equity capital	
			I. Subscribed capital	25.000,00
			of which not claimed	0,00
II. Bank balances	23.911,30	0,00	II. Net loss for the year	-18.456,96
			B. Accrued liabilities	
			Other accrued liabilities	17.500,00
	<u>24.043,04</u>	<u>12.500,00</u>		<u>0,00</u>
				<u>24.043,04</u>

The balance sheet of the Issuer as at 31.12.2018 shows as assets the liquidity of the Issuer remaining after payment of the costs as at 31.12.2018. As a liability, the balance sheet shows the equity capital and provisions reduced by the net loss for the year.

##### ***Selected items in the income statement of the Issuer***

Income statement for the period from 13.03.2018 to 31.12.2018 (audited)

1. Other operating expenses	EUR -18,456.96
2. Annual deficit	EUR -18,456.96

The overview (profit and loss account) of the Issuer for the period from 13.03.2018 to 31.12.2018 shows the operating expenses incurred during this period. Yields did not arise during this period. Earnings after taxes and the net loss correspond to the operating expenses incurred.

The Issuer's prospects have not deteriorated significantly since the date of the last published audited financial statements as at 31.12.2018.

After the period covered by the historical financial information as at 31.12.2018, no material changes have occurred in the financial position or trading position of the Issuer.

**B.13 A description of all recent events in the issuer’s business that are highly relevant to the assessment of their insolvency**

Not applicable. As the Issuer is a new formation, no recent events relating to the Issuer’s business are known which would be highly relevant to the solvency of the Issuer.

**B.14 Dependence of the Issuer on Other Companies in the Group**

Silver Lining GmbH, as the sole shareholder (100% of the voting and capital shares), can take all resolutions in the shareholders’ meeting of the issuer. As a result, Silver Lining GmbH is in a position to exercise significant influence over the issuer. A domination and profit transfer agreement does not exist. 50% of the shareholders of Silver Lining GmbH are the brothers Mr Thomas Ermel and Mr Felix Ermel, who are also Managing Directors of Silver Lining GmbH and the issuer of the foundation RE Germany GmbH. In addition, the Issuer is not dependent on other companies in the Group.

**B.15 Description of the principal activities of the Issuer**

The subject of the Issuer’s articles is the management of own assets as well as the acquisition, management and sale of real estate, investment in project developments and the awarding of subordinated loans, with the exception of activities subject to authorisation. Subordinated loans are only provided within the group to subsidiaries, affiliates or equity interests.

The Issuer has not yet commenced business operations at the date of the prospectus. The proposed business of the Issuer as set out in this prospectus is subject to the receipt of sufficient proceeds from the proceeds to finance the purchase of real estate. The company object in accordance with the articles of incorporation is thus the planned main activity of the Issuer.

**B.16 Direct or indirect participations or control of the Issuer**

The sole shareholder of the issuer is Silver Lining GmbH, Hamburg. At the date of the prospectus, the Issuer holds no shares. Silver Lining GmbH is in a position to exercise significant influence over the Issuer. A domination and profit transfer agreement does not exist.

**B.17 Ratings**

Not applicable. The Issuer has not been independently rated to assess its ability to pay or issued in relation to the token-based bonds offered.

**C Securities**

**C.1 Nature and type of securities offered**

The subject of this prospectus (hereafter referred to as “prospectus”) is the public offering of the foundation RE Germany GmbH for the issue of unsecuritised qualifying subordinated token-based bonds with variable annual interest (also called “variable” interest). The nominal total issue volume is EUR 250,000,000.00 with a nominal denomination of EUR 1.00 (in words: one euro). The minimum subscription amount per investor is EUR 1.00 (in words: one euro). In addition to limiting the total issue volume, there is no maximum subscription limit per investor.

Each token-based bond with a principal amount of EUR 1.00 (in words: one Euro) is represented by a Fundament Token in the Issuer’s Smart Contract on the Ethereum Network.

Not applicable: WKN / ISIN are not available.

**C.2 Currency of the securities issue**

The issue currency is the euro. Each investor can pay in either euros or Ether (ETH).

**C.5 Restrictions on Free Transfer**

The transfer of a token-based bond is only possible in total. The partial transfer of claims under the token-based bonds is not permitted. The transfer of the token-based bonds is made by assignment and requires the transfer of the Fundament Token representing the bond (so-called restricted assignment ban). The transfer of Fundament Tokens occurs exclusively through the Ethereum network. A transfer of the bond outside the Ethereum network is not permitted. The obligation to sell the token-based bonds and the assignment of the token-based bonds is subject to the formal requirement and at the same time under the suspensive condition that there is a confirmed transaction of the Fundament Token between the seller and the acquirer in the Ethereum network.

## **C.8 Description of the rights attaching to the Securities (including the ranking and limitation of such rights)**

### **Rights attached to the security**

The token-based bonds grant creditor rights that grant the investor a claim against the Issuer for a variable interest payment during the term and for repayment of the invested capital at the end of the term. The interest payments due during the term and the repayment at the end of the term corresponding to the subscribed nominal amount of the token-based bonds are each effected in the crypto currency Ether. Decisive is the actual exchange rate (Euro-Ether) realised on the maturity date via the online trading platform “Kraken” ([www.kraken.com](http://www.kraken.com)). The Issuer will make payments in accordance with the relevant Maturity Dates to the Investor holding Token on the Maturity Date, 12:00 CET.

The token-based bonds do not grant the investor any shareholder rights, in particular no participation, participation and voting rights in the shareholders’ meetings of the issuer. The management is solely responsible for the management of the Issuer. The stock of token-based bonds is not affected by the merger or conversion of the Issuer or by a change in its initial capital. There is no obligation to pay additional investors.

There is no right of early termination for investors. An extraordinary termination is possible if there is an important reason.

### **Ranking and limitation of these rights**

The token-based bonds are subject to a qualified subordination of the investors. In the relationship of the investors (creditors) of the token-based bonds, they shall give rise to subordinated creditor rights which are subordinate to the claims of other creditors of the Issuer. In the event of the liquidation, dissolution or insolvency of the Issuer and of a procedure which averts the bankruptcy of the Issuer, the rights arising from the token-based bonds shall rank after all other existing and future non-subordinated obligations of the Issuer pursuant to § 39 Insolvency Act (InsO) (qualified submission). The creditors of the token-based bonds are obliged to assert their subordinate claims against the Issuer as long as and to the extent that their satisfaction would result in insolvency pursuant to § 17 InsO or over-indebtedness pursuant to § 19 InsO of the Issuer. During this period, the limitation period of the part of the claims, which can not be asserted, is inhibited.

The subordinated claims of investors (creditors) of the token-based bonds may only be settled out of existing or future net income, any existing or future liquidation surplus or other free assets of the Issuer. In addition, there are no restrictions on the rights from the qualifying subordinated token-based bonds.

## **C.9 Nominal interest rate, interest due dates, repayment due date, statement of return, name of the representative of the bond holder**

### **Repayment**

The token-based bonds are due for repayment to the investors on the first bank business day after 31.12.2033. The Issuer may extend the term in one or more steps for up to ten years, ie up to 31.12.2043 at the latest. The Issuer has the right to terminate the token-based bonds in total before the end of the term, subject to a 30-day notice period at the end of each calendar month, but no earlier than 31.12.2025 (ordinary termination right). The Issuer is free to choose the token shares to be canceled. In particular, the Issuer is entitled to terminate and repay all token-based bonds pro rata. The Issuer may also declare this multiple times in the case of partial termination. The repayment amount for each token-based bond is equal to the nominal amount (100%) of the token-based bond. Unless previously fully repurchased, token-based bonds will be repaid in the amount of their repayment amount on the last day of the month following the month of maturity without interest being payable on the repayment amount between the maturity date and the maturity date itself.

### **Interest payments**

The token-based bonds are subject to variable annual interest on the basis of their nominal value paid in each case and not repaid (the “variable interest rate”). The interest periods for the variable interest are the respective fiscal year of the Issuer (calendar year). The first interest period starts on 01.01.2019. The basis of assessment for the variable interest is in each case:

- the net income of the issuer from its company in accordance with the commercial balance sheet
- before deduction of the annual variable interest itself and
- before deduction of taxes as well
- less 1/25 (one twenty-fifth) of the total issue cost of 8% of total issue proceeds excluding premium and

- before deduction of the emission-related costs in accordance with the audited and audited annual financial statements of the Issuer for the fiscal year preceding the interest payment date for the variable interest.

The annual variable interest is 100.00% of the assessment basis. It is calculated annually in arrears. The variable interest is calculated by the Issuer (Calculation Agent).

The variable interest for a fiscal year is payable retrospectively as at 31 July of the following year, for the first time on 31.07.2020. If July 31 is not a bank business day, the maturity date is the next following bank business day. If the annual financial statements of the Issuer for the preceding fiscal year have not been finally adopted by 31 July of each year, the variable interest shall be payable seven working days after the adoption of the annual financial statements. The variable interest ends with the end of the term. Interest amounts for one interest period (fiscal year) are not interest-bearing between the end of the interest period and the day of the actual payment of interest amounts (no compound interest).

The investor does not participate in any loss of the Issuer. Negative interest is not calculated, ie the interest is always at least zero.

The disbursement of the interest payments is determined by the management of the Issuer at its discretion, taking due care of a prudent businessman without further prerequisites. Annual payments of the variable interest are planned and planned by the Issuer. If the variable interest rate is not paid out, the amount is reinvested. These unpaid variable interest payments are to be paid out to the investors at the latest at the end of the term together with the repayment amount.

#### **Payment of variable interest and repayment**

Disbursements are made in ether, regardless of whether the investor paid his purchase price in euros or ethers. This also applies if the Investor has acquired his token-based bonds in another way, in particular by buying on the secondary market, by donation or by inheritance. The issuers are entitled, at their own discretion, to enter into individual contractual agreements with individual investors.

The Issuer will make payments to the investors holding the Fundament Tokens at 12:00 CET on the relevant Maturity Date.

For the payment in Ether, the Issuer will exchange the amount of euros attributable to the respective investors in Ether. The Euro equivalent is the actual amount of ether realised in the course of this exchange transaction, ie the amount of ether actually accrued to the Issuer after deduction of any exchange costs. The date of the exchange is determined by the Issuer at its own discretion without any further requirements. The Issuer will inform investors of the actual exchange rate realised by electronic publication on the website of the Issuer (<https://www.fundament.group/real-estate>) and/or in text form by e-mail, whereby it intends to do so as a rule immediately after the respective exchange. For the exchange, the issuer will normally use the crypto currency exchange “Kraken” ([www.kraken.com](http://www.kraken.com)). Investors will immediately transfer the Ether equivalent they receive to their Wallets after conversion.

Payouts can only be requested from holders of the Fundament Tokens. The Issuer may assume that the respective holder of the Fundament Token is also the creditor of the respective disbursement. It will therefore also be relieved of its liability by service to a token holder who is not a creditor.

#### **Return**

The return depends substantially on the level of the respective annual variable interest rate for the token-based bonds. The potential return of an investor can therefore not be determined using a recognised interest calculation method; it is therefore directly dependent on the economic success of the Issuer. No profit forecasts or estimates were made. Statements about the future return can therefore not be given in the prospectus.

#### **Name of the representative of the debt securities holder**

Not applicable. The Terms and Conditions of the Issuer’s token-based bonds do not provide for a regulation to appoint a common representative of holders of token-based bonds (debt securities holders). The relevant statutory provisions apply, in particular the German Ordinance on Debt Securities (SchuldVG). No representative of the debtors has been elected so far.

### **C.10 Derivative component**

The Terms and Conditions of the token-based bonds grant investors a variable interest in accordance with § 2 of the Terms and Conditions of the token-based bonds of this offer of securities (see C.9 above). The variable interest is calculated on the basis of the annual surplus of the issuer from its enterprise according to the balance sheet, before deduction of the annual variable interest itself and before deduction of taxes and less 1/25 (one twenty-fifth) of the total issue costs of 8% of the total issue proceeds excluding premium and before deduction of the emission-related costs in accordance with the determined and audited annual financial statements of the Issuer for the fiscal year preceding the interest payment date for the variable interest. Such gains of the Issuer may arise, in particular, from rental income of the Issuer and / or the sale of real estate. The payment shall be determined by the Issuer's management at its own discretion, subject to the due care and diligence of a prudent businessman and without further preconditions. If no payment is made, the amount is reinvested. However, it is also possible that the Issuer will make losses according to its trade balance. Investors do not participate in such a loss, i.e. the amount of their repayment claim is not directly dependent on it, but the annual interest is no longer applicable.

### **C.11 Trade admission**

Not applicable. The token-based bonds will not be admitted or admitted to trading on a regulated market within the meaning of Directive 2014/65 / EU of 15 May 2014 of the European Parliament and of the Council or any other equivalent market. The Issuer has not made any application for admission of the token-based bonds to trading on a Regulated Market or other equivalent market at the date of the prospectus and will not make such application in the future.

It cannot be ruled out that token holders will transfer the Fundament Tokens directly to other parties and / or Fundament Tokens will be listed at the request of investors or others in an unregulated online trading platform.

## **D Risks**

### **D.2 Central risks of the Issuer**

The central risks of the Issuer are:

- The real estate and real estate project developments to be acquired by the Issuer (the "Investment Properties") are not yet known at the date of this prospectus's prospectus; Therefore, this offer is a so-called "blind pool".
- In particular, the investment properties to be acquired may be contaminated with contaminated sites, other harmful soil contaminants, pollutants or war burdens, the removal of which may require considerable costs.
- There is a risk that the investment properties to be acquired by the Issuer may be incorrectly valued.
- The Issuer depends on certain key persons, in particular their shareholders and managing directors.
- Increases in interest rates may have a negative impact on the real estate market, any financing costs and the performance of the investment properties still to be acquired.
- Due to the focus of the Issuer on building up a portfolio of (possibly indirect) investments in real estate and real estate project developments in Germany, it is particularly dependent on developments in the German real estate market.
- The general legal framework for real estate and real estate project developments in Germany are very strict and may continue to deteriorate to the detriment of property owners.
- There is a risk of total loss of invested capital in case of insolvency of the company.
- The issuer uses Blockchain technology in a different way, using a relatively new and unproven technology. The Issuer bears the risk that this technology will be subject to technical difficulties or that its functionality will be impaired by external factors. A partial or complete collapse of a Blockchain or one or more crypto currencies would make it impossible to implement the business model.
- When exchanging crypto and also fiat currencies, the Issuer or the investors may experience exchange or exchange losses.

### **D.3 Central risks associated with the securities**

Central risks associated with the securities are:

- The placement of the issue capital may be delayed or may not succeed as planned; the reverse may occur.



- The Issuer may not be able to repay the Floating Interest and/or the Redemption Amount, consisting of the principal amount (100%) of the token-based bonds and any annual Floating Interest, under the terms of the token-based bonds.
- Investors are not entitled to ordinary termination. The tradability of the securities is limited. An attempt to sell the securities may be completely or partially unsuccessful.
- A possible trading price of the securities of the Issuer may vary considerably.
- Investors can lose their private key, they can be stolen, or the wallet can be hacked, leaving investors with no access to their tokens.
- The Ethereum Network underlying the Smart Contract may be vulnerable to attacks by hackers, among others, that could lead to the loss of the Fundament Tokens.
- The software required to issue the tokens may contain bugs or other errors.
- Investors' entitlement to repayment of principal and payment of interest is subject to qualified subordination. As a result, an investor carries an entrepreneurial risk that is higher than that of a regular lender. The investors therefore only have a claim against the Issuer for payment of interest and repayment of the capital if / when the assertion of the claim would not lead to a bankruptcy of the Issuer (insolvency, impending insolvency or over-indebtedness). As a result, payments to investors may be delayed or entirely canceled. Furthermore, in the event of bankruptcy or liquidation of the Issuer, the claims of investors in the token-based bonds shall be subordinated to the claims of all other creditors of the Issuer which are primarily to be serviced. This can lead to the total loss of the invested capital.
- The subscription of the token-based bonds can take place in euro in cryptocurrencies. If an investor does not have cryptocurrencies and / or he does not want to make a euro transfer, he would have to exchange fiat money or other existing crypto currencies via a corresponding trading venue for a subscription. If the investor intends to convert the remainder of the interest and repayments received into fiat money or other crypto currencies, there is a risk of exchange or exchange rate losses. Cryptocurrencies are subject to high price fluctuations. When changing from cryptocurrencies to fiat money or other cryptocurrencies, the investor incurs transaction costs.

## **E Offer**

### **E.2b Quotations, purpose of the issue proceeds**

The issue serves to raise funds in the amount of EUR 250,000,000.00 plus 5% premium, therefore a total of EUR 262,500,000.00. The issue proceeds after deduction of the emission-related costs ("net issue proceeds") from issuing the token-based bonds will be used by the Issuer to finance its general and statutory business activities.

The emission-related costs are exclusively variable and comprise the design costs (including prospecting and auditing, legal, tax and other advisory services as well as software development for the preparation and implementation of the concept of a token-based bond) and distribution costs (closing or sales commissions) external third parties) and marketing. The design costs are paid exclusively from the premium of 5%. The sales and marketing costs can be paid up to a maximum of 8% from the issue proceeds. If less than 8% of sales and marketing costs are incurred, costs will be reduced accordingly. At lower costs, more liquidity is available for investment.

Overall, the emission-related costs, taking account of the premium, are expected to amount to a maximum of EUR 32,500,000.00. After deduction of the emission-related costs of a maximum of EUR 32,500,000.00, the net issue proceeds of the token-based bonds are expected to amount to € 230,000,000.00.

In accordance with its statutory business purpose, the Issuer plans to use the net issue proceeds from this offer to build up a portfolio of investments in real estate and real estate project developments in Germany (the "Investment Properties"). The Issuer intends to acquire the investment properties either directly or indirectly through investments in real estate holding companies. The focus is on the asset classes residential and commercial real estate, including special or special uses such as student apartments and micro-apartments, day-care centres and nursing homes as well as boardinghouse, hotel and co-working concepts. The focus is on investments and the purchase of project developments in the area of new construction and revitalisation, which are to be maintained and managed in the company's own resources for the medium to long term. The focus on new construction and revitalisation is to avoid the usual cost risks in the progressive life cycle of a property, such as necessary refurbishment and / or revitalisation measures.

Before every investment a due diligence of the respective investment object takes place, which considers in particular the economic and technical aspects as well as the location. In particular, the purchase price of the indi-



vidual investment properties should not exceed the factor of 25 in relation to the respective annual net cold rent. The continuous and long-term increase in the enterprise value of the Issuer Fundament RE Germany is actively pursued on the basis of high and sustainable cash flows. This is done in particular by

- the value-oriented leasing and management of existing real estate in Germany (asset management). In addition to inventory management, opportunities to sell are constantly reviewed, evaluated and, if necessary, exercised. Realised value enhancement and liquidity are reinvested in new investment properties with a higher appreciation potential and
- the development of real estate for own portfolio or direct sale.

The investment properties are not yet known at the time of the prospectus date of this prospectus, which is therefore a so-called “blind pool”. A minimum threshold of proceeds from the offering of these token-based bonds need not be reached for the offer to be made. The management of the Issuer will decide on the basis of the net issue proceeds actually raised, after the offer has been carried out, whether and to what extent the investments in the investment properties will be made. The Issuer has not yet commenced business operations at the date of the prospectus. The proposed business of the Issuer as set out in this prospectus is subject to the receipt of sufficient proceeds from the proceeds to finance the purchase of real estate.

### **E.3 Description of the offer conditions**

The subject of this Securities prospectus (hereinafter also referred to as the “prospectus”) is the public offering of Fundament RE Germany GmbH for the issuance of token-based bonds with annual variable interest rates. The token-based bonds are issued at par value. The total issue volume amounts to EUR 250,000,000.00 with a denomination of EUR 1.00 nominal amount each (in words: one euro) plus 5% premium. According to this denomination, 250,000,000 Fundament Tokens will be publicly offered (maximum number of units). Any natural or legal person may acquire token-based bonds by subscription and acceptance by the management of the Issuer. The Issuer is not obligated to accept any offer of subscription.

The Issuer charges a subscription premium of 5% on the nominal amount of the token-based bonds subscribed in each case, whereby it is free to raise a lower premium in the individual case. The minimum subscription amount in relation to the nominal amount of the token-based bonds subscribed in each case is EUR 1.00 for a payment in euros and EUR 0.01 for a payment in ether ETH, plus the premium in each case. Investors must pay their purchase price (principal amount of the respective token-based bonds subscribed) plus the premium within 14 days of the request of the Issuer.

When paying in euros, the investor receives a number of token-based bonds (Fundament Tokens) according to the purchase price actually paid by him, taking into account his premium. When paying in Ether (ETH), the investor receives a number of token-based bonds (Fundament Tokens) corresponding to the integer Euro equivalent of the paid cryptocurrency ether (ETH), in each case with the previous deduction of the premium.

The Issuer will, in principle, exchange the deposited Ether for Euro every Friday at 10:00 a.m. CET. The Issuer may announce further dates on which the Ether will be exchanged for Euros as well as the crypto currency exchange in advance by electronic publication on the website of the Issuer (<https://www.fundament.group/real-estate>) and/or in text form by email. The Issuer will promptly exchange the Ether in Euro at these times. The euro equivalent is the actual euro amount realised in the course of these swaps, ie the amount of euro actually accruing to the Issuer after deduction of any exchange costs. For the exchange, the issuer will normally use the crypto currency exchange “Kraken” ([www.kraken.com](http://www.kraken.com)). A payment in Ether shall be deemed to have been received by the Issuer if the Ether amount of the Wallet has been credited to the Issuer.

The offer period within which purchase offers can be made (“subscription phase”) is expected to start on 18.07.2019 and end on 17.07.2020. The Issuer may at any time prematurely close the Offer and/or reduce subscriptions to the token-based bonds.

The Offer is subject to certain purchase restrictions, in particular only investors who are (i) US citizens or (ii) holders of a permanent residence and work permit for the USA (Green Card), or (iii) have a residence or registered office in the USA or its territories, or (iv) are a corporation or other assets organised in accordance with US law whose income is subject to US tax law and (v) are not on any of the sanction lists of the European Union or the USA are admitted as investors. The same applies to citizens etc. of Canada, Iran and Australia.

Investors are obliged to provide the Issuer without delay and before the investment with the evidence required for the identification and legitimacy check under the Money Laundering Act. The Issuer has the right, at its dis-

cretion, to request further evidence and to refuse the subscription of the investor, in particular in the event of failure to provide the evidence.

The token-based bonds are subject to German law.

If you want to draw the token-based bond and get Fundament Tokens, you need a wallet that is compatible with the Ethereum Blockchain. Without an Ethereum address (so-called public key), Fundament Tokens cannot be credited.

Allocation takes place 14 days after the subsequent events have occurred cumulatively: Acceptance of the subscription offer and receipt by the Issuer of the purchase price plus premium in euros or, in the case of payment in ether, after the ether has been exchanged for euros. As a rule, the delivery of the Fundament Token takes place immediately after the allocation has been made, but at the latest at the end of the subscription phase. The Fundament Tokens are individually assigned and delivered to each investor.

#### **E.4 Interests, including potential conflicts of interest, which are essential**

The following interactions between the management, management and supervisory bodies between their obligations to the Issuer and their private interests or other obligations result in the following personal relationships. The Managing Directors of the Issuer, Mr Thomas Ermel and Mr Felix Ermel, are also Managing Directors of Silver Lining GmbH, which is the sole shareholder of the Issuer. In addition, Mr Thomas Ermel and Mr Felix Ermel are also Managing Directors of Silver Lining GmbH. Furthermore, the managing directors Mr Felix Ermel and Mr Thomas Ermel are brothers, ie there are family relationships between the members of the management of the Issuer. Mr Thomas Ermel and Mr Felix Ermel are also 50% shareholders of Silver Lining GmbH. Through these interests in Silver Lining GmbH, Mr Thomas Ermel and Mr Felix Ermel are also indirectly involved in the direct and indirect subsidiaries of Silver Lining GmbH, in particular the Issuer. Accordingly, they and Silver Lining GmbH are indirectly involved in the economic success of the issuance. Conflicts of interest may arise between the Issuer, its shareholder Silver Lining GmbH, its respective management, any employees, service providers or other persons or companies associated with the Issuer.

There is a risk that the aforementioned persons may make decisions or take actions due to conflicts of interest for or against the Issuer on the one hand or personal interests on the other hand which may have a direct or indirect adverse effect on the economic success of the Issuer and thus ultimately also a negative effect on the net assets, financial position and results of operations of the Issuer. This can be done, for example, by granting remuneration or other benefits in contracts or other legal relationships with the aforementioned persons which differ substantially from the remuneration or benefits customary in the market at the time and which are charged to the Issuer. However, in the opinion of the Issuer, this did not happen in the contractual relationships with the aforementioned persons existing at the date of the prospectus.

#### **E.7 Expenses charged to the investor**

Not applicable; The Issuer will not be charged any expenses, costs or fees (eg "Wallet Charges") by the Issuer in connection with the purchase of this token-based bond offered here.

## 2. RISK FACTORS

### 2.1 Preliminary note

The main risk factors are shown below.

The securities offered by the issuer Fundament RE Germany GmbH represent a long-term relationship under the law of obligations. The investment in this offer of securities is not suitable for investors who have short or medium term liquidity needs.

The investment in the token-based bonds offered involves risks, in particular economic, legal, technical and taxation. Investors do not become shareholders but lenders and thus creditors of the issuer. In particular, by acquiring the token-based bonds, the investor acquires the contractual right to receive variable annual interest in accordance with the terms of the token-based bonds underlying this offer. The investor does not directly participate as a shareholder in the economic development of the issuer. As a creditor, it is dependent on the issuer's sufficient creditworthiness and its ability, in particular, to pay the annual variable interest and to repay the token-based bonds. The investment in the token-based bonds may develop differently than expected.

The purchase of token-based bonds involves the risk of partial or total loss of investment (partial or total loss risk). This offer of securities is only suitable for investors who can financially manage a partial or complete loss of the investment. In the opinion of the Issuer, the offer of securities is not suitable for retirement provision.

The following statements are intended to provide information on the risk factors considered to be material by the Issuer in connection with the offer of securities. The chosen order of the following risk factors does not constitute a statement of the likelihood of occurrence or the significance and severity of the risks mentioned therein or the extent of potential adverse effects on the business and the financial position of the Issuer.

The risk factors listed may have cross-cutting relevance and / or impact on the occurrence or consequences of other risks. Several risk factors associated with the offer may accumulate. This can lead to an intensification of the impact of the individual risk factors on the investor. In particular, the emergence of adverse economic circumstances of a general nature, such as may be due to, for example, global economic and / or financial crises, may lead to an accumulation and an increase in individual risks. The existence of special circumstances in the person of the individual investor of which the Issuer is unaware may also lead to a risk factor developing a higher potential risk than is shown below.

The occurrence of one or more risks may have a material adverse effect on the Issuer's net assets, financial position or results of operations and thus impair its ability to pay annual variable interest and repay the principal amount of the bonds to the investors and may result in the partial or total loss of the investment.

In the case of a personal debt financing of the token-based bonds, there is the risk of losing further assets of the investors. The Issuer expressly advises against personal debt financing of any investment in the token-based bonds.

Investors should carefully read and consider the following risk factors when deciding on the purchase of the token-based bonds offered, together with the other information contained in this prospectus. The existence of special circumstances in the person of the individual investor of which the Issuer is unaware may also lead to a risk factor developing a higher potential risk than is shown below.

The Issuer recommends that interested investors carry out an individual examination of the personal risk situation by a knowledgeable advisor before purchasing the token-based bonds.

### 2.2 Risks of the Issuer's Business

#### ***General forecasting risk / forward-looking statements***

This prospectus contains forward-looking statements in various places that relate to future facts, events and other circumstances that are not historical facts. They are regularly identified by words such as "likely," "possibly," "expected," "projected," "planned," "predicted," and similar language. Such forward-looking statements are based on expectations, estimates, projections and assumptions. They reflect exclusively the opinion of the Issuer,

are subject to uncertainties and risks with regard to their actual occurrence and are therefore not guaranteed in their realisation. Forward-looking statements made in this securities prospectus relate in particular to:

- the expectations of the Issuer with respect to its future business development and general economic, legal and political developments;
- the execution and the result of the offer of token-based bonds shown in this securities prospectus;
- the use of the net proceeds from the offer of securities, in particular the investment in the investment properties of the Issuer in relation to the expected investment volume and the expected conditions, and
- the expectations of the Issuer with regard to economic, legal, technical or tax risks and their effects,
- the economic concept of this securities offering.

The Issuer is not yet active on the prospectus date. The company object in accordance with the articles of incorporation is thus the planned main activity of the issuer. In accordance with its statutory business purpose, the Issuer plans to use the net issue proceeds from this offer to build up a portfolio of investments in real estate and real estate project developments in Germany (the “Investment Properties”). A minimum threshold of proceeds from the offering of these token-based bonds need not be reached for the offer to be made. The management of the Issuer will make investment decisions regarding the investment properties after the offer has been made on the basis of the actual net issue proceeds.

If one or more of the assumptions on which the Issuer bases its forward-looking statements prove to be inaccurate or if unforeseen changes or events materialise, it can not be ruled out that actual future developments and results will differ materially from what the Issuer has stated in this prospectus was adopted for the future. The implementation of the issuer’s business strategy and planning may in fact be difficult, legally or financially difficult or impossible, or there may be significant delays. All of this may have a material adverse effect on the assets, financial condition and results of operations of the Issuer, thereby impairing its ability to pay annual variable interest and repay the token based debt capital to investors.

***The specific investment properties of the Issuer have not yet been determined (so-called “blind pool”)***

The real estate and real estate project developments in Germany (the “investment properties”) to be acquired in accordance with the purpose of the Issuer (if applicable, indirectly) are not yet known at the date of the prospectus. Therefore, the investor can not form an accurate picture of the investment properties, their expected economic development and the risks associated with the specific investment properties; consequently, this offer of securities is a so-called “blind pool”. The results planned by the Issuer are not guaranteed and may in fact cause significant deviations. This could have a material adverse effect on the Issuer’s net assets, financial position and results of operations and could affect its ability to pay annual variable interest and repay the token-based bonds to investors.

***The Issuer has not yet commenced operations.***

The Issuer has not yet commenced operations. It does not yet have meaningful historical financial information. There is no assurance that the Issuer will be able to conduct its business as planned and operate profitably in the future. It is exposed to competition from other real estate companies, which also focus on investment in and management of real estate, and there is no guarantee that the issuer will be able to prevail in the future in this competition, in particular with already established real estate companies. All of this may adversely affect the Issuer’s net assets, financial position and results of operations and thereby affect its ability to pay annual variable interest and repay the token-based bonds to investors.

***General risks in connection with the investment in real estate and real estate projects***

The Issuer intends to build up a portfolio of investments in real estate and real estate project development in Germany (the “Investment Properties”) using the token-based bonds from this offering.

The creditworthiness and liquidity of the Issuer therefore depend to a decisive extent on whether the respective investments in the investment properties are made and whether the Issuer can generate sufficient liquidity returns from these investments to be able to make payments on the token-based bonds in addition to its other expenses, taxes and liabilities. The Issuer is therefore directly dependent on the development and creditworthiness of its investment properties.

All risk factors that directly affect the respective real estate and real estate project developments therefore indirectly have a negative impact on the net assets, financial position and results of operations of the Issuer. As a result, there may be lower payouts of annual variable interest rates and repayment of token-based bonds to investors, up to a total loss of investor investment.

Therefore, all risk factors, which are described below in connection with the real estate and real estate project developments (investment properties) to be acquired, are always to be understood as indirect risk factors for the Issuer and thus for the investors.

***The Issuer's management may make strategic business decisions, particularly in the selection of investment properties and their subsequent management.***

The realisation of the Issuer's objectives depends directly and indirectly on a variety of factors, such as the economic environment and industry environment, but above all on the ability of employees and management. If the management and, if applicable, the employees of the Issuer are unable to identify and manage business-specific risks, weigh up a wide variety of business parameters, exploit and realise potential and correctly assess and evaluate the business opportunities available to the Issuer, then all of this can happen have a significantly negative impact on the further economic development of the Issuer. This applies in particular to the implementation of the business strategy of the Issuer in the form of the planned (possibly indirect) investment in real estate and real estate project developments as well as the subsequent management of the acquired real estate. Even unrecognised incorrect parameters, such as incorrect expert opinions from third parties, can ultimately lead to actual wrong decisions of the management, even if these parameters are correctly weighed. All of this may have a material adverse effect on the assets, financial condition and results of operations of the Issuer, thereby impairing its ability to pay annual variable interest and repay the token based debt capital to investors.

***The Issuer's risk monitoring and control measures may prove inadequate.***

The Issuer intends to take risk monitoring and risk control measures to minimise operational risks. This is especially true at the level of real estate and real estate project developments. Despite such measures, there may be unknown or unrecognised risks for the Issuer and it can not be ruled out that some or all of these measures may prove inadequate or fail. This could have a material adverse effect on the Issuer's net assets, financial position and results of operations, and thus affect its ability to pay annual variable interest and repay the token-based bonds to investors.

***Key personnel risk***

The Issuer's business depends to a considerable extent on the entrepreneurial skills of the managing directors and, if applicable, other executives or key employees as well as external experts who work for the issuer (key persons). There is no guarantee that the Issuer will succeed in holding these key persons or in attracting new key persons with appropriate qualifications. It cannot be ruled out that a shortage of key persons will create an obstacle to the implementation of the Issuer's business activities. Changes in the group of key persons can have a significant negative impact on the business and economic performance of the Issuer. This could have a material adverse effect on the Issuer's net assets, financial position and results of operations, and thus affect its ability to pay annual variable interest and repay the token-based bonds to investors.

***The investment properties of the Issuer may suffer losses in value.***

There are risks in possible losses in value of the investment properties as well as in contaminated sites, soil conditions, burdens and building defects or structural damage as well as violations of building requirements, construction safety regulations or legal use. The value of the investment depends, among other things, on the size of the existing rents, the local comparative rent, the legally permissible rent, the development of the respective residential area and the management costs such as administrative, operating and maintenance costs and the degree of letting. Negative performance of one or more of these factors may result in higher expenses and / or lower revenues. As a result, the market value of the affected investment objects may be lower. For financial reasons, the Issuer may be forced to sell one or more investment properties, thereby realising a possible loss in value of the investment properties concerned. This could have a material adverse effect on the Issuer's net assets, financial position and results of operations and could affect its ability to pay annual variable interest and repay the token-based bonds to investors.

***Permits required in the future for modernisation or refurbishment can not be granted, in time or only under conditions or secondary conditions***

It can not be ruled out that there will be a need for modernisation or redevelopment of the Issuer's investment properties in the future. In the area of modernisation and renovation of real estate, the granting of building permits is regularly a necessary prerequisite for implementation. There is a risk that necessary permits for refurbishments or refurbishments will not be granted, in time or only subject to conditions or secondary conditions. In doing so, the Issuer is partly dependent on the exercise of discretionary decisions by individual authorities in its favour. In addition, disputes with residents and residents can significantly delay or otherwise negatively affect the granting of permits. This could have a material adverse effect on the Issuer's net assets, financial position

and results of operations and could affect its ability to pay annual variable interest and repay the token-based bonds to investors.

***Construction defects and / or contaminated sites can reduce profits and / or additional costs, remain undetected or occur later***

Reductions in yield can result from missing or insufficient maintenance and revitalisation measures, uncalculated conversion and repair costs, removal of contaminated sites, construction defects and the like. The investment properties of the Issuer may be contaminated with contaminated sites, other harmful soil contaminants and / or war loads (eg bombs). Soil contamination can trigger claims for damages and other warranty claims of later purchasers of real estate. The Issuer may also be obliged to cost-effectively eliminate the legacy and / or war burden. These obligations and claims may exist irrespective of the fact that the Issuer or its respective vicarious agents have caused the relevant soil contamination and it is possible that no recourse claims may be made against third parties or that existing recourse claims may not be enforced. The elimination of any burdens can make the management of the assets impossible or uneconomic and involve significant additional costs. Any construction defects can go undetected or occur later. It can not be ruled out that unidentified contaminated sites will be located on one or more properties upon acquisition. Any costs arising from the remediation of old items or defects for which there is no warranty or a warranty can not be enforced shall be borne by the Issuer. This could have a material adverse effect on the Issuer's net assets, financial position and results of operations and could affect its ability to pay annual variable interest and repay the token-based bonds to investors.

***A backlog of maintenance can result in reduced earnings***

Numerous factors, such as the age of the building fabric, pollutants in building materials, the condition of the soil or non-compliance with building law or monument protection requirements for the properties can cause costly renovation, maintenance and / or modernisation measures. If such measures are not carried out or are not carried out on time or to a sufficient extent, this may have a negative effect on the value of the properties affected and on the rental income that can be generated from them. Unsustainable construction of real estate can also contribute to a reduction in yield. This could have a material adverse effect on the Issuer's net assets, financial position and results of operations and could affect its ability to pay annual variable interest and repay the token-based bonds to investors.

***Non-allocable operating and administrative expenses, other operating expenses, ongoing maintenance and any property valuations and costs related to the issuance of token-based bonds may be higher than anticipated.***

Operating and administrative expenses, other operating expenses, ongoing maintenance costs and any real estate valuations, as well as costs associated with the issuance of token-based bonds may not be higher than expected. It can also not be ruled out that individual costs initially classified as recoverable can not be allocated to the tenants at a later date, or that incurring operating or administrative costs may arise in addition. An increase in the allocable operating and administrative costs can also reduce the attractiveness of the property for tenants, thus diminishing the profitability of the property. This could have a material adverse effect on the Issuer's net assets, financial position and results of operations and could affect its ability to pay annual variable interest and repay the token-based bonds to investors.

***For the investment properties no buyers could be found at planned or required sales dates. The investment properties may be valued incorrectly in economic terms or with regard to the associated charges, or may suffer a loss in value.***

Even in the case of positive economic development of the investment properties, there is the risk that no buyers for individual or all real estate or real estate project developments of the issuer can be found or reasonable selling prices can be achieved at the time of the sale. The Issuer may be forced to postpone one or more sales or accept price reductions. It cannot be completely ruled out that the investment properties become worthless or unsalable. There is also the risk of misjudgments in the valuation of investment properties. This could have a material adverse effect on the Issuer's net assets, financial position and results of operations and could affect its ability to pay annual variable interest and repay the token-based bonds to investors.

***The Issuer will raise additional debt as planned***

The Issuer will be financed on a borrowed basis from other sources of finance. In this regard, the Issuer reserves the right, at the level of the real estate or real estate project developments, to borrow further, in particular in the form of bank financing, to acquire the investment objects or to carry out repairs, conversions, extensions or other maintenance, repair or refurbishment measures on the real estate. When borrowing additional debt, the Issuer may enter into obligations which may be at least equivalent to the rights of holders of token-based bonds. The borrowing of additional debt may result in the Issuer having to service more liabilities in the event of economic

difficulties and to reduce (and indirectly if applicable) the investor's outlook and prospects, annual variable interest and / or the repayment of the token-based bonds receive.

***Future rent increases can not be enforceable for economic and / or legal reasons. Legislative measures restrict the possibility of rent increases. Past rental price increases may be ineffective for reasons of regulation by the legislature***

Future rent increases may not be enforceable due to economic developments, ineffective lease clauses or changed legal regulations. In addition, the previous and / or calculated rents can not be achieved for new and follow-up leases, for example, because rebuilding, renovation and / or maintenance costs for the real estate increase more strongly than expected. There may be higher expenses and / or lower revenues than planned. This would negatively affect the expected results and thus the liquidity of the issuer. Furthermore, the Rental Law Amendment Act of 11.03.2013 (6th Tenancy law reform) allows the German State governments to reduce the cap on rent increases for areas with tight housing markets by statutory ordinance to the local comparative rent from 20% to 15%. In addition, on 1 June 2015, the Law on Tenancy Law Amendment to the so-called "rent-price brake" passed by the German Bundestag and Bundesrat came into force, which is intended to legally limit the increase in rents in certain areas. All of this may have a material adverse effect on the Issuer's achievable rents and, consequently, on its financial condition and results of operations and, therefore, on its ability to pay annual variable interest and repay the token-based bonds to investors.

***Tenants may violate their obligation to pay the rent***

The economic result of the Issuer depends significantly on the amount of rental income and thus on the tenant's compliance with their payment obligations to the Issuer. There is a risk that tenants may not or only partially pay their contractually agreed rent, or violate other obligations under the lease, such as restoring their former condition in the event of structural changes or terminate contracts. As a result, the Issuer may incur costs for loss of rent, renovation or enforcement of claims. Claims against the tenants could not be enforceable in court or a foreclosure can be fruitless. There may be loss of income and the attractiveness of the real estate or its valuation may deteriorate. This could have a material adverse effect on the Issuer's net assets, financial position and results of operations and could affect its ability to pay annual variable interest and repay the token-based bonds to investors.

***There is a risk of vacancies***

There is a general risk of vacancies, especially after the termination of a tenancy. It is possible that in the event of termination of a lease, a follow-up lease is not possible, only later or only at a lower rent or the new tenant incentives such as a rent-free time must be granted to make renovations. Tenant changes can also be associated with significant renovation or refurbishment that can lead to a temporary loss of rent and can incur significant costs. This could have a material adverse effect on the Issuer's net assets, financial position and results of operations and could affect its ability to pay annual variable interest and repay the token-based bonds to investors.

***The Issuer is liable as the owner of the property for risks arising from the property***

Risks arising from real estate may result in claims by third parties for which the Issuer is liable as the owner of the real estate. In addition, the Issuer bears the risk of damage and damage in connection with the possession and use of the real estate. These risks may, in particular if they are uninsured or uninsurable, result in a loss of revenue or claims of third parties against the Issuer. This could have a material adverse effect on the Issuer's net assets, financial position and results of operations and could affect its ability to pay annual variable interest and repay the token-based bonds to investors.

***The scope of the issuer's insurance cover may be insufficient***

The Issuer decides on the type and scope of the insurance cover in order to cover the risks that it considers to be significant. The Issuer assumes that it is currently adequately insured against operating risks or will be on schedule. However, the Issuer cannot exclude the possibility of losses or claims being made against it that exceed the scope of the existing or planned insurance cover. If the Issuer incurs losses for which there is no or insufficient insurance cover, this may have a material adverse effect on the assets, financial and earnings position of the Issuer and, as a result, on its ability to pay annual variable interest and repay the token-based bonds to the Issuer. Affect investors.

***Investment property can be destroyed by force majeure***

By an unexpected occurrence of an unavoidable event such as natural disasters, especially severe weather, earthquakes, floods, volcanic eruptions, but also fire, traffic accidents, hostages, war, unrest, civil war, revolution, terrorism, sabotage, etc. may be lost to investment properties of the Issuer. Not all possible damages are insured or insurable. Even in the case of insured loss, it can not be ruled out that the insurance cover will fail or prove

inadequate or that the insurance premiums will increase following a claim. This may result in the Issuer losing a significant portion of its assets to the point of total loss. This could have a material adverse effect on the Issuer's net assets, financial position and results of operations and could affect its ability to pay annual variable interest and repay the token-based bonds to investors.

***Due to the changing demands of the tenants on the rental space rebuilding, renovation or maintenance costs may increase and rent increases or follow-up leases may not be implemented as expected***

The general expectations of tenants for their rental space are subject to constant change, for example, there is a steadily increasing demand for larger living space and higher quality of equipment. There is the possibility that it can not or only partially succeed to adapt to these changes in demand accordingly. The conversion, renovation or maintenance costs may increase as a result or rent increases or follow-up rentals may not be feasible or only with worse conditions than expected. This could have a material adverse effect on the Issuer's net assets, financial position and results of operations and could affect its ability to pay annual variable interest and repay the token-based bonds to investors.

***Due to personal and / or capital links between the Issuer and its shareholders and managing directors, conflicts of interest may arise***

The following personal and / or capital linkages can not rule out the possibility of conflicts of interest of the persons acting, which may directly or indirectly be borne by the investors.

The Managing Directors of the Issuer, Mr Thomas Ermel and Mr Felix Ermel, are also Managing Directors of Silver Lining GmbH, which is the sole shareholder of the Issuer. Furthermore, the managing directors Mr Felix Ermel and Mr Thomas Ermel are brothers, i.e. there are family relationships between the members of the management of the issuer. Mr Thomas Ermel and Mr Felix Ermel are also 50% shareholders of Silver Lining GmbH. Through these interests in Silver Lining GmbH, Mr Thomas Ermel and Mr Felix Ermel are also indirectly involved in the direct and indirect subsidiaries of Silver Lining GmbH, in particular the Issuer. Accordingly, they and Silver Lining GmbH are indirectly involved in the economic success of the issuance.

In addition to his function as Member of the Management Board of the Issuer, Felix Ermel is also a member of the Management Board of Silver Lining GmbH, Silver Lining REIM GmbH, Foundation RE GmbH (Liechtenstein) and Project Hoisberg 30/32 GmbH as well as authorised signatory the project DS 6 Jena GmbH. In addition to his function as a member of the issuer's management board, Thomas Ermel is also a member of the management boards of Silver Lining GmbH, Silver Lining REIM GmbH and Fundament RE GmbH (Liechtenstein) within the issuer's group of companies.

Conflicts of interest may arise between the Issuer, its shareholder Silver Lining GmbH, its respective management, any employees, service providers or other persons or companies associated with the Issuer.

There is a risk that the aforementioned persons may make decisions or take actions due to conflicts of interest for or against the Issuer on the one hand or personal interests on the other hand which may have a direct or indirect adverse effect on the economic success of the Issuer and thus ultimately also a negative effect on the net assets, financial position and results of operations of the Issuer. This can be done, for example, by granting remuneration or other benefits in contracts or other legal relationships with the aforementioned persons which differ substantially from the remuneration or benefits customary in the market at the time and which are charged to the Issuer. This may affect the ability of the Issuer to pay annual variable interest and to repay the token-based bonds to investors.

***The Issuer could become insolvent***

The realisation of one or more risks can have a significant negative effect on the asset, financial or earnings situation of the Issuer and lead to the insolvency of the Issuer. In particular, the Issuer may become insolvent if the proceeds of the Issuer are lower and / or its expenses are higher than planned and the remaining liquidity is insufficient to cover the expenses relating to the token-based bonds and the management, financing or other expenses of the Issuer cover up. This may also be the case if the investment properties cannot be sold or managed, or cannot be sold or managed at the expected proceeds, or if any necessary refinancing fails. If the Issuer becomes insolvent, the investor may partially or completely lose all or any of its claims against the Issuer, in particular for an annual variable interest claim and for repayment (partial or total loss risk).

***Risk of changing the legal framework***

As a participant in general commercial transactions, the Issuer depends on national and international legal framework conditions. All European legislation and case law is constantly changing. It cannot be ruled out that



future changes in the legal framework may have a negative impact on the Issuer's ability to act economically or on its competitive position. Changes in domestic and foreign laws and regulations, as well as their interpretation by courts and authorities, may therefore have a direct or indirect negative impact on the assets, financial and earnings position of the Issuer and thus its ability to pay variable annual interest and repayments of token-based bonds to investors.

***The continued validity of the current tax situation is not ensured***

The taxation of the Issuer's business is based on the tax laws, administrative instructions and published case-law at the date of the prospectus. Future changes in tax legislation, administrative opinion and / or jurisdiction may alter the assessment of the tax concept and tax implications for the Issuer and investors. Also retroactive adverse changes of tax laws can not be excluded. The same applies in the event that the individual or personal circumstances of the investor deviate from the assumptions used in the presentation of the tax bases. In that regard, there is the risk of higher tax charges for both the Issuer and the investors. The same applies in the event that an additional tax payment results in the course of a tax audit. A final appraisal of all tax-relevant matters carried out by the tax authorities will only be carried out as part of a tax audit. Should the tax authorities arrive at a different legal interpretation within the framework of the tax audit, this could lead to a higher tax burden for both the issuer and the investor and thus to additional tax payments. In Germany, these would bear interest of 0.5% for each full month from the 16th month after the end of the respective calendar year in which the tax arose. This could have a material adverse effect on the Issuer's net assets, financial position and results of operations and could affect its ability to pay annual variable interest and repay the token-based bonds to investors.

## **2.3 Market and Competitive Risks of the Issuer**

***Both the general real estate market and local real estate markets may be negative. A negative development of the economy and the resulting decline in purchasing power can have a negative impact on the income and performance of the investment properties***

The corporate result of the Issuer is essentially based on the economic success of its future investments in the investment properties, i.e. their performance and earnings. The economic success of real estate depends on its sustained earning power and thus mainly on factors such as the location, the condition and the equipment of the respective real estate, the achievable rental income, the economy and the development of the market environment. The situation can be adversely affected by the development of the environment, social structures, public law and by the regional and supraregional competitive situation. Local real estate markets, in which the issuer will invest in the future, may be subject to various fluctuations, which may be based on different factors, such as the development of supply and demand, the legal and tax environment and, in particular, the overall economic development, because of the long-term yield to be achieved Real estate is also influenced by the economy. This in turn has an impact on tenant loyalty, the level of follow-up rents and the competitive situation. Furthermore, measures taken by the legislature can restrict the possibility of rent increases and thus also have a negative effect on the further development of the real estate market (see also the description above including the "rent brake"). This could have a material adverse effect on the Issuer's net assets, financial position and results of operations and could affect its ability to pay annual variable interest and repay the token-based bonds to investors.

***The Issuer is exposed to the competition***

The Issuer is subject to competition with other real estate companies, which also focus on investment in and management of real estate. This competitive situation and the resulting negative development of purchase and selling prices and rental opportunities could have a negative impact on the Issuer's net assets, financial position and results of operations and thus impair its ability to pay annual variable interest and repay the token-based bonds to investors.

***Increases in interest rates can have a negative impact on the real estate market, financing costs and financing options***

Low interest rates foster capital investment in real estate over interest-bearing asset types. Furthermore, the low level of interest rates favours credit-financed real estate acquisition and construction, as the cost of borrowing is lower and thus makes real estate financing easier. If interest rates rise, this can have a negative impact on the real estate market, because demand will fall as a result of higher financing costs. As a result, the valuation of individual or all investment properties of the Issuer as well as the respective rental income achievable from them may develop negatively. An increase in the general interest rate level would therefore also be reflected in the financing costs in line with the breakdown of bank debt. This could have a material adverse effect on the Issuer's net assets, financial position and results of operations and could affect its ability to pay annual variable interest and repay the token-based bonds to investors.

## 2.4 Risks in connection with the offered token-based bonds

### ***The placement of token-based bonds may be delayed or may not succeed as planned***

If the placement of the token-based bonds fails or does not succeed as planned during the placement phase, there is a risk that the investments planned by the issuer may be delayed or non-existent and the planned business activity cannot be fully, fully or delayed. There is also the risk that the Issuer will fail to place the offer as planned and in full. This could have a material adverse effect on the Issuer's net assets, financial position and results of operations and could affect its ability to pay annual variable interest and repay the token-based bonds to investors.

### ***Reversal of risk***

A reversal of the token-based bonds is not provided. If unforeseeable circumstances necessitate a reversal, the investor is entitled to repayment of his capital contribution plus accrued annual variable interest. However, the Issuer may already be charged with expenses in the meantime. In addition, the liquidity risk exists due to unforeseen events. This could have a material adverse effect on the Issuer's net assets, financial position and results of operations and could affect its ability to pay annual variable interest and repay the token-based bonds to investors.

### ***It is possible that the Issuer will make payments of interest and / or repayment debt-discharging to token holders who are in fact not creditors of the relevant interest and / or repayment claims***

Payouts may be required only by holders of the Fundament Tokens pursuant to § 7 (7) of the Terms and Conditions of token-based bonds. The Issuer may assume that the respective holder of the Fundament Token is also the creditor of the respective disbursement. It will therefore also be relieved of its liability by service to a token holder who is not a creditor. Should a token holder not also be the creditor of the payout claim, the creditor of the payout claim has the risk that in the case of payment to the token holder, he can no longer demand payment from the issuer and, if necessary, demand payment from the token holder, so that he is dependent on the creditworthiness of the token holder and may not be able to enforce any payment claims against him. This can lead to a total loss of the investment amount including the premium of the creditor of the claim for payment.

### ***The Issuer may not be able to provide the contractually agreed annual variable interest rates and the repayment of token-based bonds to investors***

There is a general risk that the Issuer may not be able to fully or partially meet the contractually agreed annual variable interest rates and the repayment of token-based bonds to investors. The Issuer must pay out the contractually agreed annual variable interest only in the sole discretion of the Management Board without any further requirements. There is a risk that, in the event of unpaid annual variable interest rates, subsequent disbursement may not or not fully be possible as a result of the issuer's negative economic performance. If the Issuer is unable to achieve the planned proceeds or if the expenses are higher than planned, the available liquidity may not be sufficient to fully or partially satisfy investors' claims (partial or total loss risk).

### ***The token-based bonds do not grant any shareholder rights. Holders of token-based bonds can not influence the management of the Issuer on a personal or substantive basis***

The token-based bonds only give rise to debt obligations of the Issuer. They therefore do not grant any shareholder rights, in particular no participation, participation or voting rights in the Issuer's shareholders' meetings. The management is solely responsible for the management of the Issuer. The owner of the token-based bonds can therefore have no influence on the management of the company either personally or in terms of substance. This also applies to the articles of association of the Issuer. Changes in the Articles of Incorporation or changes in the management of the Company as well as changes in the Issuer's business strategy may cause the Issuer's business to be more negative than expected. As a result, the Issuer's net assets, financial position and results of operations could be adversely affected and the returns to investors could be partially or completely canceled.

### ***Qualified subordinate of token-based bonds***

Investors' entitlement to repayment of principal and payment of interest is subject to qualified subordination. As a result, an investor carries an entrepreneurial risk that is higher than that of a regular lender. The investors therefore only have a claim against the Issuer for payment of interest and repayment of the capital if the assertion of the claim would not lead to a bankruptcy of the Issuer (insolvency, impending insolvency or over-indebtedness). As a result, payments to investors may be delayed or entirely canceled. Furthermore, in the event of the issuer's insolvency or liquidation, the investor's claims under the bond are subordinate to the claims of all other creditors of the issuer who are to be serviced with priority. The subordinated claims of creditors of the token-based bonds may only be settled out of existing or future net income, any existing or future liquidation surplus or other free assets of the Issuer. This can lead to the total loss of the invested capital.

In the event of a payment by the Issuer which violates a prohibition of payment, the Issuer is entitled to require the payee to repay the amount received and to lodge a claim.

***The payment of the variable interest is at the discretion of the management of the Issuer; in the extreme case, interest is only paid at maturity of the token-based bonds***

The payment of variable interest rates will be determined by the management of the Issuer at its discretion during the term of the token-based bonds, subject to the due care of a prudent businessman and without any further prerequisites. Annual payments of the variable interest are planned and planned by the Issuer. If no payment of the variable interest is made, the amount is reinvested or reinvested. The calculation and payment of the variable interest must be made by the Issuer at maturity. In the extreme case, this means that the investor's interest may not be claimed until the end of the term and that no interest payments by the Issuer have been received until then over the entire long term of the token-based bonds. To this extent, the investor cannot count on variable interest payments during the term of the token-based bonds. Insofar as variable interest is not paid out and therefore remains with the Issuer, such and other assets of the Issuer are subject to the Issuer's entrepreneurial risk up to the possible total loss of the interest and redemption claim of the investors in the event of the Issuer becoming insolvent.

***Investors are not entitled to ordinary termination. The tradability of token-based bonds is limited. An attempt to sell the token-based bonds may be wholly or partially unsuccessful***

Investors are not entitled to ordinary termination of the token-based bonds and therefore may not dispose of the invested capital during the entire term of the token-based bonds. The term of the token-based bonds ends on 31.12.2033. The Issuer may extend the term in one or more steps by up to ten years, ie until 31.12.2043 at the latest (the "end of term"). The term starts with the beginning of interest (from 01.01.2019 onwards) ends at the end of the term, without any need for termination.

If investors rely on liquidity before the maturity of token-based bonds, they may be forced to sell token-based bonds. The ability to sell and the value of token-based bonds therefore depend largely on whether a buyer can be found and what purchase price this is willing to pay both outside of a stock exchange listing and in the context of stock market trading. There is also the risk that the consideration offered by a potential acquirer for the token-based bonds will be less than their nominal amount, ie the amount originally paid by the investor for the acquisition. As of the date of the prospectus, the Issuer's token-based bonds are not incorporated or admitted to official trading on the Regulated Market or over the counter or in any other equivalent markets. The holders of token-based bonds rely on finding a buyer themselves and negotiating a price. All this may result in the token-based bonds not being sold, not being sold in time or not at the expected conditions, in particular only in part or at a lower selling price. Investing in token-based bonds may be considered to be economically negative for the investor and even result in a total loss of the investment. Insofar as investors finance the acquisition of token-based bonds with borrowed capital, a loss beyond the capital invested is also possible.

***A possible trading price of the issuer's token-based bonds may fluctuate significantly. In particular, the sale of larger numbers of token-based bonds can give rise to high surrender pressures, which can significantly affect any trading price***

At the prospectus date, the Issuer's token-based bonds are not included or admitted to trading on the Regulated Market or the OTC or any other equivalent market. Should this change, a trading price of the token-based bonds of the Issuer may be subject to significant fluctuations. This may be due, in particular, to a lack of liquidity or increased selling pressure or to increased volatility on the stock and financial markets in general. Other factors may influence the trading price and its volatility, such as market expectations regarding the Issuer's valuation, the Issuer's earnings outlook, market participants' assessments of the Issuer's market position, competitive strengths and weaknesses or business strategy, possible regulatory investigations or measures, litigation, changes in the valuation of other companies in the market environment of the Issuer, the creditworthiness of the Issuer, possible insolvencies or significant restructuring of the Issuer or its comparable companies as well as changes in the valuation of the general capital and financial markets, in particular interest rates, inflation rates, exchange rates and the overall economy as well as the specific sectors and markets of the Issuer. In the past, significant price and turnover fluctuations in the general stock and financial markets have repeatedly occurred. A sale of a larger number of token-based bonds of the Issuer may give rise to a distribution pressure which may have a material adverse effect on the trading price of the token-based bonds. Investors may not be able to resell the token-based bonds at their historical cost, face value, a higher trading price or at all and may suffer a total loss. None of this, however, may have a significant adverse effect on any trading price of the token-based bonds regardless of the actual financial and economic position of the Issuer and its financial, asset or earnings position. Investing in token-based bonds may be considered to be economically negative for the investor and even result in a total loss

of the investment. Insofar as investors finance the acquisition of token-based bonds with borrowed capital, a loss beyond the capital invested is also possible.

***Inflation can lessen the real value of annual variable interest rates and repayment***

The real value of the annual variable interest and the repayment amount of the token-based bonds may be reduced by inflation. This may result in the investor not seeing the expected real increase in value or ultimately being negative.

***The token-based bonds do not allow a forecast of future returns. The Issuer may partially or fully redeem the token-based bonds ahead of time***

The term of the token-based bonds ends on 31.12.2033. The Issuer may extend the term in one or more steps by up to ten years up to a maximum of 31.12.2043 (the “End of Term”). The term starts with the beginning of interest (from 01.01.2019 onwards) ends at the end of the term, without any need for termination. Investors cannot properly cancel the token-based bonds. However, the Issuer shall be entitled to redeem the token-based bonds in whole or in part with at least 30 days’ notice to the end of any calendar month (the “Redemption Date”), but not earlier than the end of 31.12.2025 (the “Minimum Maturity Period”), in whole or in part, to investors and to redeem them accordingly. The Issuer is under no obligation to pay prepayment penalties. In the event of early termination and redemption of the token-based bonds, the investors will be exposed to reinvestment risk, i.e. the risk that they will not be able to invest the redemption amount (100% of the principal amount of the token-based bonds) plus accrued (i.e. not yet paid) annual Floating Interest, or will no longer be able to invest it at the same rate of return.

## **2.5 Risks associated with tokenisation**

***The exchange rate risk***

As part of the issuance of token-based bonds and in the payment of annual variable interest rates and repayment, the issuer intends to use the cryptocurrency Ether (ETH). Disbursements are made in ether, regardless of whether the investor paid his purchase price in euros or ethers. This also applies if the Investor has acquired his token-based bonds in another way, in particular by buying on the secondary market, by donation or by inheritance. Cryptocurrencies like Ether can be subject to high price fluctuations. If the Issuer receives payments from investors in Ether as part of the subscription and issuance of the Fundament Token, it will convert these Ether amounts into Euro. In order to be able to make later payments to investors in Ether, she must first exchange appropriate amounts of euros into Ether. The date of the exchange is determined by the Issuer at its own discretion without any further requirements. In this respect, there is the risk that the Issuer may choose an unfavourable moment for the respective conversion with a worse exchange rate, higher exchange costs or negative price developments following the exchange. The performance of the cryptocurrency ether (ETH) against the euro and other currencies may be significantly and / or significantly impaired in the short term. Fluctuations in exchange rates may occur before, during and / or after a conversion transaction and in particular also be influenced by the exchange process itself if there is insufficient supply or demand on the respective crypto currency exchange at that time. In the context of the execution of the offer of token-based bonds, the delivery of the Fundament Tokens is made individually for each investor, as a rule, immediately after the allotment has been made, but at the latest at the end of the subscription phase. It can not be ruled out to the extent that a price loss occurs before the delivery has been made to the investor, ie before he has the tokens and can avoid any price losses through timely sale. The respective exchange transactions from ether to euro and from euro to ether can lead to considerable exchange or exchange rate losses. This risk will affect the investor and may result in partial or total loss of investment for the investor.

***No payout in Ether possible anymore***

It cannot be ruled out that for the duration of the token-based bonds until their repayment (at the earliest 31.12.2033, at the latest 31.12.2043) a payment (interest or repayment) in ether will no longer be possible for technical reasons, because for example the Ethereum Network is no longer operated. Therefore, there is a risk that disbursements by the Issuer, if not expected by the investor, may occur throughout the duration of the token-based bonds in Ether. This risk concerns the nature of the payment, but not the underlying entitlement of the investors, which would continue in such a case. The Issuer and the investors must therefore agree on a different payment currency in such a case, for example, that the payment should be made in euros or another digital currency comparable to ether. In that regard, there is the risk that such an agreement and the subsequent disbursement take place with not inconsiderable delays in time, so that the investor may receive the payment only with a corresponding delay.

***The token-based bonds are only partially tradable (limited fungibility)***

The transfer of the token-based bonds requires the transfer of the Fundament Token representing the bond (so-called restricted assignment ban). The transfer of Fundament Tokens occurs exclusively through the Ethereum Blockchain. A transfer of the bond outside the Blockchain is not permitted. The assignment is also subject to the Terms and Conditions of the token-based bonds subject to certain formal requirements and suspensive conditions. Investors should be aware that bonds or Fundament Tokens may not be able to be sold before the maturity of the token-based bonds. Although a transfer of the bonds and the Fundament Token is possible, there is no regulated market for the trading of the token-based bonds or Fundament Tokens. A sale is therefore only possible through a private sale by the respective owner of the token-based bonds. A listing of the Fundament Token for trading on one or more trading platform (s) is in principle possible and may be requested by the Issuer and any token holder, or at the request of investors or others. The conditions under which such an application could be made are at the discretion of the respective applicant. However, the decision to include the Fundament Token for trading lies exclusively with the respective trading platform. In doing so, individual provisions of the conditions of the token-based bonds, in particular the formal requirements and suspensive conditions of a transfer, could lead to a rejection of trading by the respective trading platform; in particular, it can not be ruled out that individual provisions would conflict with or be in conflict with the trading principles of the respective trading platform for technical or other reasons are not feasible. The token holders have neither a claim against the Issuer nor against the respective trading platform that the Fundament Token is admitted to trading. Even in the case of incorporation of the Fundament Tokens into trading on one or more trading platforms, it is uncertain whether trading of the tokens or token-based bonds will actually occur. Often traded tokens are subject to large price fluctuations. The investor bears the risk that the investor will not find a buyer for the Fundament Token or can only sell at a price that he considers to be too low. The Fundament Token can also turn out to be completely illiquid.

Trading platforms may not be subject to regulatory regulation, so compliance with legal (including investor protection) rules is not guaranteed. In the event that a trading platform requires regulatory approval that it does not have, there is a risk that regulators may intervene against the trading platform and possibly ban its business model.

***Software vulnerabilities***

The Fundament Tokens, the underlying software application, the underlying smart contract, and the software platform (ie, the Ethereum Network) are constantly evolving and many aspects remain unchecked. Advances in cryptography or technological advancements such as the development of quantum computers can pose risks to the tokens. There is no warranty or representation that the process for creating and issuing Fundament Tokens will be uninterrupted or error-free, and there is an inherent risk that the Software may contain weaknesses, vulnerabilities or errors that may cause, among other things, the complete loss of Ether or Fundament Tokens.

***Uncertain regulatory framework***

The regulatory status of tokens, digital assets, and blockchain technology is unclear in many countries. It is difficult to predict how or whether government agencies will regulate such technologies. It is also difficult to predict how or whether a government agency will make changes to existing laws, regulations, or rules that affect tokens, digital assets, blockchain technology, and their applications. The Company may make a decision that is necessary or in the best interests of the Company and its investors, to cease the distribution of Fundament Token or the development of the Project in full, or that it is necessary or in the best interests of the Company to conduct business in a jurisdiction if government action makes it illegal or uneconomical to continue doing so in that jurisdiction. Blockchain activities, including the project, could be influenced by a number of regulatory initiatives or developments in various jurisdictions, including privacy and consumer protection, data protection, cybersecurity, intellectual property rights and other new categories of laws and regulations. Such regulatory initiatives and developments could significantly impact the functionality of the Fundament Token.

***Actions taken by government***

Due to the regulatory uncertainty described above, blockchain activities, including the activities of the Company and the Company's project, may be subject to increased oversight and control, including investigations or enforcement actions. There can be no assurance that government agencies will not review the Company's business or take any regulatory or enforcement action against the Company. All this could result in judgments, settlements, fines or penalties being imposed on the Company, or causing the Issuer to restructure its operations and activities, discontinue offering certain products or services in one or more jurisdictions, or identify certain individuals or certain jurisdictions no longer with foundation to supply tokens. If so, it could negatively impact the company's reputation and the company's ability to further develop the Fundament Token, which could have a significant negative impact on the Fundament Token.

### ***Loss of the private key***

The access to the Fundament Token is only possible via an ERC-20/1400 compatible wallet with a combination of account information (address), private key and password of the investor. The private key is encrypted with a password. The investor understands and accepts that in case of loss or theft of the private key or password the foundation of the account (address) or password of the investor may be irretrievably lost. In addition, any third party who gains access to the investor's private key, including access to the investor's wallet credentials, may misuse the investor's Fundament Tokens. This can lead to a partial or total loss of the investor's investment.

### ***Theft and Hacking Risk***

The Smart Contract used, the underlying software application, and software platform (ie, the Ethereum Network) may be subject to attacks by hackers or others, including but not limited to so-called malware attacks, denial-of-service attacks, consensus-based attacks, Sybil attacks, smurfing and spoofing. Such successful attacks may result in theft or loss of funds, including Fundament Tokens, that may impair the ability to develop the Fundament Token and may affect any use or functionality of the Fundament Token. This can lead to a partial or total loss of the investor's investment.

### ***Attacks on the Ethereum Network***

As with other crypto currencies, the blockchain used for the Fundament Token is vulnerable to mining attacks, including, but not limited to, double-donation attacks, majority and selfish-mining attacks, and race-conditioning attacks. Successful attacks pose a risk to the Fundament Token itself, the expected proper execution and sequencing of Fundament Token transactions, and the expected proper execution and sequencing of calculations. The occurrence of these risks may result in a partial or total loss of the investor's investment.

### ***Incompatible Wallet Service***

The wallet or wallet service provider that is used for the acquisition of Fundament Tokens must be technically compatible with the Fundament Token. Failure to do so may result in investors not having access to the assigned Fundament Tokens. Sending Ether to the Smart Contract directly from crypto-exchanges is therefore not possible and will result in a permanent loss of money to the investor or a partial or total loss of his investment.

### ***Development risk***

The timing of issuing the Fundament Token and completing various steps in implementing the Fundament Token is set forth in this prospectus. However, there is no guarantee that the Company will meet these deadlines. The acquirer is aware that the time at which the Company intends to provide the acquirer with the Fundament Token may be delayed. Although the Fundament Token will be deployed and operational at the time of delivery of the Fundament Token, its functionality may be limited such that not all of the operating tokens provided for the Fundament Token function at this time. The platform is evolving and could change dramatically over time.

### ***No liquidity***

There may never be a secondary market for Fundament Tokens. The Fundament Token may be subject to significant transfer restrictions as a result of action taken by the Company or government regulatory agencies.

### ***Bankruptcy risk of crypto currency exchanges***

The Issuer will switch from Euro to Ether and vice versa via crypto currency exchanges. For this purpose, the issuer will transfer euro or ether amounts to the respective crypto currency exchange and subsequently have the exchanged ether or euro amounts re-transferred. It cannot be ruled out that the respective cryptocurrency exchange may be wholly or partially unable to make the payment of the ether or the euro amount and that a cryptocurrency exchange may become insolvent while still having Euro and / or Ether amounts of the issuer features. This may result in a partial or total loss of the fixed assets for the Issuer and correspondingly adversely affect the net assets, financial position and results of operations of the Issuer. This can lead to lower payouts to the investors up to the total loss of payout claims and the investor's investment amount plus premium.

## **2.6 Maximum risk**

### ***Maximum risk of personal insolvency of the investor in personal debt financing of the investment***

In connection with the investment in this securities offering, the investor is exposed to risks which may not only lead to a total loss of his investment and other claims of the investor against the issuer (in particular claims to annual variable interest and repayment), but may also affect the investor in his further personal economic situation. Risks can occur not only individually but also cumulatively. As a result, risk consequences may increase beyond the sum of the effects of the individual risks, which may result in particularly adverse effects. The realisation of one or more risks may lead to the insolvency of the Issuer. As a result, investors may in particular lose their claims against the Issuer for annual variable interest and repayment (total loss). The present offer of securi-

ties is not suitable to be fully or partially financed by borrowed capital at the level of the investors. It is explicitly advised against personal debt financing of the investment in the token-based bonds offered. Irrespective of whether the investor receives payments (in particular annual variable interest and repayment) from the issuer, the individual investor would be required to provide the debt service (interest and principal) for any personal debt financing of his investment in the token-based bonds offered or the early retirement. Furthermore, at the level of the investor, there is a risk of additional payment obligations arising from taxes on the acquisition, disposal, assignment, annual variable interest or repayment of the token-based bonds. All this may mean that the investor either has to sell his token-based bonds in order to meet his payment obligations or that he has to pay the payment obligations out of his further assets, ie from funds other than the token-based bonds. If the investor must sell the token-based bonds, the realisation of the token-based bonds may not be possible or may only be possible to an extent that is insufficient to settle any personal liabilities arising from the investment financing or additional tax payment obligations. In this case, personal liabilities must be returned from the further assets of the respective investor. If such funds are insufficiently available from the investor's other assets or can not be obtained, there is a risk of enforcement of the investor's further assets. All this can lead to personal bankruptcy of the investor as a maximum risk.



### **3 GENERAL INFORMATION**

#### **3.1 Responsibility Statement**

The Foundation RE Germany GmbH, Barmbeker Strasse 5A, 22303 Hamburg, accepts responsibility for the contents of this prospectus and declares that to the best of its knowledge, the information contained in this prospectus is correct and that no material circumstances have been omitted. The Issuer declares that it has taken the necessary care in preparing the prospectus to ensure that the information contained in the prospectus is accurate to the best of its knowledge and that no facts are likely to materially alter the statements in the prospectus.

In the event that claims are brought before a court based on the information contained in this prospectus, the plaintiff investor (hereinafter also referred to as the “investor” or “holder of the token-based bonds”) may, under the national laws of the countries of the European Economic Area, have to bear the costs of translating the prospectus prior to the commencement of process.

#### **3.2 Information provided by third parties and sources of market information**

Information provided in this prospectus, which may have been adopted by third parties, has not been checked by the Issuer Foundation RE Germany GmbH for accuracy. The Issuer has correctly reproduced this information from third parties and, insofar as the Issuer was aware that it was able to derive it from the publicly available information, did not misrepresent any facts that made the information reproduced appear incorrect or misleading.

Furthermore, the market environment, market developments, growth rates, market trends and competitive situation in the areas in which the Issuer operates are based on the assessments of the Issuer. Information derived from this information, which has not been extracted from independent sources, may therefore differ from estimates made by competitors of the Issuer or from future surveys of independent sources.

#### **3.3 Currency and figures**

This prospectus contains currency information in euros, which may have been abbreviated to “EUR”. Currency values in thousands of euros were possibly abbreviated to “TEUR”. In addition, the prospectus contains currency information in Ether (ETH). Ether is the native currency unit of the Ethereum network. Numbers and percentages in this prospectus, in particular in size units of greater than thousand (for example, millions or “million”), may be commercially rounded. Totals (subtotals or totals) in spreadsheets may differ slightly from the true sum of the unrounded values to which they relate due to commercial rounding and from unrounded values stated elsewhere in the prospectus. Due to commercial rounding, figures and percentages may not add up exactly to the subtotals or totals contained in the tables or elsewhere in the prospectus.

#### **3.4 Accessible documents**

During the period of validity of this prospectus, the documents referred to in this prospectus, insofar as they relate to the Company, may be inspected in paper form at the registered office of the Issuer by prior arrangement, in particular:

- the current Articles of Association of the Issuer Fundament RE Germany GmbH,
- the audited financial statements of the Issuer for the short fiscal year to 31.12.2018 including the auditor’s report.

The audited annual financial statements of the Issuer on 31.12.2018 can also be accessed via the information platform of the Business Register, which is operated by the operator of the electronic Federal Gazette, Bundesanzeiger Verlagsgesellschaft mbH, based in Cologne, at the Internet address [www.unternehmensregister.de](http://www.unternehmensregister.de).

Future Issuer Annual Reports will be disclosed in accordance with the provisions of German commercial law and will be accessible via the information platform of the Register of Companies, which is operated by the operator of the electronic Federal Gazette, Bundesanzeiger Verlagsgesellschaft mbH, based in Cologne, at [www.unternehmensregister.de](http://www.unternehmensregister.de).



This prospectus will be published on the website of the Issuer (<https://www.fundament.group/real-estate>) and made available for download for the duration of the public offering of the token-based bonds.

### **3.5 Important note**

This prospectus has been prepared in compliance with applicable German and European regulations as well as the known or identifiable facts up to the date of the prospectus. The statements made in this prospectus are merely typifying, i.e. without reference to the respective individual situation of the individual investor. In order to assess the individual impact of the investment on the investor, appropriate investor expertise or individual, expert advice is required. For this reason, the Issuer recommends that investors conduct an individual review by knowledgeable advisers prior to investing in the token-based bonds offered here.

## **4. THE ISSUER FUNDAMENT RE GMBH**

### **4.1 Company, registered office and contact of the Issuer**

The Issuer and offerer of the token-based bonds underlying this securities prospectus is Fundament RE Germany GmbH, which has its registered office in the Federal Republic of Germany. The commercial name of the Issuer is the same as the legal name. The Issuer can be reached as follows:

Business Address	Barmbeker Strasse 5A, 22303 Hamburg
Email	contact@fundament.group
Phone	+49 (0) 40 - 36 85 00 33

### **4.2 Statutory corporate purpose of the Issuer**

In accordance with the Articles of Association, the object of the Issuer is the management of its own assets as well as the acquisition, management and sale of real estate, investments in project developments and the granting of subordinated loans, in each case with the exception of activities requiring authorisation.

The Issuer is not yet active on the prospectus date. The company object in accordance with the articles of incorporation is thus the planned main activity of the issuer.

### **4.3 Founding of the Issuer and Commercial Register Entry**

The Issuer was founded on 13.03.2018 in Germany with a deed of incorporation dated 13.03.2018 as a limited liability company (GmbH) under German law under the company PCG Property Coin GmbH and was registered on 29.03.2018 in the commercial register of the district court Hamburg under the commercial register number HRB 150935. The term of the company is indefinite.

On 11.10.2018 the shareholders' meeting of the issuer decided to change the name of the company into Fundament RE Germany GmbH. The registration of the new company name in the commercial register took place on 18.10.2018.

### **4.4 Shareholders and capital of the Issuer, group of companies**

The Issuer Fundament RE Germany GmbH has a share capital of EUR 25,000.00 at the date of the prospectus. The share capital of the Issuer is fully paid up. It is divided into a total of 25,000 shares with a nominal value of EUR 1.00 each.

The sole shareholder of the foundation RE Germany GmbH is Silver Lining GmbH, Hamburg (Commercial Register of the District Court Hamburg, HRB 139138) with all 25,000 shares in the nominal amount of EUR 1.00 each.

The shares of the Issuer convey equal and equal shareholder rights. They grant the shareholder the right to participate in the profits and liquidation proceeds of the Issuer according to the ratio of the shares (§§ 29 para. 3 and 72 GmbHG). The shareholder has the right to call and participate in the shareholders' meetings of the issuer. Resolutions in the affairs of the Issuer shall be taken by a majority of the votes cast, with each Euro of one share of the Issuer granting one vote (§ 47 GmbHG). There are no different voting rights for individual shares. Furthermore, the shareholder has the right to contest shareholder resolutions and has access to information and inspection rights vis-à-vis the issuer (§ 51a GmbHG).

Shareholders of Silver Lining GmbH are:

- Thomas Ermel with 12,500 shares of a total of 25,000 shares with a nominal value of EUR 1.00 (corresponds to 50%) and

- Felix Ermel with 12,500 shares of a total of 25,000 shares with a nominal value of EUR 1.00 each (corresponds to 50%).

The aforementioned persons Thomas Ermel and Felix Ermel indirectly hold 50% of the shares in Silver Lining GmbH. Silver Lining GmbH, as the sole shareholder (100% of the voting and capital shares), can take all resolutions in the shareholders' meeting of the issuer. As a result, Silver Lining GmbH is in a position to exercise significant influence over the issuer. A domination and profit transfer agreement does not exist. In addition to the above, there are no indirect participations or indirect control relationships in the Issuer and there are no existing agreements whose exercise at a later date could lead to a change in the control of the Issuer.

The Issuer is a company in the legal form of a limited liability company (GmbH). This is only limited to their company assets. The sole shareholder of the issuer Silver Lining GmbH is only liable for the provision of the share capital of EUR 25,000, which is fully paid up. In the event of a default of the Issuer, the sole shareholder Silver Lining GmbH is therefore generally not liable for claims of third parties against the Issuer.

Beyond the above, the Issuer of Fundament RE Germany GmbH is not dependent on other companies in the group.

The Issuer Fundament RE Germany GmbH is part of the group of companies of its sole shareholder Silver Lining GmbH. Other companies that are part of the group of companies do not exist at the time of the prospectus.

The Issuer, Fundament RE Germany GmbH, intends, in accordance with its corporate purpose (§ 2 of the Articles of Association of the Issuer), to manage its own assets as well as the acquisition, management and sale of real estate, investments in project developments and the granting of subordinated loans, in each case with the exception of activities requiring authorisation. In addition to direct investments in real estate and real estate project developments, the Issuer will pursue its activities through subsidiaries, affiliated companies or participations. Subordinated loans are only provided within the group to subsidiaries, affiliates or equity interests. Furthermore, Fundament RE Germany GmbH has the function within the Group as issuer of the token-based bonds offered. The Issuer has no interests at the date of the prospectus.

Silver Lining GmbH is a Germany-wide real estate project developer of new construction and revitalisation projects with a focus on living and business. Including special forms of use such as student apartments, nursing homes or day-care centres.

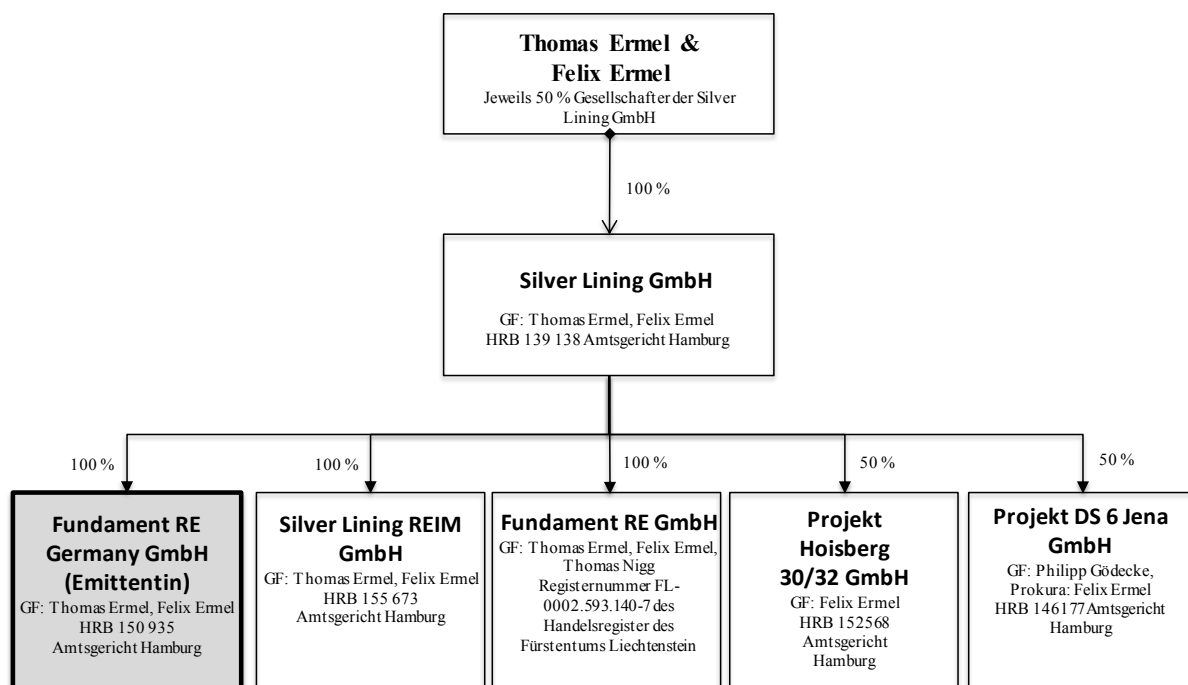
Silver Lining REIM GmbH is founded as a consulting firm for real estate projects and can also act as an advisor to the issuer in the context of real estate projects in the future.

The foundation RE GmbH, Vaduz, is a non-active shelf company at the date of the prospectus. The company is not entrepreneurial and will not become more entrepreneurial in the future.

Projekt Hoisberg 30/32 GmbH, Hamburg is an active project development company that is developing a property in Hamburg.

Projekt DS 6 Jena GmbH, Hamburg is an active project development company that develops a property in Jena.

The organisational chart of the corporate group is shown below:



## 4.5 Administrative, management and supervisory bodies

### 4.5.1 Information about governing bodies and managing directors

The organs of the company are the managing directors as members of the management of the issuer (hereinafter the “managing directors”) as well as the shareholders’ meeting. The competencies of these bodies are governed by the Law on Limited Liability Companies (GmbHG) and the Articles of Incorporation of the Issuer.

The managing directors conduct the business of the company in accordance with the laws, the articles of association of the company, as well as taking into account the resolutions of the shareholders’ meeting and the other provisions of the shareholders. They represent the company to third parties both judicially and extrajudicially.

By law, the Articles of Association or a resolution of the shareholders’ meeting, the decision on individual transactions or certain types of transactions may be reserved for the shareholders’ meeting. The shareholders’ meeting may issue instructions to the management within the limits permitted by law and establish guidelines for business policy. The members of the management are subject to loyalty and due diligence obligations towards the company. They have a wide range of interests, in particular the company, its shareholders, its employees and their creditors to observe. If members of the management fail in their duties, they are jointly and severally liable to the company for damages.

The general representation according to § 5 of the Articles of Association of the Issuer is as follows: The company has one or more managing directors. If several managing directors are appointed, the company shall be managed by two managing directors or by one managing director with one authorised signatory. If only one Managing Director is appointed, he or she alone shall represent the Company. All or any individual Managing Director may be given the power of individual representation and exemption from the restrictions of § 181 BGB through shareholders’ resolution. The above regulations apply accordingly to liquidators of the Company.

The shareholders’ meeting is the meeting of the shareholders and thus the supreme body of the company. The general meeting is entitled to decide on all matters concerning the operation of the company. Resolutions of the shareholders generally require a simple majority, unless the law or the Articles provide otherwise. As a rule, the shareholders’ meeting is convened once a year (regular shareholders’ meeting). In addition, a shareholders’ meeting must be convened if this is in the interests of the company or if a shareholder requests their convening. Resolutions of the shareholders are regularly passed at meetings. The shareholders’ meeting has a quorum if it is properly convened. Supervisory bodies such as a supervisory board of a stock corporation do not exist with the issuer. The control of the management is instead exercised directly by the shareholders’ meeting.

The members of the management of the issuer Foundation RE Germany GmbH are Mr Thomas Ermel (\*12.10.1983), and Mr Felix Ermel (\*12.10.1983). The managing directors Mr Felix Ermel and Mr Thomas Ermel are each authorised to represent themselves individually and are exempted from the restrictions of § 181 BGB. There is no separation of functions for the members of the management of the Issuer in managing the affairs of the Issuer.

The business address of the management is the address of the Fundament RE Germany GmbH Barmbeker Strasse 5A, 22303 Hamburg. The company currently has no employees.

Mr Thomas Ermel and Mr Felix Ermel are members of the management of the Issuer since their former and completed function and activity as founder, shareholder and managing director of the Hamburg fund and real estate group “One Group” (www.onegroup.ag) since 2009 in the area of Investments and investment funds in the form of closed alternative investment funds (“AIF”) as well as in the development of residential and commercial real estate with the focus market Germany. Since its founding, One Group has managed an equity volume of approx. EUR 250 million. In 2013, the group of companies was integrated into the Munich project developer ISARIA Wohnbau AG. In 2016, ISARIA Wohnbau AG was taken over by the American investor Lone Star and holds the majority of the company since September 2016 with a total of approx. 92.39% of the shares. Mr Thomas Ermel and Mr Felix Ermel are no longer involved in companies of One Group and are no longer active for companies of One Group.

In 2015, Silver Lining GmbH was founded by Mr Thomas Ermel and Mr Felix Ermel. The project development company is active throughout Germany and focuses on the development of residential and commercial properties, including special and special uses such as the development of student apartments and micro apartments, day-care centres and nursing homes as well as boarding house, hotel and co-working concepts.

In addition to his function as Member of the Management Board of the Issuer, Felix Ermel is also a member of the Management Board of Silver Lining GmbH, Silver Lining REIM GmbH, Foundation RE GmbH (Liechtenstein) and Project Hoisberg 30/32 GmbH as well as authorised signatory the project DS 6 Jena GmbH.

In addition to his function as a member of the issuer’s management board, Thomas Ermel is also a member of the management boards of Silver Lining GmbH, Silver Lining REIM GmbH and Fundament RE GmbH (Liechtenstein) within the issuer’s group of companies.

None of the members named have ever received any guilty verdict in relation to fraudulent offenses; none of the named persons has ever been responsible or implicated in bankruptcy; none of these persons are aware of any public allegations and / or sanctions by public authorities or regulatory authorities (including professional bodies); nor has any such person been deemed unfit by any court for membership of any administrative, management or supervisory body of an issuer or for any activity in the management or conduct of an issuer’s business.

The Company has no employees at the date of the prospectus.

#### **4.5.2 Potential Conflicts of Interest and Interdependencies**

The following interactions between the management, management and supervisory bodies between their obligations to the Issuer and their private interests or other obligations result in the following personal relationships.

The Managing Directors of the Issuer, Mr Thomas Ermel and Mr Felix Ermel, are also Managing Directors of Silver Lining GmbH, which is the sole shareholder of the Issuer. Furthermore, the managing directors Mr Felix Ermel and Mr Thomas Ermel are brothers, ie there are family relationships between the members of the management of the issuer. Mr Thomas Ermel and Mr Felix Ermel are also 50% shareholders of Silver Lining GmbH. Through these interests in Silver Lining GmbH, Mr Thomas Ermel and Mr Felix Ermel are also indirectly involved in the direct and indirect subsidiaries of Silver Lining GmbH, in particular the Issuer. Accordingly, they and Silver Lining GmbH are indirectly involved in the economic success of the issuance.

In addition to his function as Member of the Management Board of the Issuer, Felix Ermel is also a member of the Management Board of Silver Lining GmbH, Silver Lining REIM GmbH, Foundation RE GmbH (Liechtenstein) and Project Hoisberg 30/32 GmbH as well as authorised signatory the project DS 6 Jena GmbH. In addition to his function as a member of the issuer’s management board, Thomas Ermel is also a member of the man-

agement boards of Silver Lining GmbH, Silver Lining REIM GmbH and Fundament RE GmbH (Liechtenstein) within the issuer's group of companies.

Conflicts of interest may arise between the Issuer, its shareholder Silver Lining GmbH, its respective management, any employees, service providers or other persons or companies associated with the Issuer. Conflicts of interest may arise in particular:

- receiving or guaranteeing donations, for example commissions, from third parties or to third parties in connection with services or other contracts,
- through performance-related remuneration of management or employees or in the case of guarantees to management or employees,
- from relationships of the Issuer, its bodies or employees to existing or future business partners, future subsidiaries or companies in which the Issuer will participate in the future;
- by obtaining information that is not publicly known,
- from personal relationships of the management or the employees or persons associated with them.

There is a risk that the aforementioned persons may make decisions or take actions due to conflicts of interest for or against the Issuer on the one hand or personal interests on the other hand which may have a direct or indirect adverse effect on the economic success of the Issuer and thus ultimately also a negative effect on the net assets, financial position and results of operations of the Issuer. This can be done, for example, by granting remuneration or other benefits in contracts or other legal relationships with the aforementioned persons which differ substantially from the remuneration or benefits customary in the market at the time and which are charged to the Issuer. However, in the opinion of the Issuer, this did not happen in the contractual relationships with the aforementioned persons existing at the date of the prospectus.

## **4.6 Management practices**

### **4.6.1 Duration of function, distribution of responsibilities, allowances**

On the occasion of the founding of Fundament RE Germany GmbH, the management of Fundament RE Germany GmbH was elected by the General Meeting in accordance with the articles of association of Fundament RE Germany GmbH for an indefinite period. According to the Articles of Association of Fundament RE Germany GmbH, all managing directors are equally entitled to executive authority.

There are no contracts between the members of the administration and the issuer or other companies of the Group, on the basis of which the members of the management of Fundament RE Germany GmbH are granted benefits on account of their respective function and on termination of this function.

### **4.6.2 Audit Committee and Corporate Governance**

The Issuer has no Audit Committee. The Issuer is not obliged to follow a "corporate governance regulation" within the meaning of § 161 AktG, nor does it do so on a voluntary basis.

## **4.7 Business Overview**

### **4.7.1 Main areas of activity**

In accordance with its corporate purpose (see Section 4.2), the Issuer intends to manage its own assets as well as to acquire, manage and dispose of real estate, invest in project development and subordinated loans, with the exception of licensed activities. Subordinated loans are only provided within the group to subsidiaries, affiliates or equity interests.

The Issuer is not yet active on the prospectus date. The company object in accordance with the articles of incorporation is thus the planned main activity of the issuer.

It is planned to actively pursue the continuous and long-term increase in company value based on high and sustainable cash flows. To this extent, the Issuer intends to build up a portfolio of investments in real estate and real estate project developments in Germany (the “Investment Properties”). The investment properties are to be acquired either directly or indirectly through investments in real estate companies. The Issuer’s focus is on the development of the asset classes residential and commercial real estate, including special uses such as student apartments and micro-apartments, day care centres and care facilities as well as boarding house, hotel and co-working concepts. In particular, the value-oriented leasing and management of real estate projects in Germany (asset management) is to take place. In addition to inventory management, selective disposal opportunities are continually reviewed, evaluated and, if necessary, exercised.

A minimum threshold of proceeds from the offering of these token-based bonds need not be reached for the offer to be made. The management of the Issuer will make investment decisions regarding the investment properties after the offer has been made on the basis of the actual net issue proceeds.

The proposed business of the Issuer as set out in this prospectus is subject to the receipt of sufficient proceeds from the proceeds to finance the purchase of real estate; in this regard, reference is made to Section 2.2 “Risks of the Issuer’s Business” from page 15, in particular “General Forecast Risk / Forward-Looking Statements” and “The Issuer has not commenced operations” on page 15.

The Issuer will keep investors informed about their investment activity. This will be done via a separate newsletter and via the homepage ([www.fundament.group](http://www.fundament.group)).

#### **4.7.2 Main markets**

In the future, the Issuer will be active in the area of real estate project developments. Therefore, the real estate market will be the most important market for the issuer in the future.

The real estate service provider Jones Lang LaSalle (“JLL”, [www.jll.de](http://www.jll.de)) predicts in its report “Overview of the housing market, Germany 2016 (as of September 2016)” that demand for residential real estate in Germany will remain high for the foreseeable future. On the side of private buyers, rising incomes and a favourable financing environment are shaping demand positively. From an institutional point of view, in addition to good financing options, the attractiveness of a stable cash flow in a German market regarded as a “safe haven” continues to have a positive impact on demand. In addition, demand will increase due to a growing population, especially in the economically prosperous conurbations, but at the same time, construction activity is too low. Although the construction volume is currently rising, it will not be able to meet demand in the medium term in the growth cities. At the same time, shrinking regions are recording partially rising vacancy rates. Rents and purchase prices for condominiums, but also for investment properties, continue to grow, with growth in the economically strongest regions being highest.

Since the global economic upheavals of 2008 and 2009, the German economy has grown at rates of between 0.4% (2013) and 3.9% (2010) per year. While incomes have risen only slightly since the 1990s, even in phases of economic recovery, households have recorded an inflation-adjusted income increase of on average 0.9% per annum since 2010. In addition to the increase in disposable income (2010-2015: 5.1%), unemployment continues to fall, reaching its lowest level since reunification, at 6.4% in 2015. At the same time, the number of persons in employment rose more sharply in 2015 than in the previous year, reaching a new all-time high of 43.5 million people (+1.3% yoy). As a result, the general economic conditions for households in Germany have not been as good as they have been for over 20 years, which contributes to positive demand in the residential property markets, both in the rental and property sectors.

The natural population development has been negative since 1972 in Germany. That is, the number of births is no longer sufficient to maintain the population. Thus, population growth has been based on immigration from abroad for over 40 years. The level of immigration is determined by the attractiveness of the local labor market and the political framework as well as by the economic and social conditions in the countries of origin. Since 2011, population growth has been rising again. Thus, the current increase in population is triggered by immigrants, who are currently mostly from Europe as migrant workers. At around 1.1 million, the migration balance in 2015 will rise to a new high since reunification. By contrast, the population forecast calculated by the Federal Statistical Office only assumes a balance of 500,000 for 2015. By 2021, the balance should then decrease to around 200,000 persons per year in the scenario “Continuity of increased immigration”. The level of future im-

migration as the main determinant of population development can not be reliably predicted, as it depends on political and economic conditions.

Even more important than the increase in population is the development of household figures for housing demand, which grew by 1.4% to 40.8 million in 2015. Even in the years of declining populations, the number of households in Germany has been rising steadily. This development, which goes back to an increasing singularisation of households, should continue in the future. According to estimates by the Federal Institute for Research on Building, Urban Affairs and Spatial Development (BBSR), budget growth is expected to remain positive until 2025, thus creating additional demand on the housing market. However, the population and household growth is not distributed evenly across the federal territory, but focuses on the economically prosperous conurbations.

After a period of declining and stagnating rents at the beginning of the new millennium, asking rents in Germany have risen again since 2008, first with low growth rates of 1% and since 2011 with up to 4% annually. In many large cities, this trend was even more pronounced: on the one hand, the increase here often began earlier and, on the other hand, has often been more dynamic than in Germany as a whole. While the annual growth rate in Germany has been around 1.7% since 2004, it reached 3.9% in Berlin and 3.5% in Munich, for example. The greater momentum in the cities is due to a significant increase in demand, too little construction activity and an improvement in the economic environment.

#### **4.7.3 The Issuer's competitive position**

The Issuer will be one of numerous housing providers and lessors in the German market. Like all other competitors, the Issuer must comply with the regulatory requirements of Germany and the respective local real estate markets and is highly dependent on them. When acquiring the investment properties, the Issuer is in fierce competition with numerous national and international investors looking for suitable real estate in Germany.

#### **4.7.4 Events, investments, trend information**

There are no recent events in the business of the Issuer that are materially relevant to the solvency of the Issuer. Since the date of the audited annual financial statements as at 31.12.2018, the Issuer has made no significant investments. There are also no important future investments of the Issuer, which have already been firmly decided by their administrative bodies. Therefore, it is not possible to disclose information about expected sources of finance necessary to meet such important future investments.

Since the date of the audited annual financial statements as at 31.12.2018, there have been no material adverse changes in the prospects of the Issuer.

The Issuer is not aware of any known trends, uncertainties, demand, commitments or events that are expected to materially affect the prospects of the Issuer, at least in the current fiscal year 2019.

### **4.8 Selected Financial Information**

The audited annual financial statements of the issuer Foundation RE Germany GmbH for the fiscal year 2018 (short fiscal year from 13.03.2018 to 31.12.2018) to the reporting date 31.12.2018 were prepared in accordance with the accounting regulations of the German Commercial Code (HGB). It contains the balance sheet, profit and loss account and Annex for the year 2018 as the most important components.

The audited annual financial statements as at 31.12.2018 are printed in section 9 of this prospectus.

Pursuant to Section 316 (1) of the German Commercial Code (HGB), Fundament RE Germany GmbH is not obliged to audit the annual financial statements, as the Issuer is a small corporation within the meaning of Section 267 (1) of the HGB. The Issuer will disclose its financial statements in accordance with applicable law.

nbs partners GmbH Wirtschaftsprüfungsgesellschaft (business address: Valentinskamp 70, 20355 Hamburg) has audited the annual financial statements of the Fundament RE Germany GmbH for the fiscal year 2018. The auditor is a member of the Wirtschaftsprüferkammer and is subject to its supervision.



The aforementioned annual financial statements were given an unqualified audit certificate by the auditors. The auditor's report (audit opinion) is set out in section 9 of this prospectus. The historical financial information for the fiscal year 2018 was reviewed and given an unqualified audit opinion. The auditor has given the issuer its consent to the publication of the audit opinion in this securities prospectus. Other information in the registration document was not audited by the auditors. In the period from 13 March 2018 to the date of the prospectus no auditor was dismissed, not reappointed and no auditor resigned his mandate.

The following selected items on the balance sheet of the Issuer as at 31.12.2018 and the subsequent selected items in the income statements for the period from 13.03.2018 to 31.12.2018 were taken from the annual financial statements prepared and audited in accordance with German commercial law (HGB).

The audited annual financial statements as at 31.12.2018 are the first annual financial statements of the company founded on 13.03.2018. The company is registered with the district court Hamburg in the commercial register in department B under the trade mark HRB 150935. Accordingly, 2018 is a short fiscal year.

#### 4.8.1 Selected items of the Issuer's balance sheet

Assets			Liabilities		
	31.12.18 (checked) EUR	13.03.18 EUR		31.12.18 (checked) EUR	13.03.18 EUR
<b>Current assets</b>			<b>A. Equity capital</b>		
I. Receivables and other assets	131,74	12.500,00	I. Subscribed capital of which not claimed	25.000,00 0,00	25.000,00 -12.500,00
II. Bank balances	23.911,30	0,00	II. Net loss for the year	-18.456,96	0,00
			<b>B. Accrued liabilities</b>		
			Other accrued liabilities	17.500,00	0,00
	<u>24.043,04</u>	<u>12.500,00</u>		<u>24.043,04</u>	<u>12.500,00</u>

The balance sheet of the Issuer as at 31.12.2018 shows as assets the liquidity of the Issuer remaining after payment of the costs as at 31.12.2018. As a liability, the balance sheet shows the equity capital and provisions reduced by the net loss for the year.

#### 4.8.2 Selected items in the income statement of the Issuer

Income statement for the period from 13.03.2018 to 31.12.2018 (audited)

1. Other operating expenses	EUR -18,456.96
2. Annual deficit	EUR -18,456.96

The overview (profit and loss account) of the Issuer for the period from 13.03.2018 to 31.12.2018 shows the operating expenses incurred during this period. Yields did not arise during this period. Earnings after taxes and the net loss correspond to the operating expenses incurred.

Since the end of the last fiscal year 2018 (short fiscal year from 13.03.2018 to 31.12.2018) for which audited financial information has been published as of 31.12.2018, there has been no material change in the financial position or trading position of the Issuer and / or its group of companies.

#### 4.9 Profit forecasts or estimates

No profit forecasts or estimates were made.

#### 4.10 Judicial and Arbitration

No interventions, court or arbitration proceedings (including those pending or likely to be brought to the knowledge of the Issuer) have taken place during the last 12 months, which have recently been significantly affected by the financial condition or profitability of the Issuer and the Bank / or have had an impact on the group or could have an impact in the future.

#### **4.11 Essential contractual relationships**

The Issuer Fundament RE Germany GmbH has not entered into any contracts at the date of the prospectus in which the Issuer is a party to the contract and has not been entered into in the normal course of business.

## 5. SECURITIES DESCRIPTION

### 5.1 Reasons for the offer and use of income

The issuance serves to raise funds in the amount of EUR 250,000,000.00 plus 5% premium, therefore a total of EUR 262,500,000.00. The issue proceeds after deduction of the emission-related costs (“net issue proceeds”) from issuing the token-based bonds will be used by the Issuer to finance its general and statutory business activities.

The emission-related costs are exclusively variable and comprise the design costs (including prospecting and auditing, legal, tax and other advisory services as well as software development for the preparation and implementation of the concept of a token-based bond) and distribution costs (closing or sales commissions) external third parties) and marketing.

The design costs are paid exclusively from the premium of 5%. The sales and marketing costs can be paid up to a maximum of 8% from the issue proceeds. If less than 8% of sales and marketing costs are incurred, costs will be reduced accordingly. At lower costs, more liquidity is available for investment.

Overall, the issuance-related costs, taking account of the premium, are expected to be:

<b>Design and project planning costs</b>	<b>(in EUR)</b>	<b>(in % of total issue volume)</b>
▪ Prospecting and auditing	500,000.00	0.20 %
▪ Legal, tax and other consulting services		
▪ Software development	10,000,000.00	4.00 %
	2,000,000.00	0.80 %
<b>Sum of the design/project costs</b>	<b>12,500,000.00</b>	<b>5.00 %</b>
<b>Selling and marketing expenses</b>		
▪ Closing or sales commissions	12,500,000.00	5.00 %
▪ Marketing	7,500,000.00	3.00 %
<b>Total sales and marketing costs</b>	<b>20,000,000.00</b>	<b>8.00 %</b>
<b>TOTAL</b>	<b>32,500,000.00</b>	<b>13.00 %</b>

After deduction of the emission-related costs of a maximum of EUR 32,500,000.00, the net issue proceeds of the token-based bonds are expected to amount to € 230,000,000.00.

The Issuer is not yet active on the prospectus date. In accordance with its statutory business purpose, the Issuer plans to use the net issue proceeds from this offer to build up a portfolio of investments in real estate and real estate project developments in Germany (the “Investment Properties”). The Issuer intends to acquire the investment properties either directly or indirectly through investments in real estate holding companies.

The focus of the planned investments in the investment properties is on the asset classes residential and commercial real estate, including special uses such as student apartments and micro-apartments, day care centres and care facilities as well as boarding house, hotel and co-working concepts.

The focus is on investments and the purchase of project developments in the area of new construction and revitalisation, which are to be maintained and managed in the company’s own resources for the medium to long term. The focus on new construction and revitalisation is to avoid the usual cost risks in the progressive life cycle of a property, such as necessary refurbishment and / or revitalisation measures.

Prior to each investment, a due diligence review of the respective investment object will be carried out, taking into account in particular the economic and technical aspects as well as the location. In particular, the purchase price of the individual investment properties should not exceed the factor of 25 in relation to the respective annual net cold rent. As planned, the continuous and long-term increase in the value of the company is actively pursued on the basis of high and sustainable cash flows. This is done in particular by

- the value-oriented leasing and management of existing real estate in Germany (asset management). In addition to inventory management, selective disposal opportunities are continually reviewed, evaluated and, if

necessary, exercised. Realised value enhancement and liquidity are reinvested in new investment properties with a higher appreciation potential.

- the development of real estate for own portfolio or direct sale.

The investment properties have not yet been determined on the date of this securities prospectus, so this securities offering is therefore a so-called “blind pool”. A minimum threshold of proceeds from the offering of these token-based bonds need not be reached for the offer to be made. The management of the Issuer will make investment decisions regarding the investment properties after the offer has been made on the basis of the actual net issue proceeds. In addition, please refer to section 4.7 “Business Overview” from page 36 onwards.

The Issuer has undertaken, pursuant to § 4 of the TOS-based Bonds, to take appropriate measures to ensure that, prior to any real estate transaction (i.e., purchase or sale), investors conduct a thorough review of the profitability of the transaction over the term of the token-based bonds. Basis profitability makes its investment decision taking into account the care of a proper businessman in the interests of investors. The above shall apply mutatis mutandis if the Issuer acquires or sells interests in companies holding real estate and/or if the Issuer indirectly acquires or sells real estate or interests in companies holding real estate through any subsidiaries in which it directly or indirectly holds more than 50% of the shares as a shareholder.

The Issuer has further committed to use the net proceeds of the offering of these token-based bonds solely in accordance with the following investment conditions (the “Investment Criteria”):

- The aim is to build up a portfolio of investments in real estate and real estate project developments in Germany (the “investment properties”). The focus is on the asset classes residential real estate, student and micro apartments, service apartments and commercial real estate. Excluded are industrial and logistics real estate.
- Before every investment a due diligence of the respective investment object takes place, which considers in particular the economic and technical aspects as well as the location. In particular, the purchase price of the individual investment properties should not exceed the factor of 25 in relation to the respective annual net cold rent.
- As planned, the continuous and long-term increase in the value of the company is actively pursued on the basis of high and sustainable cash flows. This is done in particular by
  - the value-oriented leasing and management of existing real estate in Germany (asset management). In addition to inventory management, selective disposal opportunities are continually reviewed, evaluated and, if necessary, exercised. Realised value enhancement and liquidity are reinvested in new investment properties with a higher appreciation potential and
  - the development of real estate for own portfolio or direct sale.
- If necessary, the Issuer is entitled to short-term liquidity management. In so doing, he proceeds with the care of a proper businessman.

The Issuer plans to build up a portfolio of real estate with a volume of EUR 10 to 50 million. The aim is to diversify to at least 10 investments, but optimally the portfolio will consist of more than 20 target investments.

The Issuer shall prepare its annual financial statements in accordance with the principles of proper accounting and financial reporting as well as the statutory provisions and have them audited by an auditor. The Issuer will disclose its financial statements in accordance with applicable law.

The Issuer may itself manage the properties in the portfolio or have them carried out by third parties. The Issuer ensures that the costs are normal for this market.

## **5.2 General information on token-based bonds, Expected issue date**

The subject of this Securities prospectus (hereinafter also referred to as the “prospectus”) is the public offering of Fundament RE Germany GmbH for the issuance of token-based bonds with annual variable interest rates. The issue currency is the euro. The token-based bonds are issued at par value. The total issue volume amounts to EUR 250,000,000.00 with a denomination of EUR 1.00 nominal amount each (in words: one euro) plus 5% premium. According to this denomination, 250,000,000 Fundament Tokens will be publicly offered (maximum number of units).

Each token-based bond with a principal amount of EUR 1.00 (in words: one Euro) is represented by a Fundament Token in the Issuer’s Smart Contract on the Ethereum Network.

The offer of the token-based bonds underlying this securities prospectus takes place in the context of a new issue by the issuer Foundation RE Germany GmbH on the basis of the resolution of its shareholders' meeting of 03.10.2018.

This prospectus is expected to be published and made available for download on the Issuer's website (<https://www.fundament.group/real-estate>) one day after the date of approval of the prospectus by the German Federal Financial Supervisory Authority (BaFin). In accordance with Section 13 (1) of the German Securities prospectus Act (WpPG), BaFin is checking the completeness, comprehensibility and consistency of the prospectus.

The Issuer intends to offer the token-based bonds one day after publication of the prospectus for a maximum of one year after the date of approval of the prospectus by the BaFin (the "Subscription Period"). The probable issue date is the first day after publication of the prospectus, presumably on 18.07.2019. The expected issue date is not the same as the date of delivery of the token-based bonds. The Issuer reserves the right to terminate the subscription period early.

The form and content of the token-based bonds as well as the rights and obligations of the holders of the token-based bonds and the issuer are governed by German law in all respects.

The Terms and Conditions of the token-based bonds underlying this Offer are set out in full in German and English in Section 7 "TOS-based Bonds", with the sole jurisdiction being the German language for the purposes of legal assessment, in particular the interpretation of individual clauses or terms.

If you want to draw the token-based bond and get Fundament Tokens, you need a wallet that is compatible with the Ethereum Blockchain.

### **5.3 Sales restrictions and important note**

**This offer of securities is made exclusively in accordance with German and European supervisory law in Germany. This prospectus may not be distributed or transmitted, directly or indirectly, in the United States of America, Canada, Iran or Australia. In addition, only investors are permitted to invest who are neither (i) US citizens or (ii) holders of a permanent residence and work permit for the USA (Green Card), nor (iii) have a residence or registered office in the USA or its territories, nor (iv) are corporations or other assets organised in accordance with US law whose income is subject to US tax law and (v) are not listed on one of the sanction lists of the European Union or the USA. The same applies to citizens etc. of Canada, Iran and Australia. If foreign investors are used for investors with a foreign nationality, residence or habitual residence abroad or for other reasons, these investors must examine these regulations on their own responsibility.**

**The token-based bonds referred to in this prospectus have not been and will not be registered under the United States Securities Law of 1933, as amended (the "Securities Act"), and may not be offered or sold in the United States unless they are registered or exempted under the Securities Act. The Issuer does not intend to offer, to sell or to deliver any securities, in particular not the token-based bonds which are the subject of this prospectus, outside the European Economic Area (EEA) or to otherwise register there or to apply for any kind of authorisation.**

**The placement of token-based bonds and the distribution of this prospectus or other information in connection with this public offering of token-based bonds may be restricted by law. Any failure to comply may constitute a breach of the securities laws of the relevant jurisdictions. Persons wishing to accept the offer outside the EEA are therefore invited to inform themselves independently of the restrictions existing outside the EEA and any other legal or tax consequences and to comply with those rules.**

**Investors can not rely on being able to invoke provisions to protect investors under a different legal system from that of the Federal Republic of Germany.**

**The Issuer has not authorised the publication, dispatch, distribution or dissemination of the offer document or other documents relating to the offer of securities by third parties outside the EEA. The Issuer is not responsible for the compatibility of the publication, dispatch, distribution or dissemination of the Securities prospectus outside the EEA with the legislation of jurisdictions other than the EEA.**

## 5.4 Estimated time schedule of the offer

Subject to an extension or shortening of the offer period, the following estimated timetable is foreseen for the offer:

<b>01.01.2019</b>	Interest beginning (from 01.01.2019 inclusive) and beginning of the term
<b>17.07.2019</b>	Expected date of publication of the prospectus on the website of the Issuer at <a href="https://www.fundament.group/real-estate">https://www.fundament.group/real-estate</a>
<b>18.07.2019</b>	Expected start of the subscription phase and allocation of tokens
<b>17.07.2020</b>	Expected end of the subscription phase

The Issuer indicates that the above timetable is preliminary and subject to change.

## 5.5 Subscription procedure

The Issuer offers the token-based bonds by way of a public offer to an indefinite circle of interested parties. Drawings of token-based bonds are accepted by Fundament RE Germany GmbH itself.

The public offer will commence on the first working day following the publication of the prospectus and will end no later than the expiry of the securities prospectus. This prospectus is valid for twelve months after its approval.

Subscription Period	Expected 18.07.2019 until (including) 17.07.2020
Quoted price	EUR 1.00 per token-based bond (nominal value) plus plus 5% premium
Minimum subscription	EUR 1.00 or EUR 0.01 per investor

The token-based bonds are offered to both natural and legal persons. The Issuer focusses on institutional and semi-institutional investors who are able to invest more than EUR 100,000.00. The focus is on technology and real estate-related family offices, asset managers, insurance companies, pension funds, fund companies and solvent private individuals. Other categories of potential investors do not exist.

The token-based bonds may be subscribed during the subscription period by submitting a purchase application (subscription certificate). The investor may register for the token-based bonds under [www.fundament.group/real-estate](http://www.fundament.group/real-estate) and fill out the subscription form online or complete the subscription form in printed form and send it to the Issuer in writing (by email to [contact@fundament.group](mailto:contact@fundament.group) or to the business address of the Issuer). In addition to his personal data, the investor specifies in particular the desired amount of Fundament Tokens that he would like to acquire, as well as his Ethereum Wallet address to which his foundation of tokens should be transferred. In addition, he indicates here, if he his purchase price plus. Premium in euros or in ether to the Issuer.

Upon receipt of the respective purchase application from the Issuer, the offer of the investor to make an offer is binding. A change in the subscription offer is then no longer possible

The Issuer is not obligated to accept the offer of the investors. It is also not obliged to equal treatment of subscribers. It is at the sole discretion of the Issuer whether it accepts subscriptions of the investors in whole or in part.

The minimum subscription amount in relation to the nominal amount of the token-based bonds subscribed in each case is EUR 1.00 for a payment in euros and EUR 0.01 for a payment in ether ETH, plus the premium in each case. In addition to limiting the total issue volume, there is no maximum subscription limit per investor.

The Issuer charges a subscription premium of 5% on the nominal amount of the token-based bonds subscribed in each case, whereby it is free to raise a lower premium in the individual case.

Subscriptions by major shareholders, board members or more than 5% of the token-based bonds offered with this prospectus are not excluded in principle. However, to the knowledge of the Issuer, neither principal nor board members intend to subscribe.

There are no preferential rights. Information on the transferability of subscription rights and their treatment in the event of non-exercise can therefore not be provided. Pre-emptive rights exist only for the benefit of investors in the event of a new token-based bond issue.

Up to the date of the prospectus, no further transactions have been made by shareholders of the Issuer, in particular any transactions of the management personnel. A comparison of any transaction prices with the potential issue price can therefore not be made.

## 5.6 Payment

Allocation takes place 14 days after the subsequent events have occurred cumulatively: Acceptance of the subscription offer and receipt by the Issuer of the purchase price plus premium in euros or, in the case of payment in ether, after the ether has been exchanged for euros. As a rule, the delivery of the Fundament Token takes place immediately after the allocation (see Section 5.7 below), but at the latest at the end of the subscription phase. The Fundament Tokens are individually assigned and delivered to each investor. Each investor can pay in either euros or Ether (ETH). Investors must pay their purchase price plus the premium within 14 days of the request of the Issuer. Together with the request for payment, the Issuer informs the investor in each case of their bank details (if paying in euros) or their Wallet address (if paying in Ether).

When paying in euros, the investor receives a number of token-based bonds (Fundament Tokens) according to the purchase price actually paid by him, taking into account his premium.

When paying in Ether (ETH), the investor receives a number of token-based bonds (Fundament Tokens) corresponding to the integer Euro equivalent of the paid cryptocurrency ether (ETH), in each case with the previous deduction of the premium.

The Issuer will, in principle, exchange the deposited Ether for Euro every Friday at 10:00 a.m. CET. The Issuer may announce further dates on which the Ether will be exchanged for Euros as well as the crypto currency exchange in advance by electronic publication on the website of the Issuer (<https://www.fundament.group/real-estate>) and/or in text form by email. The Issuer will promptly exchange the Ether in Euro at these times. The euro equivalent is the actual euro amount realised in the course of these swaps, i.e. the amount of euro actually accruing to the Issuer after deduction of any exchange costs. For the exchange, the issuer will normally use the crypto currency exchange “Kraken” ([www.kraken.com](http://www.kraken.com)). A payment in Ether shall be deemed to have been received by the Issuer if the Ether amount of the Wallet has been credited to the Issuer.

For a payment in ether this means for example: If an investor has paid in 5 Ethers and these 5 Ethers (ETH) are exchanged for 500 Euro, the actual exchange rate is 1 Ether to 100 Euro. The euro equivalent is EUR 500. The investor has therefore paid a purchase price of EUR 500. The premium of 5% is therefore EUR 25. The investor will therefore be credited with 475 tokens with a nominal value of € 1 each.

For example, if you pay in euros, if an investor has transferred 500 euros, the premium of 5% is 25 euros. The investor will therefore be credited with 475 tokens with a nominal value of € 1 each. In the case of a transfer in euros, the name and surname of the subscriber as well as the keyword “token-based bonds” shall be stated in the purpose of use.

If the investor does not pay in full or the actual paid purchase price of the investor is not integral, taking into account his premium, in particular if the exchange of ether into Euro results in a non-integer Euro equivalent, the Issuer shall be entitled at its own discretion to: Subscribed nominal amount of the investor shall be reduced unilaterally and without any further conditions to a nominal amount which, taking account of its premium, corresponds to the purchase price actually paid (nominal amount of the registered bonds) and which can be divided equally without any remainder. The investor waives the receipt of the issuer’s declaration regarding the reduction of the nominal amount in accordance with § 151 BGB. Any residual amount remaining thereafter shall be reimbursed to the investor together with the first interest payment, the remainder not being paid in interest at this time.



## 5.7 Allotment and further processing

A reduction of the subscription by the Issuer is not planned. However, it is possible that investors will receive fewer token-based bonds than they are bidding for, especially if investor demand exceeds the offer. In no case the maximum investment sum from the respective subscription of the investors is exceeded.

The subscribers will be informed of the amount allocated by the Issuer in writing (by email). If the amount of money transferred exceeds the available token offer, overpayments will be refunded.

Allocation takes place 14 days after the subsequent events have occurred cumulatively: Acceptance of the subscription offer and receipt by the Issuer of the purchase price plus premium in euros or, in the case of payment in ether, after the ether has been exchanged for euros. As a rule, the delivery of the Fundament Token takes place immediately after the allocation has been made, but at the latest at the end of the subscription phase. The Fundament Tokens are individually assigned and delivered to each investor.

The Issuer will announce the result of this offer of securities on its website <https://www.fundament.group/real-estate>.

## 5.8 The features of token-based bonds

### 5.8.1 Status, form, no securitisation, additional funding, Fundament Tokens

The token-based bonds constitute obligations of the issuer that are equivalent to each other. Each holder of a token-based bond is entitled to the rights specified in the terms of the token-based bonds. “Investor” is any holder of a token-based debt security.

The token-based bonds grant creditor rights that do not include shareholder rights, in particular participation, participation and voting rights in the issuer’s shareholders’ meetings. The management is solely responsible for the management of the Issuer. The existence of the token-based bonds will not be affected by any merger or conversion of the Issuer or any change in its share capital.

The token-based bonds are and will not be issued as a deed on paper. The same applies to individual rights from the token-based bonds. Any claim for copy on paper is excluded. There is no obligation to pay additional investors.

Each token-based Debenture with a nominal value of EUR 1.00 is represented by a Fundament Token in the Issuer’s Smart Contract in the Ethereum Network.

The token-based bonds are subject to qualified subordination (see also section 5.8.9 below).

### 5.8.2 Variable interest

The token-based bonds are subject to variable annual interest on the basis of their nominal value paid in each case and not repaid (the “variable interest rate”). The interest periods for the variable interest are the respective fiscal year of the issuer (calendar year). The first interest period starts on 01.01.2019.

The basis of assessment for the variable interest is in each case:

- the net income of the issuer from its company in accordance with the commercial balance sheet
- before deduction of the annual variable interest itself and
- before deduction of taxes as well
- less 1/25 (one twenty-fifth) of the total issue cost of 8% of total issue proceeds excluding premium and
- before deduction of the emission-related costs in accordance with the audited and audited annual financial statements of the Issuer for the fiscal year preceding the interest payment date for the variable interest.

The annual variable interest is 100.00% of the assessment basis. It is calculated annually in arrears. The variable interest is calculated by the Issuer (Calculation Agent).



The variable interest for a fiscal year is payable retrospectively as at 31 July of the following year, for the first time on 31.07.2020. If July 31 is not a bank business day, the maturity date is the next following bank business day. If the annual financial statements of the Issuer for the preceding fiscal year have not been finally adopted by 31 July of each year, the variable interest shall be payable seven working days after the adoption of the annual financial statements. The variable interest ends with the maturity of the token-based bonds. Interest amounts for one interest period (fiscal year) are not interest-bearing between the end of the interest period and the day of the actual payment of interest amounts (no compound interest).

Each investor will receive interest in the ratio of the principal amount of his token-based bonds repurchased and not yet repaid to the aggregate principal amount of all token-based bonds not yet repaid.

The investor does not participate in any loss of the Issuer. Negative interest is not calculated, ie the interest is always at least zero. This also means, in particular, that in the event of any negative assessment basis, the calculation of the relevant interest does not entitle the Issuer against the investors to repay interest received for previous years.

If interest is to be calculated for a period of less than one year, the calculation will be made pro rata according to the German Interest Accounts (30/360), in which the interest month will always be 30 days and the interest year will always be 360 days.

The disbursement of the interest payments is determined by the management of the Issuer at its discretion, taking due care of a prudent businessman without further prerequisites. Annual payments of the variable interest are planned and planned by the Issuer. If no payment of the variable interest is made, the amount is reinvested or reinvested. These unpaid variable interest payments are to be paid out to the investors at the latest at the end of the term together with the repayment amount. For more information on disbursements see section 5.8.4 below.

### **5.8.3 Term, Repayment and Termination**

The term starts with the beginning of interest (from 01.01.2019 onwards) ends at the end of the term, without any need for termination. The token-based bonds are due for repayment to the investors on the first bank business day after 31.12.2033. The issuer may extend the term in one or more steps by a total of up to ten years, i.e. up to 31.12.2043 at the most.

Unless previously redeemed, the token-based bonds will be redeemed in the amount of their Redeemable Amount on the last day of the month following the month in which the Maturity Period ends (Maturity Date), without interest being paid on the Redeemable Amount between the end of the Maturity Period and the Maturity Date itself. For more information on disbursements see section 5.8.4 below.

Investors cannot properly cancel the token-based bonds. The Issuer has the right to terminate the token-based bonds in total before the end of the term, subject to a 30-day notice period at the end of each calendar month, but no earlier than 31.12.2025 (ordinary termination right). The Issuer is free to choose the token shares to be canceled. In particular, the Issuer is entitled to terminate and repay all token-based bonds pro rata. The Issuer may also declare this multiple times in the case of partial termination. The repayment amount for each token-based bond is equal to the nominal amount (100%) of the token-based bond.

The right of the investors and the Issuer to extraordinary termination for cause remains unaffected. In this case, the repayment amount becomes due immediately on the termination date.

An important reason for the investor to give notice is, in particular, if:

- a) the Issuer does not pay within 60 days of the relevant Maturity Date and this is attributable to the Issuer; or
- b) the Issuer fails to properly perform any other obligation under the token-based bonds, in particular if it breaches any of the obligations under § 2 of the Terms and Conditions of the token-based bonds and such failure or breach cannot be remedied, or, if remedy is possible, the failure or breach continues for more than 60 days after the investor has given notice to the Issuer in writing (by email); or
- c) the Issuer announces its insolvency or suspends its payments, which lasts 60 days; or
- d) insolvency proceedings against the Issuer are initiated or opened by a supervisory or other authority whose jurisdiction falls to the Issuer, which has not been finally or temporarily suspended within 90 days of its initiation, or the Issuer has requested or may initiate such proceedings offers or takes general debt settlement in favour of its creditors; or

- e) the Issuer will be dissolved or liquidated unless the dissolution or liquidation is in connection with a merger or other arrangement with another entity, provided that such other entity assumes all liabilities of the Issuer under the token-based bonds; or
- f) the Issuer discontinues, divests or otherwise disposes of all or most of its business activities (in the amount of 50% of its turnover or more) and thus becomes likely that the Issuer may no longer be able to meet its payment obligations to the investors; or
- g) a change of control occurs, i.e. if a third party or several third parties acting in concert acquire more than 50% of the shares of the Issuer and the position of the investors is more than marginally affected as a result of the change of control. Transfers of shares within any group of companies of the Issuer shall not be taken into account. In particular, the position of investors is more than negligibly affected if a significant change in the company's strategy occurs as a result of the change of control.

In the cases referred to in points (a), (d) or (g) above, a termination notice shall not become effective unless notice of termination has been given for one of the preceding subparagraphs (b) or (c) if the Issuer has received notice of termination from investors with a par value of not less than 10% The total nominal amount of the token deposits not yet repaid at that time.

Notice of termination by the Issuer is given by notice (see section 5.8.10 below). Notices of termination by investors are made in text form (email).

For the period between the effectiveness of the termination or other termination of the token-based bonds and the corresponding repayment of the token-based bonds there are no claims for interest on the respective repayment amount. The Issuer is under no obligation to pay prepayment penalties.

#### **5.8.4 Paying Agency, Payments**

The Issuer is the paying agent.

Withdrawals of interest (§ 2 of the Terms and Conditions) and redemption (§ 6 of the Terms and Conditions of the Bonds) are made in ether, irrespective of whether the investor paid his purchase price in Euro or Ether. This also applies if the Investor has acquired his token-based bonds in another way, in particular by buying on the secondary market, by donation or by inheritance. The issuers are entitled, at their own discretion, to enter into individual contractual agreements with individual investors.

The Issuer will make payments to the investors holding the Fundament Tokens at 12:00 CET on the relevant Maturity Date.

For the payment in Ether, the Issuer will exchange the amount of euros attributable to the respective investors in Ether. The Euro equivalent is the actual amount of ether realised in the course of this exchange transaction, ie the amount of ether actually accrued to the Issuer after deduction of any exchange costs. The date of the exchange is determined by the Issuer at its own discretion without any further requirements. The Issuer will inform investors of the actual exchange rate realised by electronic publication on the website of the Issuer (<https://www.fundament.group/real-estate>) and/or in text form by email, whereby it intends to do so as a rule immediately after the respective exchange.

For the exchange, the issuer will normally use the crypto currency exchange "Kraken" ([www.kraken.com](http://www.kraken.com)). Investors will immediately transfer the Ether equivalent they receive to their Wallets after conversion. If during the period until repayment (at the earliest 31.12.2033, latest 31.12.2043) a payment in ether for technical reasons is no longer possible, for example, because the network is no longer operated, the Issuer will be with the investors in a different payment currency for example, that the payment should be made in euros or another digital currency comparable to Ether.

If the maturity date of a payout falls on a day that is not a bank business day, then the investor is not entitled to any payment before the next bank business day. This next bank business day will then be considered the due date. "Banking Day" is any day on which commercial banks in Hamburg are open (usually Monday to Friday) to forward the relevant payments.

Payouts can only be requested from holders of the Fundament Tokens. The Issuer may assume that the respective holder of the Fundament Token is also the creditor of the respective disbursement. It will therefore also be relieved of its liability by service to a token holder who is not a creditor.

#### **5.8.5 Transfer of token-based bonds**

The transfer of a token-based bond is only possible in total. The partial transfer of claims under the token-based bonds is not permitted. The transfer of the token-based bonds is made by assignment and necessarily requires the transfer of the bond token representing the Fundament Token (“token transaction”), this condition is a so-called limited prohibition on assignment. The transfer of Fundament Tokens occurs exclusively through the Ethereum Blockchain. A transfer of the bond outside the blockchain is not permitted.

The seller makes these Terms and Conditions of the token-based bonds the contract with the acquirer. The obligation to sell the token-based bonds and the assignment of the token-based bonds is subject to the formal requirement and at the same time under the suspensive condition that there is a confirmed transaction of the Fundament Token between the seller and the acquirer in the Ethereum network. A transaction is confirmed in the Ethereum network if the status of the transaction is “confirmed” in the Metamask Wallet or “success” on [www.etherscan.io](http://www.etherscan.io).

The assignment is subject to the condition precedent that there is an effective obligation to assign the token-based bonds in accordance with the preceding paragraphs.

To transfer the Fundament Tokens, the seller sends the tokens to the buyer through his wallet. To do this, he enters the acquirer’s wallet and the number of tokens to be transferred into the input screen of his wallet. Upon authorisation of the transaction by the seller, the transaction is automatically acknowledged by the network in the Ethereum network. If a transaction does not reach this status as confirmed, it fails. The Wallet indicates such a failure of the transaction to the investor. The transaction, i.e. the transfer of ethers, has not been performed in this case. The investor then has the opportunity to repeat the transaction.

#### **5.8.6 Other token-based bonds, subscription rights**

The Issuer is entitled to make further token-based bond issues at its own discretion. Investors have a subscription right to younger token-based bonds to this extent. Upon request by the Issuer, investors must declare within two weeks whether they wish to exercise their subscription rights. If the declaration remains within the period of two weeks, the subscription right expires. The Issuer may, at its discretion, levy a premium on the issue of young token-based bonds.

#### **5.8.7 Taxes, deposit**

Insofar as the Issuer or a third party commissioned by it is obliged to deduct withholding and income taxes on liabilities from the token-based bonds, these each reduce the amount to be paid out. All amounts payable on the token-based bonds are to be made without any deduction or deduction of any taxes or duties, unless this retention or deduction is required by law. The investor bears all personal taxes attributable to the token-based bonds. If claims arising from the token-based bonds are not claimed in accordance with the terms of the token-based bonds, the Issuer may transfer the amounts to a separate account of a Trustee. The Issuer will point out that it is possible to contact this person in writing (by email). After expiry of the period of limitation, the trustee may pay the amounts pro rata to the shareholders or, in the event of dissolution, to the persons who were most recently shareholders of the Issuer.

#### **5.8.8 Purchase, privacy**

The Issuer is entitled to buy its own token-based bonds on the market or otherwise at any price. The token-based bonds purchased by the Issuer may, at the choice of the Issuer, be held, resold or cancelled by the Issuer. The devaluation of the token-based bonds is done by deleting the Fundament Tokens.

The investor-related data necessary for the fulfilment of the contract is stored and processed electronically. If a disclosure is required, it will be made exclusively on the basis of contractual or statutory provisions in compliance with the relevant (European) data protection law.

#### **5.8.9 Payment reservation and qualified subordination**

The claims of the investors, in particular annual variable interest (§ 2 of the conditions of the token-based bonds) and repayment (§ 6 of the conditions of the token-based bonds) are subordinate. Investors will cede their claims on these token-based bonds to rank behind all other creditors of the Issuer who have not declared a subordination and are therefore preferably satisfied. The same applies in the case of the liquidation of the Issuer.

The assertion of the claims, in particular on the annual variable interest and repayment, is excluded as long as and to the extent that the payment of the claims would give rise to a reason for the opening of insolvency proceedings over the assets of the Issuer.

Payments of the claims shall only be made if the Issuer is in a position to do so in future profits, liquidation surplus or other - free - assets.

The subordinate claims may not be fulfilled by settlements. If the subordinated investor receives payments, including by way of set-off, from the token-based bonds, he must return them regardless of other arrangements.

Claims (in particular annual variable interest or repayment) are not waived. This means that such claims remain in force even if and insofar as the qualified subordination should not permit the payment at a certain point in time.

#### **5.8.10 Messages**

All notices of the Issuer relating to token-based bonds shall be made by electronic publication on the website of the Issuer (<https://www.fundament.group/real-estate>) and / or in text form by email, unless otherwise required by law. Each notice will be deemed effective and received by investors on the third day following the day of publication. Notices made by an investor must be made in writing (by email) unless the Terms and Conditions of the token-based bonds expressly provide otherwise.

#### **5.8.11 Applicable law, jurisdiction**

The form and content of the token-based bonds as well as the rights and obligations of the investors and the issuer are governed in all respects by the law of the Federal Republic of Germany. These token-based bonds are written in German and English, with the sole purpose of the legal assessment, in particular the interpretation of individual clauses or terms, being the German language.

The non-exclusive place of jurisdiction for all lawsuits or other proceedings arising in connection with the token-based bonds is the registered office of the Issuer.

### **5.9 Placement and takeover (underwriting)**

There is no issue transfer agreement. There are no institutions willing to accept the token-based bonds on the basis of a binding commitment or who are prepared to place the token-based bonds without a commitment or by agreement “at the best possible conditions”.

### **5.10 Rating**

There are no ratings assigned to the Issuer or its token-based bonds at the request of the Issuer or in cooperation with the Issuer in the rating process.

### **5.11 Name of the representative of the bonds holder**

The Terms and Conditions of the Issuer's token-based bonds do not provide for a regulation to appoint a common representative of holders of token-based bonds (bonds holders). The relevant statutory provisions apply, in particular the German Ordinance on Debt Securities (SchuldVG). No representative of the debtors has been elected so far.

### **5.12 Return**

The nominal interest rate of the token - based bonds is variable and is calculated on the annual surplus of the issuer from its enterprise according to the balance sheet before deduction of the variable interest itself and before deduction of taxes and less one fifth (1/25) of the total issue cost of 8% of the issue total issue proceeds excluding premium and before deduction of emission-related costs (see Section 5.8.2 "Variable Interest"). The return is therefore directly dependent on the economic success of the Issuer. No profit forecasts or estimates were made. Statements about the future return can therefore not be given in the prospectus.

### **5.13 Trade admission / WKN and ISIN**

No application was submitted for admission to trading for the offered securities; however, the Issuer reserves the right to make such application in the future in order to place the Securities on a Regulated Market or other equivalent market.

Not applicable: WKN / ISIN are not available.

## 6. TAX BASIS

### 6.1 General

The essential fundamentals of the tax aspects of token-based bonds in the Federal Republic of Germany are described below, which may typically be significant in connection with the acquisition, holding and transfer of token-based bonds. The following statements do not contain a comprehensive or conclusive presentation of all conceivable tax aspects. It is a general presentation of significant token-based debt specific aspects from a tax perspective.

The Issuer indicates that the Disclosures are of a general nature and constitute the essential foundations of the tax conception of an investment in token-based bonds for the investor.

The following statements should not be understood as tax advice. Tax advice can not be replaced by these statements. Each investor will be advised to seek advice from their tax adviser on the individual effects of investing in these token-based bonds. In addition, the information on the tax risks in section 2 “Risk Factors” must be observed.

Investing in token-based bonds should not be based on achieving tax benefits. The token-based bonds are also not suitable for this. Debt financing of the investment is strongly discouraged.

All information supplied is done so in good faith. They are based on current tax laws, case law and the relevant decrees and opinions of the tax authorities at the date of the prospectus. Legislation, case law and the concept of financial management are subject to constant change, which may affect the tax situation of the Issuer and the investor. The final recognition of the tax results is in principle reserved for the assessment procedure and the subsequent external audit by the tax authorities. The following tax explanations are based on the legal status, the case law and the administrative opinion on the prospectus date.

In accordance with the statutory provisions, the Issuer is responsible for withholding the capital gains tax and assumes responsibility for this.

### 6.2 Taxation in Germany

#### 6.2.1 Taxation of the annual variable interest from the token-based bonds

In the following presentation, it is generally assumed that the investors are persons with unlimited tax liability in Germany who hold token-based bonds as private assets. If the subscription of token-based bonds by legal persons (eg corporations or foundations) or by persons holding the token-based bonds as business assets, the taxation deviates from this, as also shown below.

##### ***Token-based bonds in private assets***

In the case of individuals who are fully taxable in Germany and hold token-based bonds in their private assets (private investors), the variable annual interest from the token-based bonds (hereinafter referred to as the “annual variable interest”) belongs to the income from capital assets (§ 20 para. 1 No. 7 EStG).

The variable annual interest that a private investor receives is generally taxed as capital gains. They are subject to withholding tax of 25% plus a solidarity surcharge of 5.5% thereon, i.e. a total of 26.375% (withholding tax) and, if applicable, church tax. Withholding the capital gains tax, the income tax of the private investor with regard to the annual variable interest is generally settled. The basis of assessment for capital gains tax is the annual variable interest paid without any deduction. A deduction of the actual income-related costs is not permitted (gross taxation). The Issuer or the Paying Agent (Domestic Credit or Financial Services Institution) is required to withhold taxes.

Private investors may, under certain conditions, in particular if they submit a non-assessment certificate or an exemption order and the exemption volume has not been exhausted, be able to collect their annual variable interest without deduction of capital gains tax. In this case, they must submit this exemption request prior to the respective payment of the Issuer’s annual variable interest.

The individual private investor is subject to the final withholding tax, less the saver's lump sum amounting to EUR 801.00 (EUR 1,602.00 for cohabiting spouses). Income expenses in connection with private capital income are generally not deductible.

In special cases - if, for example, the personal income tax rate of the private investor is below 25% - the private investor has the option of choosing the investment with the personal tax rate (investment option) in accordance with § 32d EStG ("favourable assessment"). The application can only be submitted uniformly for all investment income of the investor for the respective assessment period. According to the current opinion of the tax authorities (contrary to the financial court case law), advertising costs are not to be considered in these cases either. A supreme justice clarification is still pending.

Losses from capital assets (excluding losses from share transactions) may only be offset against positive income from capital assets. It is not possible to offset losses from capital assets with positive income from other types of income. Losses from equity transactions can only be offset against profits from share transactions.

From 1 January 2015, the church tax on capital gains will automatically be withheld by the so-called deductible (eg the credit institutions or the Issuer). For this purpose, the person subject to the deduction - if he does not yet know the identification number of the investor - will first request it from the Federal Central Tax Office (BZSt). Using the identification number, the person subject to the deduction then requests from the BZSt the church tax deduction characteristics of the respective investor and deducts the church tax calculated on the basis of these deduction features to the tax-collecting religious communities. If the church tax should not be withheld by the person subject to the deduction, but the deductible would like to levy it independently from the responsible tax office in his income tax assessment, he must contradict the transmission of his church taxation features against the BZSt (blocking notice). The declaration of the objection must be submitted by the investor to the BZSt on an officially prescribed form or transmitted electronically via the BZStOnline portal ("Block Exemption Statement"). The form is available on the website [www.formulare-bfinv.de](http://www.formulare-bfinv.de) under the keyword "church tax". The query of the identification number, however, the investor can not contradict.

#### ***Token-based bonds in business assets***

If the token-based bonds belong to a domestic business asset (corporate investors), it is to be distinguished according to whether the corporate investor is a corporation, a sole trader or a partnership. The withholding tax does not apply to the annual variable interest on token-based bonds in the business assets of a corporate investor resident in Germany for tax purposes.

Irrespective of the legal form of the corporate investor, however, the variable annual interest on the token-based bonds is generally subject to withholding tax of 25% and solidarity surcharge of 5.5% (total 26.375%) plus any church tax for natural persons. The capital gains tax is, under certain conditions, set off against the respective income or corporate tax liability of the corporate investor. Insofar as the amounts withheld exceed the income tax or corporation tax liability of the corporate investor, they will be reimbursed under certain conditions.

#### ***Token-based bonds in corporate assets of corporations***

If the corporate investor is a fully taxable entity in Germany, eg. As an AG or GmbH, then the annual variable interest from the token-based bonds are subject to corporation tax plus solidarity surcharge totaling 15.825% and the trade tax, the amount of which is based on the tax rate of the community. Also in this case, the Issuer is obligated to withhold the capital gains tax of 26.375% (including solidarity surcharge). The capital gains tax is basically credited to the corporation tax of the corporation.

#### ***Token-based bonds in the business assets of sole proprietors***

If the corporate investor is a natural person with unlimited tax liability in Germany who holds the token-based bonds in the business assets of his sole proprietorship, then the variable annual interest on the token-based bonds is subject to income tax at the individual income tax rate plus a solidarity surcharge of up to about 47.5% plus any church tax and trade tax. Operating expenses that are economically related to the annual variable interest from the token-based bonds are generally deductible. In principle, trade tax is fully or partially deductible from the individual entrepreneur's personal income tax by way of a flat-rate procedure, depending on the amount of the municipal levy and the personal taxation conditions. Also in this case, the Issuer is obligated to withhold the capital gains tax of 26.375% (including solidarity surcharge). The capital gains tax is basically credited to the income tax of the natural person.

### ***Token-based bonds in the business assets of partnerships***

If the commercial investor is a commercial or commercial partnership (co-entrepreneurship), the income tax or corporation tax is not levied at the level of the partnership, but at the level of the respective partner. The taxation of each shareholder depends on whether the shareholder is a natural person or a corporation. Thus, income tax is only determined and levied at shareholder level, generally applying the principles of direct investment as described above for a sole proprietor.

If the token-based bonds are attributable to a domestic permanent establishment of the business enterprise of the partnership, the trade tax is set and levied at the level of the partnership. The trade tax paid by the partnership and attributable to the respective profit shares of the natural persons is offset by a lump-sum procedure partially or completely against the income tax of these shareholders.

Also in this case, the Issuer is obligated to withhold the capital gains tax of 26.375% (including solidarity surcharge). The capital gains tax is basically credited to the income tax of the participating natural persons or to the corporation tax of the participating corporations. It is attributed to the participants in the distribution of profits.

## **6.2.2 Taxation of capital gains**

### ***Token-based bonds in the private assets of natural persons***

In the case of private investors, profits from the sale of token - based bonds held in private assets are in principle subject to income tax as income from capital assets (§ 20 para. 2 No. 7 EStG). The capital gains also include income from the sale of so-called accrued interest. If token-based bonds are sold with the current interest coupon over the course of an interest payment period, the acquirer generally has to remunerate the transferor for the amount of time from the beginning of the current interest payment period to the date of disposal. These interest rates are accrued interest. They are usually specially calculated and remunerated. The seller must tax the special invoiced and collected accrued interest as income from capital assets within the meaning of § 20 (2) sentence 1 (7) EStG.

For the acquirer of the token-based bonds any accrued interest is not the acquisition cost of the token-based bonds, but these are treated in the year of payment as deductible negative income from interest, § 20 (1) 7 EStG.

In addition to the profits from private sales transactions, the withholding tax plus solidarity surcharge of 26.375% plus, if applicable, church tax is applicable. The taxable capital gain results from the difference between the proceeds of the sale and the cost of the token-based bonds and the expenses that are directly related to the sale and acquisition. Of the total income from capital assets of one year (ie the variable annual interest and a potential capital gain) only the deduction of an annual saver lump sum amounting to EUR 801.00 (EUR 1,602.00 for cohabiting spouses) is possible. A deduction of the actual advertising costs is generally not permitted.

Are the token-based bonds held or managed by a domestic credit or financial services institution (including the domestic branches of foreign credit or financial services institutions), a domestic securities trading company or a domestic securities trading bank or are the sale of the token-based bonds executed and the proceeds paid or credited ("Domestic Paying Agent"), the capital gains tax is withheld by the Domestic Paying Agent (withholding tax), which withholds and deducts capital gains tax plus solidarity surcharge totaling 26.375% (plus church tax, if any) of the proceeds. Taxation is independent of the holding period. A disbursement of the capital gain without deduction of capital gains tax and solidarity surcharge is possible under certain conditions, in particular if a non-assessment certificate or an exemption order of the private investor is available and the exemption volume has not yet been exhausted. Negative capital gains (eg accrued interest) and losses on capital assets (eg capital losses) can generally be offset against positive income from capital assets of the current or subsequent years. Losses from equity transactions can only be offset against profits from share transactions.

### ***Token-based bonds in business assets***

If the token-based bonds are part of domestic business assets (business investors), the taxation of capital gains depends on whether the business investor is a corporation, a sole trader or a partnership. The capital gains tax does not apply to capital gains on the business assets of a corporate investor resident in Germany for tax purposes. The taxation of the capital gains of corporate investors corresponds to the taxation of corporate investors in the annual variable interest from the token-based bonds. If the token-based bonds are held or managed by a domestic credit or financial services institution (including the domestic branches of foreign credit or financial services institutions), a domestic securities trading company or a domestic securities trading bank or are the sale of the token-based bonds executed and the proceeds paid or credited ("Domestic Paying Agent"), irrespective of the



legal form of the corporate investor, withholding tax (plus solidarity surcharge) totaling 26.375% plus any church tax for natural persons will be deducted. The capital gains tax is, under certain conditions, set off against the respective income or corporate tax liability of the corporate investor. Insofar as the amounts withheld exceed the income tax or corporation tax liability of the corporate investor, they will be reimbursed under certain conditions.

### **6.2.3 Inheritance and gift tax**

The acquisition of token-based bonds by death of the holder of token-based bonds and the gift of token-based bonds are subject to inheritance or gift tax if the testator or donor or the heir, recipient or other transferee resides or habitually resides in Germany at the time the assets are acquired or he is a German citizen and other conditions exist. The amount of the inheritance tax depends on the value of the total assets transferred, the degree of relationship to the donor or testator and the amount of the allowance to be applied to the recipient or heir.

The tax code depends on the degree of kinship with the deceased or donor. For spouses, life partners, children and stepchildren, tax class I applies. Tax class II applies to siblings, children and parents-in-law. Unrelated other acquirers are subject to tax class III. Depending on the value of the inheritance tax and the tax code of the beneficiary, tax class I tax rates of between 7% and 30% apply. In the tax class II, the tax rates are between 15% and 43%, in the tax class III, the tax rates are 30% and 50%.

The heir or the recipient is entitled to a personal allowance, which, like the tax code, depends on the degree of relationship to the testator or donor. For example, the allowance amounts to EUR 500,000 for spouses and life partners, EUR 400,000 for children and EUR 200,000 for grandchildren.

With regard to the valuation of token-based bonds for a free transfer, there is still no uniform case law, administrative opinion and literature after the reform of the Inheritance Tax and Valuation Act. Both a valuation with the nominal value and a valuation with the so-called mean value of the token-based bonds, which corresponds to the market value, are conceivable. If these two values deviate from one another, the responsible tax office could base the higher of the two values in the case of a donation or inheritance. This could result in the recipient or heir having to bear a higher tax burden. Since, in the case of gratuitous transfer, the effects on inheritance or gift tax depend crucially on the individual circumstances of the persons involved in the transfer, personal advice by a tax adviser is recommended.

### **6.2.4 Sales tax**

The acquisition, holding, payments of annual variable interest and the sale of token-based bonds are not subject to sales tax.

## **6.3 Important tax advice**

**The above tax information is based on the legal status, case law and administrative opinion as of the date of the prospectus. However, further developments and changes in tax law as well as in case-law and the administrative concept as well as their interpretation can not be ruled out, so that deviations and shifts in the tax results, especially in terms of time, are possible.**

**All the aforementioned developments and changes may lead to a different tax assessment of the facts. Investors are strongly advised to seek qualified advice from their own tax advisor regarding the individual tax implications of token-based bonds. Such advice can not be replaced by the above general taxation.**

## 7. TERMS AND CONDITIONS OF TOKEN-BASED BONDS

The Terms and Conditions of the token-based bonds underlying this offering are set out below.

### Terms of the token-based bonds

The following conditions govern the legal relationships of the Issuer with the investors. Please carefully read following Terms and Conditions. By purchasing the token-based bonds, the investor agrees to these terms and agrees to comply with them. In particular, he declares that he is entitled to acquire token-based bonds and that there are no grounds for exclusion in his person.

The Terms and Conditions of the Issuer's token-based bonds are as follows:

#### § 1

##### **Token-based bonds, equipment, subscription rights, subordinate**

1. Fundament RE Germany GmbH, Hamburg (hereinafter referred to as "Issuer"), issues subordinated token-based bonds on the basis of the resolution of its shareholders dated 03.10.2018.
2. Each token-based bond with a nominal value of EUR 1 (in words: Euro One) is represented by a Fundament Token in the issuer's smart contract in the Ethereum network.
3. The token-based bonds constitute obligations of the issuer that are equivalent to each other. Each holder of a token-based bond is entitled to the rights specified in the terms of the token-based bonds. "**Investor**" is any holder of a token-based debt security.
4. The token-based bonds grant creditor rights that do not include shareholder rights, in particular participation, participation and voting rights in the issuer's shareholders' meetings. The management is solely responsible for the management of the Issuer. The stock of token-based bonds is not affected by the merger or conversion of the Issuer or by a change in its initial capital.

There is no obligation to pay additional investors.

### Bedingungen der tokenbasierten Schuldverschreibung

Die nachfolgenden Bedingungen regeln die rechtlichen Beziehungen der Emittentin zu den Anlegern. Bitte lesen Sie die Bedingungen sorgfältig durch. Durch den Erwerb der tokenbasierten Schuldverschreibungen erklärt sich der Anleger mit diesen Bedingungen einverstanden und verpflichtet sich dazu, diese einzuhalten. Insbesondere erklärt er, dass er berechtigt ist, tokenbasierte Schuldverschreibungen zu erwerben und keine in seiner Person liegenden Ausschlussgründe vorliegen.

Die Bedingungen der tokenbasierten Schuldverschreibungen der Emittentin sind wie folgt:

#### § 1

##### **Tokenbasierte Schuldverschreibungen, Ausstattung, Bezugsrechte, Nachrang**

1. Die Fundament RE Germany GmbH, Hamburg (nachfolgend „Emittentin“), begibt aufgrund des Beschlusses ihrer Gesellschafter vom 03.10.2018 nachrangige tokenbasierte Schuldverschreibungen.
2. Jede tokenbasierte Schuldverschreibung mit dem Nominalwert in Höhe von EUR 1,- (in Worten: Euro Eins) wird durch einen Fundament Token im Smart Contract der Emittentin im Ethereum-Netzwerk repräsentiert.
3. Die tokenbasierten Schuldverschreibungen begründen Verbindlichkeiten der Emittentin, die untereinander gleichrangig sind. Jedem Inhaber einer tokenbasierten Schuldverschreibung stehen die in diesen Bedingungen der tokenbasierten Schuldverschreibungen bestimmten Rechte zu. „**Anleger**“ ist jeder Inhaber einer tokenbasierten Schuldverschreibung.
4. Die tokenbasierten Schuldverschreibungen gewähren Gläubigerrechte, die keine Gesellschafterrechte, insbesondere keine Teilnahme-, Mitwirkungs- und Stimmrechte in den Gesellschafterversammlungen der Emittentin beinhalten. Die Geschäftsführung obliegt alleine der Geschäftsführung der Emittentin. Der Bestand der tokenbasierten Schuldverschreibungen wird weder durch Verschmelzung oder Umwandlung der Emittentin noch durch eine Veränderung ihres Gründungskapitals berührt.

Eine Nachschusspflicht der Anleger besteht nicht.

- |   |  |
|---|--|
| <p>5. The token-based bonds are and will not be issued as a deed on paper. The same applies to individual rights from the token-based bonds. Any claim for copy on paper is excluded.</p>   | <p>5. Die tokenbasierten Schuldverschreibungen sind und werden nicht als Urkunde auf Papier ausgefertigt. Gleiches gilt für einzelne Rechte aus den tokenbasierten Schuldverschreibungen. Ein etwaiger Anspruch auf Ausfertigung auf Papier ist ausgeschlossen.</p>  |
| <p>6. The Issuer is entitled to make further token-based bond issues at its own discretion. Investors have a subscription right to younger token-based bonds to this extent. Upon request by the Issuer, investors must declare within two weeks whether they wish to exercise their subscription rights.</p> <p>If the declaration remains within the period of two weeks, the subscription right expires.</p> | <p>6. Die Emittentin ist berechtigt, weitere tokenbasierte Schuldverschreibungsemissionen nach eigenem Ermessen vorzunehmen. Die Anleger haben insoweit ein Bezugsrecht auf jüngere tokenbasierte Schuldverschreibungen. Nach Aufforderung durch die Emittentin müssen die Anleger binnen zwei Wochen erklären, ob sie von ihrem Bezugsrecht Gebrauch machen möchten.</p> <p>Bleibt die Erklärung innerhalb der Frist von zwei Wochen aus, erlischt das Bezugsrecht.</p> |
| <p>7. <b>The token-based bonds are subject to a qualified subordination in accordance with § 10.</b></p>  | <p>7. <b>Die tokenbasierten Schuldverschreibungen unterliegen einem qualifizierten Rangrücktritt gemäß § 10.</b></p>   |

## § 2

### Rights of creditors to variable interest

1. The token-based bonds are subject to variable annual interest on the basis of their nominal value paid in each case and not repaid (the “variable interest rate”). The interest periods for the variable interest are the respective fiscal year of the issuer (calendar year). The first interest period starts on 01.01.2019.
2. The basis of assessment for the variable interest is in each case:
  - the net income of the issuer from its company in accordance with the commercial balance sheet
  - before deduction of the annual variable interest itself and
  - before deduction of taxes as well
  - less 1/25 (one twenty-fifth) of the total issue cost of 8% of total issue proceeds excluding premium and
  - before deduction of the emission-related costs in accordance with the audited and audited annual financial statements of the Issuer for the fiscal year preceding the interest payment date for the variable interest.
3. The annual variable interest is 100.00% of the assessment basis (paragraph 2). It is calculated annually in arrears. The variable interest is calculated by the Issuer (Calculation Agent).
4. The variable interest for a fiscal year is payable retrospectively as at 31 July of the following year, for the first time on 31.07.2020. If July 31 is not a

## § 2

### Rechte der Gläubiger auf variable Verzinsung

1. Die tokenbasierten Schuldverschreibungen werden bezogen auf ihren jeweils eingezahlten und nicht zurückgezahlten Nennbetrag jährlich variabel verzinst (der „variable Zins“). Die Zinsperioden für den variablen Zins sind das jeweilige Geschäftsjahr der Emittentin (Kalendarjahr). Die erste Zinsperiode beginnt am 01.01.2019.
2. Bemessungsgrundlage für den variablen Zins ist jeweils:
  - der Jahresüberschuss der Emittentin aus ihrem Unternehmen gemäß Handelsbilanz
  - vor Abzug der jährlichen variablen Verzinsung selbst und
  - vor Abzug der Steuern sowie
  - abzüglich von 1/25 (ein fünfundzwanzigstel) der Gesamtkosten der Emission i.H.v. 8 % des gesamten Emissionserlöses exklusive Agio und
  - vor Abzug der emissionsbedingten Kosten entsprechend des festgestellten und geprüften Jahresabschlusses der Emittentin für das dem Zinszahlungstermin für die variable Verzinsung vorausgegangene Geschäftsjahr.
3. Der jährliche variable Zins beträgt 100,00 % der Bemessungsgrundlage (Absatz 2). Er wird jährlich nachträglich berechnet. Die Berechnung der variablen Zinsen erfolgt durch die Emittentin (Berechnungsstelle).
4. Die variablen Zinsen für ein Geschäftsjahr sind nachträglich zum 31. Juli des Folgejahres, erstmalig zum 31.07.2020, zahlbar. Sofern in einem

bank business day, the maturity date is the next following bank business day. If the annual financial statements of the Issuer for the preceding fiscal year have not been finally adopted by 31 July of each year, the variable interest shall be payable seven working days after the adoption of the annual financial statements. The variable interest ends at the end of the term pursuant to § 6.1 of the token-based bonds. Interest amounts for one interest period (fiscal year) are not interest-bearing between the end of the interest period and the day of the actual payment of interest amounts (no compound interest).

5. Each investor will receive interest in the ratio of the principal amount of his token-based bonds repurchased and not yet repaid to the aggregate principal amount of all token-based bonds not yet repaid.
6. The investor does not participate in any loss of the Issuer. Negative interest is not calculated, ie the interest is always at least zero. This also means, in particular, that in the event of any negative assessment basis, the calculation of the relevant interest does not entitle the Issuer against the investors to repay interest received for previous years.
7. If interest is to be calculated for a period of less than one year, the calculation will be made pro rata according to the German Interest Accounts (30/360), in which the interest month will always be 30 days and the interest year will always be 360 days.
8. The disbursement of the interest payments is determined by the management of the Issuer at its discretion, taking due care of a prudent businessman without further prerequisites. Annual payments of the variable interest are planned and planned by the Issuer. If no payment of the variable interest is made, the amount is reinvested or reinvested. This unpaid variable interest must be paid to the investors together with the redemption amount (§ 6 (3)) at the latest at the end of the term (§ 6).
9. Otherwise, the variable interest will be paid in accordance with § 7.

### § 3

#### Issue, subscription, purchase price, purchase restrictions

1. Any natural or legal person may acquire token-based bonds by subscription and acceptance by the

Jahr der 31. Juli kein Bankgeschäftstag ist, tritt die Fälligkeit zum nächsten darauffolgenden Bankgeschäftstag ein. Sollte bis zum 31.07. in einem Jahr der Jahresabschluss der Emittentin für das vorangegangene Geschäftsjahr noch nicht endgültig festgestellt sein, sind die variablen Zinsen sieben Werktage nach der Feststellung des Jahresabschlusses zahlbar. Die variable Verzinsung endet mit dem Laufzeitende gemäß § 6.1 der tokenbasierten Schuldverschreibungen. Zinsbeträge für eine Zinsperiode (Geschäftsjahr) werden zwischen dem Ende der Zinsperiode und dem Tag der tatsächlichen Auszahlung der Zinsbeträge selbst nicht verzinst (kein Zinseszins).

5. Auf jeden Anleger entfallen die Zinsen im Verhältnis des Nennbetrags seiner eingezahlten und noch nicht zurückgezahlten tokenbasierten Schuldverschreibungen zum Gesamtnennbetrag aller eingezahlten und noch nicht zurückgezahlten tokenbasierten Schuldverschreibungen.
6. An einem etwaigen Verlust der Emittentin nimmt der Anleger nicht teil. Negative Zinsen werden nicht berechnet, d.h. die Verzinsung beträgt immer mindestens Null. Das bedeutet insbesondere auch, dass im Fall einer etwaigen negativen Bemessungsgrundlage bei der Berechnung der jeweiligen Zinsen kein Anspruch der Emittentin gegen die Anleger auf Rückzahlung von für Vorjahre erhaltenen Zinsen besteht.
7. Sind Zinsen für einen Zeitraum von weniger als einem Jahr zu berechnen, erfolgt die Berechnung jeweils anteilig nach deutscher Zinsrechnung (30/360), bei der der Zinsmonat immer 30 Tage und das Zinsjahr immer 360 Tage umfasst.
8. Die Auszahlung der Zinsbeträge wird durch die Geschäftsführung der Emittentin nach freiem Ermessen unter Wahrung der Sorgfalt eines ordentlichen Kaufmannes ohne weitere Voraussetzungen bestimmt. Jährliche Auszahlungen des variablen Zinses sind Seitens der Emittentin geplant und vorgesehen. Erfolgt keine Auszahlung des variablen Zinses, wird der Betrag reinvestiert bzw. thesauriert. Diese nicht ausgezahlten variablen Zinsen sind spätestens zum Laufzeitende (§ 6) zusammen mit dem Rückzahlungsbetrag (§ 6 Abs. 3) an die Anleger auszuzahlen.
9. Im Übrigen erfolgt die Auszahlung des variablen Zinses gemäß § 7.

### § 3

#### Ausgabe, Zeichnung, Erwerbspreis, Erwerbsbeschränkungen

1. Jede natürliche und juristische Person kann tokenbasierte Schuldverschreibungen durch

management of the Issuer.

The Issuer is not obligated to accept any offer of subscription. It reserves the right to entrust third parties in whole or in part with the execution and administration of the offer of these token-based bonds.

2. The token-based bonds are issued at par value. The issue currency is the euro.
3. The Issuer charges a subscription premium of 5% on the nominal amount of the token-based bonds subscribed in each case, whereby it is free to raise a lower premium in the individual case.
4. Allocation takes place 14 days after the subsequent events have occurred cumulatively: Acceptance of the subscription offer and receipt by the Issuer of the purchase price plus premium in euros or, in the case of payment in ether, after the ether has been exchanged for euros. As a rule, the delivery of the Fundament Token takes place immediately after the allocation has been made, but at the latest at the end of the subscription phase. The Fundament Tokens are individually assigned and delivered to each investor. Each investor can pay in either euros or Ether (ETH).

Investors must pay their purchase price plus the premium within 14 days of the request of the Issuer.

5. The minimum subscription amount in relation to the nominal amount of the token-based bonds subscribed in each case is EUR 1.00 for a payment in euros and EUR 0.01 for a payment in ether ETH, plus the premium in each case.
6. When paying in euros, the investor receives a number of token-based bonds (Fundament Tokens) according to the purchase price actually paid by him, taking into account his premium.
7. When paying in Ether (ETH), the investor receives a number of token-based bonds (Fundament Tokens) corresponding to the integer Euro equivalent of the paid cryptocurrency ether (ETH), in each case with the previous deduction of the premium.

The Issuer will, in principle, exchange the deposited Ether for Euro every Friday at 10:00 a.m. CET

Zeichnung und Annahme durch die Geschäftsführung der Emittentin erwerben.

Die Emittentin ist nicht zur Annahme von Zeichnungsangeboten verpflichtet. Sie behält sich vor, ganz oder teilweise Dritte mit der Durchführung und Verwaltung des Angebots dieser tokenbasierten Schuldverschreibungen zu beauftragen.

2. Die Ausgabe der tokenbasierten Schuldverschreibungen erfolgt zum Nennbetrag. Die Emissionswährung ist Euro.
3. Die Emittentin erhebt einen Ausgabeaufschlag (Agio) in Höhe von 5% auf den jeweils gezeichneten Nennbetrag der tokenbasierten Schuldverschreibungen, wobei es ihr im Einzelfall freisteht, auch ein niedrigeres Agio zu erheben.
4. Die Zuteilung erfolgt 14 Tage nachdem die nachfolgenden Ereignisse kumulativ eingetreten sind: Annahme des Zeichnungsangebotes und Eingang des Erwerbspreises nebst Agio in Euro bzw. bei Einzahlung in Ether nach erfolgtem Tausch der Ether in Euro bei der Emittentin. Die Lieferung der Fundament Token erfolgt in der Regel unverzüglich nach erfolgter Zuteilung, spätestens aber zum Ende der Zeichnungsphase. Die Fundament Token werden für jeden Anleger individuell zugeteilt und geliefert. Jeder Anleger kann entweder in Euro oder in Ether (ETH) zahlen.

Die Anleger haben die Zahlung ihres Erwerbspreises zuzüglich des Agios binnen 14 Tagen nach Aufforderung durch die Emittentin zu leisten.

5. Die Mindestzeichnungssumme bezogen auf den Nennbetrag der jeweils gezeichneten tokenbasierten Schuldverschreibungen beträgt bei einer Zahlung in Euro EUR 1,00 und bei einer Zahlung in Ether ETH 0,01, jeweils zzgl. des Agios.
6. Bei Zahlung in Euro erhält der Anleger eine Anzahl tokenbasierter Schuldverschreibungen (Fundament Token) entsprechend dem von ihm tatsächlich eingezahlten Erwerbspreis unter Berücksichtigung seines Agios.
7. Bei Zahlung in Ether (ETH) erhält der Anleger eine Anzahl tokenbasierter Schuldverschreibungen (Fundament Token) entsprechend dem ganzzahligen Euro-Äquivalent der gezahlten Kryptowährung Ether (ETH), jeweils unter vorherigem Abzug des Agios.

Die Emittentin wird gemäß der nachfolgenden Sätze grundsätzlich jeden Freitag um 10:00 Uhr

according to the following sentences. The Issuer may announce further dates in which the Ether is exchanged into Euro, as well as the Crypt Currency Exchange pursuant to § 11 beforehand. The Issuer will promptly exchange the Ether in Euro at these times. The euro equivalent is the actual euro amount realised in the course of these swaps, ie the amount of euro actually accruing to the Issuer after deduction of any exchange costs.

For the exchange, the issuer will normally use the crypto currency exchange "Kraken" ([www.kraken.com](http://www.kraken.com)).

A payment in Ether shall be deemed to have been received by the Issuer if the Ether amount of the Wallet has been credited to the Issuer.

8. If the investor does not pay in full or the actual paid purchase price of the investor is not integral, taking into account his premium, and in particular if the exchange of ether into euro (paragraph 7) results in a non-integer equivalent, the Issuer will be free in its own free Discretion entitles the investor to unilaterally and without any further conditions reduce the subscribed nominal amount to a nominal amount which, taking account of its premium, corresponds to the purchase price actually paid (nominal amount of the registered bonds) and can be divided equally without any remainder. The investor waives the receipt of the issuer's declaration regarding the reduction of the nominal amount in accordance with § 151 BGB. Any residual amount remaining thereafter shall be reimbursed to the investor together with the first interest payment in accordance with § 2 and § 7, whereby the remainder of the remainder shall not be paid in interest at this time.
9. The probable issue date is the first day after the publication of the prospectus. The expected issue date is not the same as the date of delivery of the token-based bonds. The delivery of the respectively assigned Fundament Tokens to the investors' wallets will take place at the latest after the end of the offer period.
10. In addition to the foregoing, the Issuer will not charge any additional costs or fees for the issue of the token-based bonds. Insofar as costs or fees are charged by third parties, such as costs or fees in connection with the investor's wallet or with the payment of the purchase price including the premium (transaction costs), the investor must bear these

CET das bis dahin jeweils eingezahlte Ether in Euro umtauschen. Die Emittentin kann weitere Zeitpunkte, in denen das Ether in Euro getauscht wird, sowie die Kryptowährungsbörse zuvor gemäß § 11 bekannt geben. Die Emittentin wird zu diesen Zeitpunkten unverzüglich das Ether in Euro tauschen. Das Euro-Äquivalent ist der im Rahmen dieser Tauschvorgänge jeweils tatsächlich realisierte Eurobetrag, d.h. der Eurobetrag, der der Emittentin nach Abzug etwaiger Umtauschkosten tatsächlich zufließt.

Für den Umtausch wird die Emittentin in der Regel die Kryptowährungsbörse „Kraken“ ([www.kraken.com](http://www.kraken.com)) verwenden.

Eine Zahlung in Ether gilt als bei der Emittentin eingegangen, wenn der Ether-Betrag der Wallet der Emittentin gutgeschrieben wurde.

8. Zahlt der Anleger nicht vollständig oder ist der tatsächlich eingezahlte Erwerbspreis des Anlegers unter Berücksichtigung seines Agios nicht ganzzahlig, insbesondere wenn sich beim Tausch von Ether in Euro (Absatz 7) ein nicht-ganzzahliges Euro-Äquivalent ergibt, ist die Emittentin jeweils in ihrem eigenen freien Ermessen berechtigt, den gezeichneten Nennbetrag des Anlegers einseitig und ohne weitere Voraussetzungen auf einen Nennbetrag herabzusetzen, der unter Berücksichtigung seines Agios dem tatsächlich eingezahlten Erwerbspreis (Nennbetrag der Namensschuldverschreibungen) entspricht und ohne Rest ganzzahlig teilbar ist. Der Anleger verzichtet auf den Zugang der Erklärung der Emittentin über die Herabsetzung des Nennbetrages entsprechend § 151 BGB. Ein etwaiger hiernach verbleibender Restbetrag ist dem Anleger zusammen mit der ersten Zinsauszahlung gemäß § 2 und § 7 zu erstatten, wobei der Restbetrag bis zu diesem Zeitpunkt selbst nicht zu verzinsen ist.
9. Der voraussichtliche Emissionstermin ist der erste Tag nach Veröffentlichung des Wertpapierprospekts. Der voraussichtliche Emissionstermin ist nicht mit dem Datum der Lieferung der tokenbasierten Schuldverschreibungen identisch. Die Lieferung der jeweils zugeteilten Fundament Token in die Wallets der Anleger erfolgt spätestens nach dem Ende des Angebotszeitraums.
10. Über das Vorstehende hinaus erhebt die Emittentin für die Ausgabe der tokenbasierten Schuldverschreibungen keine weiteren Kosten oder Gebühren. Soweit Kosten oder Gebühren von Seiten Dritter erhoben werden, beispielsweise Kosten oder Gebühren im Zusammenhang mit der Wallet des Anlegers oder mit der Zahlung

costs himself.

11. Investors are obliged to provide the Issuer without delay and before the investment with the evidence required for the identification and legitimacy check under the Money Laundering Act. The Issuer has the right, at its discretion, to request further evidence and to refuse the subscription of the investor, in particular in the event of failure to provide the evidence.
12. In addition, only token-based bonds may be acquired by anyone who is neither (i) a US citizen or (ii) a permanent resident and work permit for the US (Green Card) nor (iii) a resident of or resident in the US or its territories nor (iv) is any corporation or other asset organised under US law whose income is subject to US tax law and (v) is not kept on any of the European Union or US sanction lists. The same applies to citizens etc. of Canada, Iran and Australia.

By subscribing for the token-based bonds, the investor declares that he fulfils the aforementioned conditions.

#### **§4**

##### **Due diligence, investment conditions, obligations of the Issuer**

1. The Issuer undertakes to conduct a thorough review of the investor's return expectations prior to any real estate transaction (ie, purchase or sale) and to make its investment decision based on these expectations, taking due care of a prudent businessman. Sentence 1 applies accordingly,
  - a) when the Issuer acquires or sells equity interests in property holdings, and / or
  - b) if the Issuer acquires or sells land or holdings in land-holding companies indirectly through any subsidiaries in which it directly or indirectly owns more than 50% of its shares.
2. The Issuer further undertakes to use the net issue proceeds of the offering of these token-based bonds solely in accordance with the following investment conditions (the "InvestmentCriteria"):

des Erwerbspreises inkl. des Agios (Transaktionskosten), hat der Anleger diese selbst zu tragen.

11. Die Anleger sind verpflichtet, der Emittentin unverzüglich und vor der Investition die für die Identifikations- und Legitimationsprüfung nach dem Geldwäschegesetz erforderlichen Nachweise zu erbringen. Die Emittentin ist berechtigt, nach ihrem Ermessen weitere Nachweise anzufordern und die Zeichnung des Anlegers insbesondere im Fall des Nicht-Erbringens der Nachweise abzulehnen.
12. Darüber hinaus kann nur tokenbasierte Schuldverschreibungen erwerben, wer weder (i) Staatsbürger der USA oder (ii) Inhaber einer dauerhaften Aufenthalts- und Arbeitserlaubnis für die USA (Green Card) ist noch (iii) einen Wohnsitz bzw. Sitz in den USA oder ihren Hoheitsgebieten hat noch (iv) eine Körperschaft oder eine nach dem Recht der USA organisierte sonstige Vermögensmasse ist, deren Einkommen dem US-Steuerrecht unterliegt und (v) nicht auf einer der Sanktionslisten der Europäischen Union oder der USA geführt wird. Entsprechendes gilt für Staatsbürger etc. von Kanada, Iran und Australien.

Mit Zeichnung der tokenbasierten Schuldverschreibungen erklärt der Anleger, dass er die vorgenannten Voraussetzungen erfüllt.

#### **§ 4**

##### **Due Diligence, Investitionsbedingungen, Pflichten der Emittentin**

1. Die Emittentin verpflichtet sich, vor jeder Immobilientransaktion (d.h. Ankauf oder Verkauf) eine sorgfältige Prüfung der mit der Transaktion verbundenen Renditeerwartungen für die Anleger durchzuführen und auf Grundlage dieser Renditeerwartungen ihre Investitionsentscheidung unter Beachtung der Sorgfalt eines ordentlichen Kaufmannes zu treffen. Satz 1 gilt entsprechend,
  - a) wenn die Emittentin Beteiligungen an grundstückshaltenden Gesellschaften erwirbt oder veräußert, und/oder
  - b) wenn die Emittentin mittelbar durch etwaige Tochtergesellschaften, an denen sie unmittelbar oder mittelbar zu über 50% als Gesellschafterin beteiligt ist, Grundstücke oder Beteiligungen an grundstückshaltenden Gesellschaften erwirbt oder veräußert.
2. Die Emittentin verpflichtet sich ferner, den Nettoemissionserlös aus dem Angebot dieser tokenbasierten Schuldverschreibungen ausschließlich entsprechend der folgenden Investitionsbed-

- a) The aim is to build up a portfolio of indirect investments in real estate and real estate project developments in Germany (the “**investment properties**”). The focus is on the asset classes residential real estate, student and micro apartments, service apartments and commercial real estate. Excluded are industrial and logistics real estate.
- b) Before every investment a due diligence of the respective investment object takes place, which considers in particular the economic and technical aspects as well as the location. In particular, the purchase price of the individual investment properties should not exceed the factor of 25 in relation to the respective annual net cold rent.
- c) As planned, the continuous and long-term increase in the value of the company is actively pursued on the basis of high and sustainable cash flows. This is done in particular by
  - i. the value-oriented leasing and management of existing real estate in Germany (asset management). In addition to inventory management, selective disposal opportunities are continually reviewed, evaluated and, if necessary, exercised.

Realised value enhancement and liquidity are reinvested in new investment properties with a higher appreciation potential and

- ii. the development of real estate for own portfolio or direct sale.
  - d) If necessary, the Issuer is entitled to short-term liquidity management. In so doing, he proceeds with the care of a proper businessman.
3. The Issuer shall prepare its annual financial statements in accordance with the principles of proper accounting and financial reporting as well as the statutory provisions and have them audited by an auditor. The Issuer will disclose its financial statements in accordance with applicable law.
  4. The Issuer may itself manage the properties in the portfolio or have them carried out by third parties. The Issuer ensures that the costs are normal for this market.

ingungen (die „**Investitionskriterien**“) zu verwenden:

- a) Ziel ist der Aufbau eines Portfolios aus mittelbaren Investitionen in Immobilien und Immobilien-Projektentwicklungen in Deutschland (die „**Anlageobjekte**“). Der Fokus liegt dabei auf den Asset-Klassen Wohnimmobilien, Studenten- und Micro-Wohnungen, Service-Apartments und Gewerbeimmobilien. Ausgeschlossen werden Industrie- und Logistikimmobilien.
- b) Vor jeder Investition erfolgt eine Due Diligence Prüfung des jeweiligen Anlageobjekts, die insbesondere die wirtschaftlichen und technischen Aspekte sowie den Standort berücksichtigt. Insbesondere soll der Kaufpreis der einzelnen Anlageobjekte den Faktor 25 in Bezug auf die jeweilige Jahresnettokaltmiete nicht überschreiten.
- c) Es wird aktiv die kontinuierliche und langfristige Steigerung des Unternehmenswertes auf Basis von hohen und nachhaltigen Cashflows verfolgt. Dies erfolgt insbesondere durch
  - i. die wertorientierte Vermietung und Bewirtschaftung von Bestandsimmobilien in Deutschland (Asset-Management). Neben der Bestandshaltung werden zusätzlich selektiv Veräußerungschancen laufend überprüft, bewertet und ggf. wahrgenommen.

Realisierte Wertsteigerung und Liquidität werden in neue Anlageobjekte mit einem höheren Wertsteigerungspotential reinvestiert und

- ii. die Entwicklung von Immobilien für das eigene Bestandsportfolio oder den direkten Verkauf.
  - d) Soweit erforderlich, ist die Emittentin zu einem kurzfristigen Liquiditätsmanagement berechtigt. Sie wahrt hierbei die Sorgfalt eines ordentlichen Kaufmanns.
3. Die Emittentin hat ihren Jahresabschluss unter Beachtung der Grundsätze ordnungsgemäßer Buchführung und Bilanzierung sowie der gesetzlichen Vorschriften aufzustellen und durch einen Abschlussprüfer prüfen zu lassen. Die Emittentin wird ihre Jahresabschlüsse nach den einschlägigen gesetzlichen Vorschriften offenlegen.
  4. Die Emittentin kann die Verwaltung der im Portfolio befindlichen Immobilien selbst vornehmen oder durch Dritte vornehmen lassen. Die Emittentin stellt dabei sicher, dass die Kosten hierfür marktüblich sind.



## **§ 5**

### **Transfer of token-based bonds**

1. The transfer of a token-based bond is only possible in total. The partial transfer of claims under the token-based bonds is not permitted.

The transfer of the token-based bonds is made by assignment and requires the transfer of the Fundament Token representing the bond (so-called restricted assignment ban). The transfer of Fundament Tokens occurs exclusively through the Ethereum Blockchain. A transfer of the bond outside the blockchain is not permitted.

2. The seller makes these Terms and Conditions of the token-based bonds the contract with the acquirer.
3. The obligation to sell the token-based bonds and the assignment of the token-based bonds is subject to the formal requirement and at the same time under the suspensive condition that there is a confirmed transaction of the Fundament Token between the seller and the acquirer in the Ethereum network. A transaction is confirmed in the Ethereum network if the status of the transaction is "confirmed" in the Metamask Wallet or "success" on [www.etherscan.io](http://www.etherscan.io).
4. The assignment is subject to the condition precedent that there is an effective obligation to assign the token-based bonds in accordance with the preceding paragraphs.

## **§ 6**

### **Term, repayment, termination**

1. The term starts with the beginning of interest (from 01.01.2019 onwards) ends at the end of the term, without any need for termination. The token-based bonds are due for repayment to the investors on the first bank business day after 31.12.2033. The issuer may extend the term in one or more steps by a total of up to ten years, i.e. up to 31.12.2043 at the most.
2. Investors may not properly cancel the token-based bonds.

## **§ 5**

### **Übertragung der tokenbasierten Schuldverschreibungen**

1. Die Übertragung einer tokenbasierten Schuldverschreibung ist nur insgesamt möglich. Die teilweise Übertragung von Ansprüchen aus den tokenbasierten Schuldverschreibungen ist nicht zulässig.

Die Übertragung der tokenbasierten Schuldverschreibungen erfolgt durch Abtretung und setzt zwingend die Übertragung der die Schuldverschreibung repräsentierenden Fundament Token voraus (sogenanntes beschränktes Abtretungsverbot). Der Transfer von Fundament Token vollzieht sich ausschließlich über die Ethereum-Blockchain. Eine Übertragung der Schuldverschreibung außerhalb der Blockchain ist nicht zulässig.

2. Der Veräußerer macht diese Bedingungen der tokenbasierten Schuldverschreibungen zum Vertragsinhalt mit dem Erwerber.
3. Die Verpflichtung zum Verkauf der tokenbasierten Schuldverschreibungen und die Abtretung der tokenbasierten Schuldverschreibungen steht unter dem Formerfordernis und zugleich unter der aufschiebenden Bedingung, dass eine bestätigte Transaktion der Fundament Token zwischen Veräußerer und Erwerber im Ethereum Netzwerk vorliegt. Eine Transaktion ist im Ethereum Netzwerk bestätigt, wenn der Status der Transaktion in der Metamask-Wallet mit „bestätigt“ oder auf [www.etherscan.io](http://www.etherscan.io) mit „success“ angegeben wird.
4. Die Abtretung steht unter der aufschiebenden Bedingung, dass eine wirksame Verpflichtung zur Abtretung der tokenbasierten Schuldverschreibungen nach Maßgabe der vorstehenden Absätze vorliegt.

## **§ 6**

### **Laufzeit, Rückzahlung, Kündigung**

1. Die Laufzeit beginnt mit dem Zinsbeginn (ab einschließlich dem 01.01.2019) und endet mit dem Laufzeitende, ohne dass es jeweils einer Kündigung bedarf. Die tokenbasierten Schuldverschreibungen werden am ersten Bankgeschäftstag nach dem 31.12.2033 zur Rückzahlung an die Anleger fällig. Die Emittentin kann die Laufzeit in einem oder mehreren Schritten um insgesamt bis zu zehn Jahre – d.h. maximal bis zum 31.12.2043 – verlängern.
2. Die Anleger können die tokenbasierten Schuldverschreibungen jeweils nicht ordentlich kündigen.

The Issuer has the right to terminate the token-based bonds in total before the end of the term, subject to a 30-day notice period at the end of each calendar month, but no earlier than 31.12.2025 (ordinary termination right). The Issuer is free to choose the token shares to be canceled. In particular, the Issuer is entitled to terminate and repay all token-based bonds pro rata. The Issuer may also declare this multiple times in the case of partial termination.

3. The repayment amount for each token-based bond is equal to the nominal amount (100%) of the token-based bond.

Unless previously redeemed, the token-based bonds will be redeemed in the amount of their Redeemable Amount on the last day of the month following the month in which the Maturity Period ends (Maturity Date), without interest being paid on the Redeemable Amount between the end of the Maturity Period and the Maturity Date itself.

Otherwise, the repayment will be made in accordance with § 7.

4. The right of the investors and the Issuer to extraordinary termination for cause remains unaffected. An important reason for the investor to give notice is, in particular, if:
  - a) the Issuer does not pay within 60 days of the relevant Maturity Date and this is attributable to the Issuer; or
  - b) the Issuer fails to properly fulfil any other obligation under the token-based bonds, in particular if it violates the obligations of § 2, and that omission or breach can not be cured or, if cure is possible, the omission or breach lasts longer than 60 days after the investor has requested this in writing (by e-mail) to the Issuer; or
  - c) the Issuer announces its insolvency or suspends its payments, which lasts 60 days; or
  - d) insolvency proceedings against the Issuer are initiated or opened by a supervisory or other authority whose jurisdiction falls to the Issuer, which has not been finally or temporarily suspended within 90

Die Emittentin hat das Recht, die tokenbasierten Schuldverschreibungen insgesamt vor Ablauf der Laufzeit unter Einhaltung einer Kündigungsfrist von 30 Tagen zum Ende eines jeden Kalendermonats, frühestens jedoch zum 31.12.2025, zu kündigen (ordentliches Kündigungsrecht). Die Emittentin ist in der Auswahl der zu kündigenden tokenbasierten Schuldverschreibungen frei. Die Emittentin ist dabei insbesondere auch berechtigt, alle tokenbasierten Schuldverschreibungen anteilig zu kündigen und zurückzuzahlen. Die Emittentin kann bei Teilkündigungen diese auch mehrfach erklären.

3. Der Rückzahlungsbetrag in Bezug auf jede tokenbasierte Schuldverschreibung entspricht dem Nennbetrag (100%) der tokenbasierten Schuldverschreibung.

Soweit nicht zuvor bereits zurückgekauft, werden die tokenbasierten Schuldverschreibungen in Höhe ihres Rückzahlungsbetrages am letzten Tag des Monats, der auf den Monat der Laufzeitbeendigung folgt (Fälligkeitstag), zurückgezahlt, ohne dass der Rückzahlungsbetrag zwischen dem Ende der Laufzeit und dem Fälligkeitstag selbst verzinst wird.

Im Übrigen erfolgt die Rückzahlung gemäß § 7.

4. Das Recht der Anleger und der Emittentin zur außerordentlichen Kündigung aus wichtigem Grund bleibt jeweils unberührt. Als ein wichtiger Kündigungsgrund für den Anleger gilt insbesondere, wenn:
  - a) die Emittentin nicht innerhalb von 60 Tagen nach dem betreffenden Fälligkeitstag zahlt und dies der Emittentin zuzurechnen ist; oder
  - b) die Emittentin die ordnungsgemäße Erfüllung irgendeiner anderen Verpflichtung aus den tokenbasierten Schuldverschreibungen unterlässt, insbesondere wenn sie gegen die Verpflichtungen aus § 2 verstößt, und diese Unterlassung bzw. dieser Verstoß nicht geheilt werden kann, oder, falls eine Heilung möglich ist, die Unterlassung oder der Verstoß länger als 60 Tage fort dauert, nachdem der Anleger dies in Textform (per E-Mail) gegenüber der Emittentin angemahnt hat; oder
  - c) die Emittentin ihre Zahlungsunfähigkeit bekannt gibt, oder ihre Zahlungen einstellt, und dies 60 Tage fort dauert; oder
  - d) ein Insolvenzverfahren gegen die Emittentin von einer Aufsichts- oder sonstigen Behörde, deren Zuständigkeit die Emittentin unterliegt, eingeleitet oder eröffnet wird, welches nicht binnen 90

- days of its initiation, or the Issuer has requested or may initiate such proceedings offers or takes general debt settlement in favour of its creditors; or
- e) the Issuer will be dissolved or liquidated unless the dissolution or liquidation is in connection with a merger or other arrangement with another entity, provided that such other entity assumes all liabilities of the Issuer under the token-based bonds; or
- f) the Issuer discontinues, divests or otherwise disposes of all or most of its business activities (in the amount of 50% of its turnover or more) and thus becomes likely that the Issuer may no longer be able to meet its payment obligations to the investors; or
- g) a change of control occurs, ie if a third party or several third parties acting in concert acquire more than 50% of the shares of the Issuer and the position of the investors is more than marginally affected as a result of the change of control. Transfers of shares within any group of companies of the Issuer shall not be taken into account. In particular, the position of investors is more than negligibly affected if a significant change in the company's strategy occurs as a result of the change of control.
5. In the cases acc. par. 4 lit. a, d or g, a declaration of termination, unless at the same time one of the conditions listed in para. 4 lit. b, or c) applies, will not become effective until the Issuer has received notices of termination from investors in the nominal amount of at least 10% of the total nominal amount of the token-based bonds which have at that time still been fully paid-up and have not been redeemed.
6. Termination by the Issuer shall be effected by notice in accordance with § 11. Notices of termination by investors must be sent to the Issuer in writing (by email).
7. In the case of a notice of termination by the investors, the Fundament Tokens are to be transferred to a Smart Contract previously determined by the Issuer. Claims for repayment are due at the earliest from the date of such a transaction.
- Tagen nach seiner Einleitung endgültig oder einstweilen eingestellt worden ist, oder die Emittentin die Eröffnung eines solchen Verfahrens beantragt oder eine allgemeine Schuldenregelung zugunsten seiner Gläubiger anbietet oder trifft; oder
- e) die Emittentin aufgelöst oder liquidiert wird, es sei denn, dass die Auflösung oder Liquidation im Zusammenhang mit einer Verschmelzung oder einem sonstigen Zusammenschluss mit einem anderen Rechtsgebilde erfolgt, sofern dieses andere Rechtsgebilde alle Verbindlichkeiten der Emittentin aus den tokenbasierten Schuldverschreibungen übernimmt; oder
- f) die Emittentin ihre Geschäftstätigkeit ganz oder weit überwiegend (im Umfang von 50% ihres Umsatzes oder mehr) einstellt, veräußert oder ihr gesamtes oder nahezu gesamtes Vermögen anderweitig abgibt und es dadurch wahrscheinlich wird, dass die Emittentin ihre Zahlungsverpflichtungen gegenüber den Anlegern nicht mehr erfüllen kann; oder
- g) ein Kontrollwechsel vorliegt, also wenn ein Dritter oder mehrere gemeinsam handelnde Dritte mehr als 50% der Geschäftsanteile der Emittentin erwerben und die Stellung der Anleger in Folge des Kontrollwechsels mehr als nur unwesentlich berührt wird. Übertragungen von Geschäftsanteilen innerhalb einer etwaigen Unternehmensgruppe der Emittentin sind nicht zu berücksichtigen. Die Stellung der Anleger ist insbesondere mehr als nur unwesentlich berührt, wenn in der Folge des Kontrollwechsels eine wesentliche Änderung der Strategie des Unternehmens eintritt.
5. In den Fällen gem. Abs. 4 lit. a, d oder g wird eine Kündigungserklärung, sofern nicht bei deren Eingang zugleich einer der in Abs. 4 lit. b, oder c bezeichneten Kündigungsgründe vorliegt, erst wirksam, wenn bei der Emittentin Kündigungserklärungen von Anlegern im Nennbetrag von mindestens 10% des Gesamtnennbetrages der zu diesem Zeitpunkt noch insgesamt eingezahlten und nicht zurückgezahlten tokenbasierten Schuldverschreibungen eingegangen sind.
6. Die Kündigung durch die Emittentin erfolgt durch Mitteilung gemäß § 11. Kündigungserklärungen der Anleger sind der Emittentin in Textform (per E-Mail) zu übermitteln.
7. Bei einer Kündigungserklärung durch die Anleger sind die Fundament Token an einen zuvor von der Emittentin bestimmten Smart Contract zu transferieren. Ansprüche auf Rückzahlung werden frühestens ab dem Zeitpunkt einer solchen Transaktion fällig.

8. For the period between the effectiveness of the termination or other termination of the token-based bonds and the corresponding repayment of the token-based bonds there are no claims for interest on the respective repayment amount. The Issuer is under no obligation to pay prepayment penalties.

## § 7

### Paying agency, disbursements

1. The Issuer is the paying agent.
2. Unless these Terms and Conditions of the token-based bonds expressly provide otherwise, payments by the Issuer - in particular interest (§ 2) and redemption (§ 6) - shall be made in accordance with the following paragraphs 3 to 7.
3. Disbursements are made in ether, regardless of whether the investor paid his purchase price in euros or ethers. This also applies if the Investor has acquired his token-based bonds in another way, in particular by buying on the secondary market, by donation or by inheritance. The issuers are entitled, at their own discretion, to enter into individual contractual agreements with individual investors.
4. The Issuer will make payments to the investors holding the Fundament Tokens at 12:00 CET on the relevant Maturity Date.
5. For the payment in Ether, the Issuer will exchange the amount of euros attributable to the respective investors in Ether. The Euro equivalent is the actual amount of ether realised in the course of this exchange transaction, ie the amount of ether actually accrued to the Issuer after deduction of any exchange costs. The date of the exchange is determined by the Issuer at its own discretion without any further requirements.

The Issuer will inform investors of the realised conversion price pursuant to § 11.

For the exchange, the issuer will normally use the crypto currency exchange "Kraken" ([www.kraken.com](http://www.kraken.com)).

Investors will immediately transfer the Ether equivalent they receive to their Wallets after conversion.

8. Für die Zeit zwischen der Wirksamkeit der Kündigung oder sonstigen Beendigung der tokenbasierten Schuldverschreibungen und der entsprechenden Rückzahlung der tokenbasierten Schuldverschreibungen bestehen keine Ansprüche auf Verzinsung des jeweiligen Rückzahlungsbetrages. Die Emittentin ist in keinem Fall zur Leistung von Vorfälligkeitsentschädigungen verpflichtet.

## § 7

### Zahlstelle, Auszahlungen

1. Zahlstelle ist die Emittentin.
2. Soweit diese Bedingungen der tokenbasierten Schuldverschreibungen nicht ausdrücklich etwas anderes bestimmen, erfolgen Auszahlungen der Emittentin - insbesondere Zinsen (§ 2) und Rückzahlung (§ 6) - gemäß der nachfolgenden Absätze 3 bis 7.
3. Auszahlungen erfolgen in Ether, unabhängig davon, ob der Anleger seinen Erwerbspreis in Euro oder Ether gezahlt hat. Das gilt auch, wenn der Anleger seine tokenbasierten Schuldverschreibungen auf andere Weise erworben hat, insbesondere durch Kauf auf dem Zweitmarkt, durch Schenkung oder durch Erbschaft. Die Emittentin ist berechtigt, nach freiem Ermessen individualvertraglich abweichende Vereinbarungen mit einzelnen Anlegern abzuschließen.
4. Die Emittentin wird Zahlungen die Anleger leisten, die am jeweiligen Fälligkeitstag um 12:00 Uhr CET die Fundament Token jeweils halten.
5. Für die Auszahlung in Ether wird die Emittentin den auf die jeweiligen Anleger entfallenden Euro-Betrag in Ether tauschen. Das Euro-Äquivalent ist der im Rahmen dieses Tauschvorgangs jeweils tatsächlich realisierte Etherbetrag, d.h. der Etherbetrag, der der Emittentin nach Abzug etwaiger Umtauschkosten tatsächlich zufließt. Den Zeitpunkt des Umtauschs bestimmt die Emittentin nach freiem Ermessen ohne weitere Voraussetzungen.

Die Emittentin wird die Anleger über den tatsächlich realisierten Umtauschkurs gemäß § 11 informieren.

Für den Umtausch wird die Emittentin in der Regel die Kryptowährungsbörse „Kraken“ ([www.kraken.com](http://www.kraken.com)) verwenden.

Die Anleger bekommen das auf sie entfallende Ether-Äquivalent nach dem Umtausch unverzüglich auf ihre Wallets transferiert.

6. If the maturity date of a payout falls on a day that is not a bank business day, then the investor is not entitled to any payment before the next bank business day. This next bank business day will then be considered the due date. **“Banking day”** is any day on which commercial banks in Hamburg are open (usually Monday to Friday) to forward the relevant payments.
7. Payouts can only be requested from holders of the Fundament Tokens. The Issuer may assume that the respective holder of the Fundament Token is also the creditor of the respective disbursement. It will therefore also be relieved of its liability by service to a token holder who is not a creditor.
6. Fällt der Fälligkeitstag einer Auszahlung auf einen Tag, der kein Bankgeschäftstag ist, dann hat der Anleger keinen Anspruch auf Zahlung vor dem nächsten Bankgeschäftstag. Dieser nächste Bankgeschäftstag gilt dann als Fälligkeitstag. **„Bankgeschäftstag“** ist jeder Tag, an dem Geschäftsbanken in Hamburg geöffnet haben (also in der Regel Montag bis Freitag), um die betreffenden Zahlungen weiterzuleiten.
7. Auszahlungen können nur von Inhabern der Fundament Token verlangt werden. Die Emittentin darf vermuten, dass der jeweilige Inhaber der Fundament Token auch Gläubiger der jeweiligen Auszahlung ist. Sie wird daher auch durch Leistung an einen Tokeninhaber, der nicht Gläubiger ist, von ihrer Schuld befreit.

## § 8

### Taxes, statute of limitations, deposit

1. Insofar as the Issuer or a third party commissioned by it is obliged to deduct withholding and income taxes on liabilities from the token-based bonds, these each reduce the amount to be paid out. All amounts payable on the token-based bonds are to be made without any deduction or deduction of any taxes or duties, unless this retention or deduction is required by law. The investor bears all personal taxes attributable to the token-based bonds.
2. If claims arising from the token-based bonds are not claimed in accordance with the terms of the token-based bonds, the Issuer may transfer the amounts to a separate account of a Trustee. The Issuer will point out that it is possible to contact this person in writing (by email). After expiry of the period of limitation, the trustee may pay the amounts pro rata to the shareholders or, in the event of dissolution, to the persons who were most recently shareholders of the Issuer.

## § 9

### Purchase, privacy

1. The Issuer is entitled to buy its own token-based bonds on the market or otherwise at any price. The token-based bonds purchased by the Issuer may, at the choice of the Issuer, be held, resold or cancelled by the Issuer. The devaluation of the token-based bonds is done by deleting the Fundament Tokens.
2. The investor-related data necessary for the fulfil-

## § 8

### Steuern, Verjährung, Hinterlegung

1. Soweit die Emittentin oder ein von ihr beauftragter Dritter zur Abführung von Abzugs- und Ertragssteuern von Verbindlichkeiten aus den tokenbasierten Schuldverschreibungen verpflichtet ist, mindern diese jeweils den auszahlenden Betrag. Sämtliche auf die tokenbasierten Schuldverschreibungen zahlbaren Beträge sind ohne Einbehalt oder Abzug von Steuern oder Abgaben gleich welcher Art zu leisten, es sei denn, dieser Einbehalt oder Abzug ist gesetzlich vorgeschrieben. Der Anleger trägt sämtliche auf die tokenbasierten Schuldverschreibungen entfallenden persönlichen Steuern.
2. Werden Forderungen aus den tokenbasierten Schuldverschreibungen nicht nach Maßgabe dieser Bedingungen der tokenbasierten Schuldverschreibungen geltend gemacht, ist die Emittentin berechtigt, die Beträge auf ein separates Konto eines Treuhänders zu überweisen. Die Emittentin wird auf eine Kontaktmöglichkeit zu dieser Person in Textform (per E-Mail) hinweisen. Nach Ablauf der Verjährungsfrist darf der Treuhänder die Beträge den Gesellschaftern bzw. im Falle der Auflösung den Personen, die zuletzt Gesellschafter der Emittentin waren, anteilmäßig auszahlen.

## § 9

### Ankauf, Datenschutz

1. Die Emittentin ist berechtigt, eigene tokenbasierte Schuldverschreibungen am Markt oder anderweitig zu jedem beliebigen Preis zu kaufen. Die von der Emittentin erworbenen tokenbasierten Schuldverschreibungen können nach Wahl der Emittentin von ihr gehalten, weiterverkauft oder entwertet werden. Die Entwertung der tokenbasierten Schuldverschreibungen erfolgt durch Löschung der Fundament Token.
2. Die zur Vertragserfüllung notwendigen anleg-

ment of the contract is stored and processed electronically. If a disclosure is required, it will be made exclusively on the basis of contractual or statutory provisions in compliance with the relevant (European) data protection law.

## § 10

### Payment reservation and qualified subordination

1. **The claims of the investors, in particular on participations (§ 2) and repayment (§ 6), are subordinate. Investors will cede their claims on these token-based bonds to rank behind all other creditors of the Issuer who have not declared a subordination and are preferably satisfied. The same applies in the case of the liquidation of the Issuer.**
2. The assertion of claims, in particular on shareholdings and repayment, is excluded as long as and to the extent that the payment of the claims would give rise to a reason for the opening of insolvency proceedings over the assets of the Issuer.
3. Payments of the claims shall only be made if the Issuer is in a position to do so in future profits, liquidation surplus or other - free - assets.
4. The subordinate claims may not be fulfilled by settlements. If the subordinated investor receives payments, including by way of set-off, from the token-based bonds, he must return them regardless of other arrangements.
5. Claims (in particular participations or repayment) are not waived. This means that such claims remain in force even if and insofar as the qualified subordination should not permit the payment at a certain point in time.

## § 11

### Notices

1. All notices of the Issuer relating to token-based bonds shall be made by electronic publication on the website of the Issuer (<https://www.fundament.group/real-estate>) and / or in text form by email, unless otherwise required by law. Each notice will be deemed effective and received by investors on the third day following the day of publication.

erbezogenen Daten werden elektronisch gespeichert und verarbeitet. Sofern eine Weitergabe erforderlich ist, wird diese ausschließlich aufgrund vertraglicher oder gesetzlicher Vorschriften unter Beachtung des einschlägigen (europäischen) Datenschutzrechts erfolgen.

## § 10

### Zahlungsvorbehalt und qualifizierter Rangrücktritt

1. **Die Ansprüche der Anleger, insbesondere auf Beteiligungen (§ 2) und auf Rückzahlung (§ 6), sind nachrangig. Die Anleger treten mit ihren Ansprüchen aus diesen tokenbasierten Schuldverschreibungen im Rang hinter allen anderen Gläubiger der Emittentin, die keinen Rangrücktritt erklärt haben und bevorzugt befriedigt werden, zurück. Entsprechendes gilt auch im Fall der Liquidation der Emittentin.**
2. Die Geltendmachung der Ansprüche, insb. auf Beteiligungen und Rückzahlung, ist solange und soweit ausgeschlossen, wie die Zahlung der Ansprüche einen Grund für die Eröffnung des Insolvenzverfahrens über das Vermögen der Emittentin herbeiführen würde.
3. Zahlungen der Ansprüche haben nur zu erfolgen, wenn die Emittentin dazu aus zukünftigen Gewinnen, aus einem Liquidationsüberschuss oder aus anderem – freien – Vermögen in der Lage ist.
4. Die nachrangigen Ansprüche dürfen nicht durch Zahlungen im Wege der Aufrechnung erfüllt werden. Erhält der nachrangige Anleger Zahlungen, auch im Wege der Aufrechnung, aus den tokenbasierten Schuldverschreibungen, hat er diese ungeachtet anderer Vereinbarungen zurückzugewähren.
5. Auf die Ansprüche (insb. Beteiligungen oder Rückzahlung) wird nicht verzichtet. Das bedeutet, dass solche Ansprüche auch dann bestehen bleiben, wenn und soweit der qualifizierte Rangrücktritt die Zahlung zu einem gewissen Zeitpunkt nicht zulassen sollte.

## § 11

### Mitteilungen

1. Alle die tokenbasierten Schuldverschreibungen betreffenden Mitteilungen der Emittentin erfolgen, soweit gesetzlich nicht anders vorgeschrieben, durch elektronische Publikation auf der Internetseite der Emittentin (<https://www.fundament.group/real-estate>) und/oder in Textform per E-Mail. Jede Mitteilung gilt am dritten Tag nach dem Tag der Veröffentlichung als wirksam erfolgt und den

2. Notices made by an investor must be made in writing (by email) unless the Terms and Conditions of the token-based bonds expressly provide otherwise.

## § 12

### Applicable law, place of jurisdiction

1. The form and content of the token-based bonds as well as the rights and obligations of the holders of the token-based bonds and the issuer are governed by German law in all respects.
2. These token-based bonds are written in German and English, with the sole purpose of the legal assessment, in particular the interpretation of individual clauses or terms, being the German language.
3. The non-exclusive place of jurisdiction for all lawsuits or other proceedings arising in connection with the token-based bonds is the registered office of the Issuer.
4. No verbal collateral agreements exist.
5. Should any provision of these Terms of the token-based bonds be or become invalid or incomplete, the validity of the remaining provisions shall not be affected thereby.

Anlegern zugegangen.

2. Mitteilungen, die von einem Anleger gemacht werden, müssen per Textform (per E-Mail) erfolgen, soweit diese Bedingungen der tokenbasierten Schuldverschreibungen nicht ausdrücklich etwas anderes regeln.

## § 12

### Anwendbares Recht, Gerichtsstand, Sonstiges

1. Form und Inhalt der tokenbasierten Schuldverschreibungen sowie die Rechte und Pflichten der Anleger und der Emittentin bestimmen sich in jeder Hinsicht nach deutschem Recht.
2. Diese tokenbasierten Schuldverschreibungen sind in deutscher und englischer Sprache abgefasst, wobei für die rechtliche Beurteilung, insbesondere die Auslegung einzelner Klauseln oder Begriffe, allein die deutsche Sprache maßgeblich ist.
3. Nichtausschließlicher Gerichtsstand für sämtliche im Zusammenhang mit den tokenbasierten Schuldverschreibungen entstehenden Klagen oder sonstigen Verfahren ist der Geschäftssitz der Emittentin.
4. Mündliche Nebenabreden wurden nicht getroffen.
5. Sollte eine Bestimmung dieser Bedingungen der tokenbasierten Schuldverschreibungen unwirksam sein oder werden oder die Bestimmungen lückenhaft sein, wird dadurch die Wirksamkeit der übrigen Bestimmungen nicht berührt.

## **8. FINAL PROVISIONS**

### **8.1 Corrections and supplements**

The Issuer is entitled to replace or supplement

- i. obvious typing or grammatical errors or
- ii. other obvious errors or
- iii. make editorial changes, such as changes in meaning, wording or order or
- iv. contradictory or incomplete provisions

in these Terms and Conditions of the token-based bonds without the consent of the holders of the token-based bonds, whereby in the cases referred to under (iv) only such changes or amendments shall be permitted which are reasonable for the holders of the token-based bonds, taking into account the interests of the Issuer, i.e. which do not impair or only insignificantly impair the financial situation of the holders of the token-based bonds.

Important new circumstances, material inaccuracies or inaccuracies relating to the information contained in the prospectus which may affect the valuation of the Bonds and which arise or are ascertained between the approval of the prospectus and the final closing of the public offering will be set out and published in a supplement or supplements to this prospectus.

### **8.2 Applicable Law / Jurisdiction**

The form and content of the token-based bonds, the rights and obligations of the Fundament Token holders, the issuer and the paying agent are governed exclusively by the laws of the Federal Republic of Germany. The place of jurisdiction for all disputes arising out of or in connection with the offer pursuant to this prospectus is Hamburg, Germany.

### **8.3 Severability clause**

If any provision of this prospectus, in particular the Securities Description, is or becomes wholly or partially legally invalid or unenforceable, then the other provisions of these Terms and Conditions of the token-based bonds remain in force. Any legally ineffective or unenforceable provisions shall be replaced by legally effective and enforceable provisions in accordance with the meaning and purpose of this prospectus and the securities description, which in their economic effects come as close as legally possible to the legally ineffective or unenforceable provisions.

Hamburg, 11 July 2019

**Fundament RE Germany GmbH**

The Management Board



## **9. HISTORICAL FINANCIAL INFORMATION**

### **9.1 Financial information for the short fiscal year 2018**

Taken from the report on the audit of the annual financial statements for the fiscal year 2018 (short fiscal year from 15.03.2018 to 31.12.2018) to the reporting date 31.12.2018 of nbs partners GmbH Wirtschaftsprüfungsgesellschaft, Hamburg.

Table of contents for the financial information for the short fiscal year 2018:

- Balance sheet at 31.12.2018
- Profit and loss account for the short fiscal year from 15.03.2018-31.12.2018
- Annex for the short fiscal year 2018
- Statement of changes in equity for the short fiscal year 2018
- Cash flow statement for the short fiscal year 2018
- Auditors' report for the short fiscal year 2018

## Bilanz zum 31. Dezember 2018

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Fundament RE Germany GmbH,  
Hamburg

Gewinn- und Verlustrechnung für das Rumpfgeschäftsjahr vom 13. März 2018 bis zum  
31. Dezember 2018

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	Rumpf- geschäftsjahr 2018 €
	<hr/>
1. Sonstige betriebliche Aufwendungen	<hr/> -18.456,96
2. Ergebnis nach Steuern	<hr/> -18.456,96
3. Jahresfehlbetrag	<hr/> -18.456,96

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## Anhang für das Rumpfgeschäftsjahr 2018

### Allgemeine Angaben

Der Jahresabschluss der Fundament RE Germany GmbH, Hamburg (Amtsgericht Hamburg, HR B 150935), zum 31. Dezember 2018 wurde nach den Vorschriften des Handelsgesetzbuches (HGB) und des Gesetzes betreffend die Gesellschaften mit beschränkter Haftung (GmbHG) aufgestellt. Für die Darstellung der Gewinn- und Verlustrechnung wurde das Gesamtkostenverfahren gewählt.

Das Geschäftsjahr vom 13. März bis zum 31. Dezember 2018 ist ein Rumpfgeschäftsjahr im Jahr der Gründung der Gesellschaft.

Die Gesellschaft weist zum Abschlussstichtag die Größenmerkmale einer Kleinstkapitalgesellschaft im Sinne des § 267a HGB auf. Die Aufstellung des Jahresabschlusses erfolgte unter Beachtung der Vorschriften für Kleinstkapitalgesellschaften im Sinne des § 267a HGB.

### Bilanzierungs- und Bewertungsmethoden

Die Bewertung erfolgte unter der Annahme der Unternehmensfortführung (Going Concern-Prinzip).

Forderungen und sonstige Vermögensgegenstände sind unter Berücksichtigung aller erkennbaren Risiken zu Anschaffungskosten bewertet worden.

Guthaben bei Kreditinstituten wurden mit ihrem Nennwert angesetzt.

Die Rückstellungen wurden für alle ungewissen Verbindlichkeiten gebildet. Dabei wurden alle erkennbaren Risiken berücksichtigt. Sie wurden mit dem Erfüllungsbetrag bewertet, der nach vernünftiger kaufmännischer Beurteilung notwendig ist.

### Erläuterungen zur Bilanz

Sämtliche Forderungen und sonstigen Vermögensgegenstände haben eine Restlaufzeit von bis zu einem Jahr.

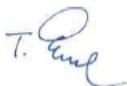
Das gezeichnete Kapital in Höhe von € 25.000,00 ist voll eingezahlt.

### Sonstige Angaben

Haftungsverhältnisse im Sinne des § 251 HGB bestanden zum Abschlussstichtag nicht.

Die Gesellschaft beschäftigte im Geschäftsjahr 2018 keine Arbeitnehmer.

Hamburg, den 15.01.2019



Thomas Ermel  
Geschäftsführer



Felix Ermel  
Geschäftsführer

**Fundament RE Germany GmbH,  
Hamburg**

**Eigenkapitalveränderungsrechnung für das Rumpfgeschäftsjahr 2018**

	Gezeichnetes Kapital €	Kapitalrücklage €	Bilanzgewinn / -verlust €	Summe Eigenkapital €
Stand 13.3.2018	-	0	0	-
Einzahlung Stamm kapital	25.000,00	-	-	25.000,00
Jahresfehlbetrag	-	-	-18.456,96	-18.456,96
Stand 31.12.2018	25.000,00	-	-18.456,96	6.543,04

**Fundament RE Germany GmbH,  
Hamburg**

**Kapitalflussrechnung für das Rumpfgeschäftsjahr 2018**

	Rumpf- geschäftsjahr vom 13.3. – 31.12.2018 €
<b>Cashflow aus der laufenden Geschäftstätigkeit</b>	
1. Periodenergebnis	-18.456,96
2. + Zunahme Rückstellungen	17.500,00
3. ./.. Zunahme anderer Aktiva, die nicht der Investitions- oder der Finanzierungstätigkeit zuzuordnen sind	-131,74
4. Cashflow aus der laufenden Geschäftstätigkeit	<u>-1.088,70</u>
<b>Cashflow aus der Finanzierungstätigkeit</b>	
1. Einzahlungen aus Eigenkapitalzuführungen	25.000,00
2. Cashflow aus der Finanzierungstätigkeit	<u>25.000,00</u>
<b>Berechnung des Finanzmittelfonds</b>	
1. Zahlungswirksame Veränderungen des Finanzmittelfonds	23.911,30
2. + Finanzmittelfonds am Anfang der Periode	-
3. = Finanzmittelfonds am Ende der Periode	<u><u>23.911,30</u></u>

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### Bestätigungsvermerk des unabhängigen Abschlussprüfers

An die Fundament RE Germany GmbH, Hamburg

#### Prüfungsurteil

Wir haben den Jahresabschluss der Fundament RE Germany GmbH, Hamburg, – bestehend aus der Bilanz zum 31. Dezember 2018, der Gewinn- und Verlustrechnung für das Rumpfgeschäftsjahr vom 13. März 2018 bis zum 31. Dezember 2018 sowie dem Anhang, einschließlich der Darstellung der Bilanzierungs- und Bewertungsmethoden – geprüft. Darüber hinaus erfolgte die Prüfung der Eigenkapitalveränderungsrechnung und der Kapitalflussrechnung für das Rumpfgeschäftsjahr vom 13. März 2018 bis zum 31. Dezember 2018.

Nach unserer Beurteilung aufgrund der bei der Prüfung gewonnenen Erkenntnisse entspricht der beigefügte Jahresabschluss in allen wesentlichen Belangen den deutschen, für Kapitalgesellschaften geltenden handelsrechtlichen Vorschriften und vermittelt unter Beachtung der deutschen Grundsätze ordnungsmäßiger Buchführung ein den tatsächlichen Verhältnissen entsprechendes Bild der Vermögens- und Finanzlage der Gesellschaft zum 31. Dezember 2018 sowie ihrer Ertragslage für das Rumpfgeschäftsjahr vom 13. März 2018 bis zum 31. Dezember 2018.

Gemäß § 322 Abs. 3 Satz 1 HGB erklären wir, dass unsere Prüfung zu keinen Einwendungen gegen die Ordnungsmäßigkeit des Jahresabschlusses geführt hat.

#### Grundlage für das Prüfungsurteil

Wir haben unsere Prüfung des Jahresabschlusses in Übereinstimmung mit § 317 HGB unter Beachtung der vom Institut der Wirtschaftsprüfer (IDW) festgestellten deutschen Grundsätze ordnungsmäßiger Abschlussprüfung durchgeführt. Unsere Verantwortung nach diesen Vorschriften und Grundsätzen ist im Abschnitt „Verantwortung des Abschlussprüfers für die Prüfung des Jahresabschlusses“ unseres Bestätigungsvermerks weitergehend beschrieben. Wir sind von dem Unternehmen unabhängig in Übereinstimmung mit den deutschen handelsrechtlichen und berufsrechtlichen Vorschriften und haben unsere sonstigen deutschen Berufspflichten in Übereinstimmung mit diesen Anforderungen erfüllt. Wir sind der Auffassung, dass die von uns erlangten Prüfungsnachweise ausreichend und geeignet sind, um als Grundlage für unser Prüfungsurteil zum Jahresabschluss zu dienen.

#### Verantwortung der gesetzlichen Vertreter für den Jahresabschluss

Die gesetzlichen Vertreter sind verantwortlich für die Aufstellung des Jahresabschlusses, der den deutschen, für Kapitalgesellschaften geltenden handelsrechtlichen Vorschriften in allen wesentlichen Belangen entspricht, und dafür, dass der Jahresabschluss unter Beachtung der deutschen Grundsätze ordnungsmäßiger Buchführung ein den tatsächlichen Verhältnissen entsprechendes Bild der Vermögens-, Finanz- und Ertragslage der Gesellschaft vermittelt. Ferner sind die gesetzlichen Vertreter verantwortlich für die internen Kontrollen, die sie in Übereinstimmung mit den deutschen Grundsätzen ordnungsmäßiger Buchführung als notwendig bestimmt haben, um die Aufstellung eines Jahresabschlusses zu ermöglichen, der frei von wesentlichen – beabsichtigten oder unbeabsichtigten – falschen Darstellungen ist.

Bei der Aufstellung des Jahresabschlusses sind die gesetzlichen Vertreter dafür verantwortlich, die Fähigkeit der Gesellschaft zur Fortführung der Unternehmenstätigkeit zu beurteilen. Des Weiteren haben sie die Verantwortung, Sachverhalte in

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Zusammenhang mit der Fortführung der Unternehmenstätigkeit, sofern einschlägig, anzugeben. Darüber hinaus sind sie dafür verantwortlich, auf der Grundlage des Rechnungslegungsgrundsatzes der Fortführung der Unternehmenstätigkeit zu bilanzieren, sofern dem nicht tatsächliche oder rechtliche Gegebenheiten entgegenstehen.

#### Verantwortung des Abschlussprüfers für die Prüfung des Jahresabschlusses

Unsere Zielsetzung ist, hinreichende Sicherheit darüber zu erlangen, ob der Jahresabschluss als Ganzes frei von wesentlichen – beabsichtigten oder unbeabsichtigten – falschen Darstellungen ist, sowie einen Bestätigungsvermerk zu erteilen, der unser Prüfungsurteil zum Jahresabschluss beinhaltet.

Hinreichende Sicherheit ist ein hohes Maß an Sicherheit, aber keine Garantie dafür, dass eine in Übereinstimmung mit § 317 HGB unter Beachtung der vom Institut der Wirtschaftsprüfer (IDW) festgestellten deutschen Grundsätze ordnungsmäßiger Abschlussprüfung durchgeführte Prüfung eine wesentliche falsche Darstellung stets aufdeckt. Falsche Darstellungen können aus Verstößen oder Unrichtigkeiten resultieren und werden als wesentlich angesehen, wenn vernünftigerweise erwartet werden könnte, dass sie einzeln oder insgesamt die auf der Grundlage dieses Jahresabschlusses getroffenen wirtschaftlichen Entscheidungen von Adressaten beeinflussen.

Während der Prüfung üben wir pflichtgemäßes Ermessen aus und bewahren eine kritische Grundhaltung.

Darüber hinaus

- identifizieren und beurteilen wir die Risiken wesentlicher – beabsichtigter oder unbeabsichtigter – falscher Darstellungen im Jahresabschluss, planen und führen Prüfungshandlungen als Reaktion auf diese Risiken durch sowie erlangen Prüfungsnachweise, die ausreichend und geeignet sind, um als Grundlage für unser Prüfungsurteil zu dienen. Das Risiko, dass wesentliche falsche Darstellungen nicht aufgedeckt werden, ist bei Verstößen höher als bei Unrichtigkeiten, da Verstöße betrügerisches Zusammenwirken, Fälschungen, beabsichtigte Unvollständigkeiten, irreführende Darstellungen bzw. das Außerkraftsetzen interner Kontrollen beinhalten können.
- gewinnen wir ein Verständnis von dem für die Prüfung des Jahresabschlusses relevanten internen Kontrollsystem, um Prüfungshandlungen zu planen, die unter den gegebenen Umständen angemessen sind, jedoch nicht mit dem Ziel, ein Prüfungsurteil zur Wirksamkeit dieses Systems der Gesellschaft abzugeben.
- beurteilen wir die Angemessenheit der von den gesetzlichen Vertretern angewandten Rechnungslegungsmethoden sowie die Vertretbarkeit der von den gesetzlichen Vertretern dargestellten geschätzten Werte und damit zusammenhängenden Angaben.
- ziehen wir Schlussfolgerungen über die Angemessenheit des von den gesetzlichen Vertretern angewandten Rechnungslegungsgrundsatzes der Fortführung der Unternehmenstätigkeit sowie, auf der Grundlage der erlangten Prüfungsnachweise, ob eine wesentliche Unsicherheit im Zusammenhang mit Ereignissen oder Gegebenheiten besteht, die bedeutsame Zweifel an der Fähigkeit der Gesellschaft zur Fortführung der Unternehmenstätigkeit aufwerfen können. Falls wir zu dem Schluss kommen, dass eine wesentliche Unsicherheit besteht, sind wir verpflichtet, im Bestätigungsvermerk auf die dazugehörigen Angaben im Jahresabschluss aufmerksam zu machen oder, falls diese Angaben unangemessen sind, unser Prüfungsurteil zu modifizieren. Wir ziehen unsere Schlussfolgerungen auf der Grundlage der bis zum Datum unseres Bestätigungsvermerks erlangten



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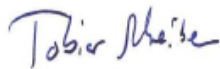
Prüfungsnachweise. Zukünftige Ereignisse oder Gegebenheiten können jedoch dazu führen, dass die Gesellschaft ihre Unternehmenstätigkeit nicht mehr fortführen kann.

- beurteilen wir die Gesamtdarstellung, den Aufbau und den Inhalt des Jahresabschlusses einschließlich der Angaben sowie ob der Jahresabschluss die zugrunde liegenden Geschäftsvorfälle und Ereignisse so darstellt, dass der Jahresabschluss unter Beachtung der deutschen Grundsätze ordnungsmäßiger Buchführung ein den tatsächlichen Verhältnissen entsprechendes Bild der Vermögens-, Finanz- und Ertragslage der Gesellschaft vermittelt.

Wir erörtern mit den für die Überwachung Verantwortlichen unter anderem den geplanten Umfang und die Zeitplanung der Prüfung sowie bedeutsame Prüfungsfeststellungen, einschließlich etwaiger Mängel im internen Kontrollsystem, die wir während unserer Prüfung feststellen.

Hamburg, den 23. Januar 2019

nbs partners  
GmbH Wirtschaftsprüfungsgesellschaft



Tobias Schreiber  
Wirtschaftsprüfer



Boris Michels  
Wirtschaftsprüfer

## 10. GLOSSARY

**Investment properties:** In accordance with its statutory business purpose, the Issuer plans to use the net proceeds from this Offer to build up a portfolio of investments in real estate and real estate project developments in Germany (the “investment properties”). The Issuer intends to acquire the investment properties either directly or indirectly through investments in real estate holding companies.

**Investor:** Investors are each holder of a token-based bond offered with this securities prospectus.

**Asymmetric cryptography:** This refers to a cryptographic method in which, in contrast to a symmetric cryptosystem, the communicating parties do not need to know a common secret key. Each user generates his own key pair, which consists of a secret part (private key) and a non secret part (public key). The public key allows anyone to encrypt data for the owner of the private key, verify their digital signatures, or authenticate them. The private key enables its owner to decrypt data encrypted with the public key, to generate digital signatures or to authenticate himself.

**Disbursement:** Disbursements by the Issuer include variable interest rates and repayment to investors. Disbursements are made in ether, regardless of whether the investor paid his purchase price in euros or ethers. This also applies if the Investor has acquired his token-based bonds in another way, in particular by buying on the secondary market, by donation or by inheritance. The issuers are entitled, at their own discretion, to enter into individual contractual agreements with individual investors.

**Banking day:** any day on which commercial banks in Hamburg are open (usually Monday to Friday).

**Blockchain:** A blockchain is a continuously expandable list of records that are concatenated using cryptographic techniques. Each block typically contains a cryptographically more secure hash of the previous block, a timestamp, and transaction data. The blockchain is based on Distributed Ledger Technology (DLT, see decentralised general ledger). A secure hash is a group of standardised cryptographic hash functions. These are used to calculate a check value for any digital data (messages) and are among other things the basis for creating a digital signature. The check value is used to ensure the integrity of a message. If two messages produce the same check value, the equality of the messages should be guaranteed in their normal discretion, without prejudice to specific attempted manipulation of the messages. For this reason, a cryptological hash function calls for the property of collision security: in practice it should be impossible to generate two different messages with the same test value.

**Boardinghouse:** The boardinghouse (or “serviced apartment”) is a tourist accommodation, which mostly targets long-term users in urban environments. The rooms are designed according to their equipment at private apartments. The service ranges from very limited offer to a hotel-like room service.

**Co-working:** Co-working is a development in the field of “new forms of work”. Freelancers, creative people, smaller start-up companies, etc. work at the same time in mostly larger, open spaces and can benefit from each other in this way. They can act independently of each other and be active in different companies and projects, or realise projects together and find help and new colleagues. Co-working offers temporary jobs and infrastructure (network, printers, scanners, fax, telephone, video projector, meeting rooms) and enables the formation of a community (“community”), which can be strengthened through joint events, workshops and other activities. However, the use remains always non-binding and flexible in time.

**Confirmed Transaction / Payment:** A payment in Ether or the transaction of Fundament Token shall be deemed to have been received by the Issuer or transferred if the relevant transaction has been received and confirmed in the Ethereum Blockchain. This is the case if the status of the transaction in the Metamask wallet is “confirmed” or [www.etherscan.io](https://www.etherscan.io) “success”. Upon authorisation of the transaction by the seller, the transaction is automatically acknowledged by the network in the Ethereum network. If a transaction does not reach this status as confirmed, it fails. The Wallet indicates such a failure of the transaction to the investor. The transaction, ie the transfer of ethers, has not been performed in this case. The investor then has the opportunity to repeat the transaction.

**Denial-of-Service attack:** A denial-of-service attack is the deliberate overloading of an Internet service that results in unavailability of this service.

**Decentralised General Ledger:** A distributed ledger is a data management system that stores tokens remotely in a network of different subscribers and can only be influenced by the majority of subscribers.

**Double-Spend attacks:** Consensus-based attacks

**ERC-20/1400 Token:** means Ethereum Request for Comment No. 20 or No. 1400. This sets a standard for tokens that can be made available and offered through the Ethereum Network. Tokens according to this standard are easily tradable. (<https://github.com/ethereum/EIPs/issues/20> or <https://github.com/ethereum/EIPs/issues/1400>)

**Purchase price:** The purchase price is made up of the nominal amount and the premium.

**Ether / ETH:** Ethereum; Token of the Ethereum Protocol.

**Ethereum Blockchain** means the Smart Contract Protocol, the Virtual Machine and the Decentralised Consensus Mechanism, including all related components and protocol-based projects, present and future, managed by the Ethereum Foundation based in Zug, Switzerland.

**The euro equivalent** of the paid-up Ether is the actual euro amount realised via the cryptocurrency exchange, ie usually “Kraken” ([www.kraken.com](http://www.kraken.com)), based on the respective Euro-Ether exchange rate, ie the euro amount paid to the Issuer after deduction of any exchange costs actually flows.

**Ether equivalent** is the actual amount of Ether realised on the cryptocurrency exchange, ie usually “Kraken” ([www.kraken.com](http://www.kraken.com)), based on the respective exchange rate Euro-Ether, ie the Ether amount actually accruing to the Issuer after deduction of any exchange costs.

**Fiat currency / fiat money:** Fiat currencies or fiat money are the currencies that are issued and controlled by states; these are usually the respective state-recognised means of payment. For example, the Euro is accepted as a means of payment throughout the Euro area. The big difference between fiat currencies and cryptocurrencies is that the latter is not controlled by a central entity and the monetary policy (how much money is created) is set in the blockchain’s code.

**Foundation Token:** The Fundament Token is an ERC-20/1400 standard token in the Ethereum network.

**ICO:** Initial Coin Offering; Offer of cryptocurrencies or tokens; often used interchangeably with TGE (see TGE). Method of crowdfunding based on cryptocurrencies. Under an ICO or TGE, a portion of a newly issued cryptocurrency or a token against fiat currency (see fiat currency) or cryptocurrency is regularly sold to investors.

**Consensus-based attacks:** A consensus-based attack (also known as a 51% attack) is the term used by a majority of network operators to manipulate the data managed by the smart contract

**Cryptocurrency:** Cryptocurrencies are digital means of payment based on cryptographic processes. Cryptocurrencies are mostly non-governmental issued and exchangeable “digitised” tokenised tokens or digital means of payment based on cryptographic technology / processes, also referred to as tokens. Cryptocurrencies are usually based on a peer-to-peer network (decentralised system) and a corresponding protocol. Some cryptocurrencies have their own blockchain, others use an existing blockchain to capture the transactions.

**Term:** The term of the token-based bonds ends on 31.12.2033. The Issuer may extend the term in one or more steps for up to ten years (the “Term Termination”). The term starts with the beginning of interest (from 01.01.2019 onwards) ends at the end of the term, without any need for termination.

**Malware:** Malware is what one calls computer programs that were developed to execute undesired and at times damaging functions. Malware is therefore a broader term that includes among others the computer virus.

**Majority attacks:** see Consensus-based attacks

**Metamask or Metamask Wallet:** Metamask (<https://metamask.io>) is a browser-based wallet.

**Minimum term:** The Issuer may terminate the token-based bonds at the earliest on 31.12.2025.

**Private key:** In the context of asymmetric cryptography, private key is the secret private key used to authorise transactions.

**Public Key:** The public key is a unique public address consisting of a finite sequence of characters.

**Race Condition Attacks:** in programming, this designates a constellation in which the result of an operation depends on the temporal behaviour of certain individual operations.

**Redemption amount:** The redemption amount jointly consists of the nominal amount (100%) of the token-based bond or the purchase price (less premium) as well as any unpaid annual variable interest acc. § 2 of the Token-based bonds.

**Token-based bond:** A token-based bond (also known as a bond) is a security in which the issuer commits to pay a certain interest-bearing amount and / or other benefits.

**Security Token:** A security token (here a token according to the ERC-20/1400 standard) serves as the embodiment of the rights and claims granted by the token-based bond. The ownership of tokens serves to legitimise the creditors.

**Selfish Mining:** In selfish mining, several network operators work together in collusion

**Smart Contract:** A smart contract is a computer protocol that handles transactions autonomously and automatically.

**Smurfing:** This refers to the division of large sums of money into small tranches in order to prevent a mandatory identification of the recipient or payer

**Spoofing or Phishing:** Spoofing refers to various methods of deception on computer networks to conceal their own identity

**Sybil attack:** This refers to attacks made by creating false identities, among other things to influence majority voting

**Actual exchange rate realised:** the actual exchange rate realised is the one obtained by the Issuer in the exchange of Euro-Ether through the previously announced Crypto Exchange. For example, if 100 Ethers have been exchanged into 10,000 EUR, the exchange rate from 1 ether to 100 euros has actually been realised.

**TGE:** Token Generation Event; often synonymously used to ICO (see ICO).

**Tokens:** Value rights or user rights, which are generally issued in connection with cryptocurrencies and on the basis of an ICO / TGE; token holder has certain rights defined in individual cases. Tokens are information consisting of a sequence of related characters or bits. The tokens are kept in a decentralised ledger. Tokens are divided into currency tokens, utility tokens or security tokens, depending on their function.

**Token transaction** In a token transaction, an amount of tokens previously specified by the sender is transferred to the wallet of a recipient. To do this, he enters the acquirer's wallet and the number of tokens to be transferred into the input screen of his wallet. Upon authorisation of the transaction by the seller, the transaction is automatically acknowledged by the network in the Ethereum network. If a transaction does not reach this status as confirmed, it fails. The Wallet indicates such a failure of the transaction to the investor. The transaction, ie the transfer of ethers, has not been performed in this case. The investor then has the opportunity to repeat the transaction.

**Utility Token:** Token associated with specific usage rights.

**Variable interest:** The token-based bonds are subject to a variable annual interest on the basis of their nominal amount paid in each case and not repaid (the "variable interest"). The interest periods for the variable interest are the respective fiscal year of the issuer (calendar year). The first interest period starts on 01.01.2019. The basis of assessment for the variable interest is in each case:

- the net income of the issuer from its company in accordance with the commercial balance sheet
- before deduction of the annual variable interest itself and
- before deduction of taxes as well

- less 1/25 (one twenty-fifth) of the total issue cost of 8% of total issue proceeds excluding premium and
- before deduction of the emission-related costs in accordance with the audited and audited annual financial statements of the Issuer for the fiscal year preceding the interest payment date for the variable interest.

The annual variable interest is 100.00% of the assessment basis. It is calculated annually in arrears. The variable interest is calculated by the Issuer (Calculation Agent). The variable interest for a fiscal year is payable retrospectively as at 31 July of the following year, for the first time on 31.07.2020. If July 31 is not a bank business day, the maturity date is the next following bank business day. If the annual financial statements of the Issuer for the preceding fiscal year have not been finally adopted by 31 July of each year, the variable interest shall be payable seven working days after the adoption of the annual financial statements. The variable interest ends with the maturity of the token-based bonds. Interest amounts for one interest period (fiscal year) are not interest-bearing between the end of the interest period and the day of the actual payment of interest amounts (no compound interest). The disbursement of the interest payments is determined by the management of the Issuer at its discretion, taking due care of a prudent businessman without further prerequisites. Annual payments of the variable interest are planned and planned by the Issuer. If no payment of the variable interest is made, the amount is reinvested or reinvested. These unpaid variable interest payments are to be paid out to the investors at the latest at the end of the term together with the repayment amount. Further details are contained in the Terms and Conditions of the token-based bonds on pages 57 ff. (see in particular § 2 of the conditions of the token-based bonds on page 58 f.).

**Wallet:** Often referred to as a purse. The umbrella term for the investor's ability to save and manage his tokens. To participate in the issuance, a wallet compatible with the ERC-20 Token Standard is required.

**Paying Agent:** The Issuer is the Paying Agent.