

# CROWDLITOKEN

THE DIGITAL REAL ESTATE ASSET



# PROSPECTUS

for the issue / public offer of  
up to 1'000'000'000 Crowdlitokens

ISIN LI0432942626

Dated 26 October 2020

**CROWDLITOKEN AG**

(incorporated as a joint stock company (Aktiengesellschaft)  
under the laws of the Principality of Liechtenstein)

[www.crowdlitoken.com](http://www.crowdlitoken.com)

This Securities Prospectus was approved by the Liechtenstein Financial Market Authority on 26 October 2020 and is valid until 25 October 2021. In case of significant new factors, material mistakes or material inaccuracies the Issuer is obliged to establish a supplement to the Prospectus. The Issuers obligation to supplement a prospectus does not apply when a prospectus is no longer valid.

This document constitutes a prospectus (the "Prospectus") in accordance with Regulation (EU) 2017/1129 of the European Parliament and of the Council of 14 June 2017 on the prospectus to be published when securities are offered to the public or admitted to trading on a regulated market, and repealing Directive 2003/71/EC (the "Prospectus Regulation") in connection with Commission Delegated Regulation (EU) 2019/980 of 14 March 2019. It comprises a summary, information regarding the Issuer and Information regarding the securities which have been issued and are offered to the public in Liechtenstein, Germany, Austria, France, Luxembourg, Belgium, the Netherlands, the United Kingdom and Ireland (together the "Public Offer Jurisdictions" and each, a "Public Offer Jurisdiction").

THE SECURITIES HAVE NOT BEEN APPROVED OR DISAPPROVED BY THE UNITED STATES SECURITIES AND EXCHANGE COMMISSION, ANY STATE SECURITIES COMMISSION IN THE UNITED STATES OR ANY OTHER U.S. REGULATORY AUTHORITY, NOR HAVE ANY OF THE FOREGOING AUTHORITIES PASSED UPON OR ENDORSED THE MERITS OF THE OFFERING OF THE SECURITIES OR THE ACCURACY OR THE ADEQUACY OF THE PROSPECTUS. ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENCE IN THE UNITED STATES.

THE SECURITIES HAVE NOT BEEN AND WILL NOT BE REGISTERED UNDER THE UNITED STATES SECURITIES ACT OF 1933, AS AMENDED (THE "SECURITIES ACT"), OR WITH ANY SECURITIES REGULATORY AUTHORITY OF ANY STATE OR OTHER JURISDICTION OF THE UNITED STATES AND ARE BEING SOLD PURSUANT TO AN EXEMPTION FROM THE REGISTRATION REQUIREMENTS OF THE SECURITIES ACT. THE SECURITIES MAY INCLUDE SECURITIES IN BEARER FORM THAT ARE SUBJECT TO U.S. TAX LAW REQUIREMENTS. TRADING IN THE SECURITIES HAS NOT BEEN APPROVED BY THE U.S. COMMODITY FUTURES TRADING COMMISSION UNDER THE U.S. COMMODITY EXCHANGE ACT OF 1936, AS AMENDED (THE "COMMODITY EXCHANGE ACT") OR BY THE UNITED STATES SECURITIES AND EXCHANGE COMMISSION. SUBJECT TO CERTAIN EXCEPTIONS, THE SECURITIES MAY NOT BE OFFERED, SOLD OR, IN THE CASE OF BEARER SECURITIES, DELIVERED WITHIN THE UNITED STATES OR TO, OR FOR THE ACCOUNT OR BENEFIT OF, U.S. PERSONS (AS DEFINED IN REGULATION S UNDER THE SECURITIES ACT ("REGULATION S")).

AN INVESTMENT IN THE SECURITIES DOES NOT CONSTITUTE A PARTICIPATION IN A COLLECTIVE INVESTMENT SCHEME. THEREFORE, THE ISSUER OR THE SECURITIES ARE NOT SUPERVISED OR APPROVED BY THE ANY FINANCIAL MARKET SUPERVISORY AUTHORITY AND INVESTORS MAY NOT BENEFIT FROM THE SPECIFIC INVESTOR PROTECTION PROVIDED UNDER EEA OR SWISSINVESTMENT FUND REGULATION.

This Prospectus has been prepared on the basis that any offer of the Tokens in any Member State of the EEA in which the Prospectus Regulation is applicable (each, a Member State), other than offers which are contemplated in this Prospectus in the Public Offer Jurisdictions once the Prospectus has been approved by the FMA and published and notified to the relevant competent authority in accordance with the Prospectus Regulation as implemented in that Member State, will be made pursuant to an exemption under the Prospectus Regulation, as implemented in that Member State, from the requirement to publish a prospectus for offers of Tokens. Accordingly any person making or intending to make an offer in that Member State of Tokens which are the subject of the offering contemplated in this Prospectus, other than the public offerings permitted under Applicable Law, may only do so in circumstances in which no obligation arises for the Issuer to publish a prospectus pursuant to the Prospectus Regulation or supplement a prospectus pursuant to Article 23 of the Prospectus Regulation, in each case, in relation to such offer. The Issuer neither has authorized, nor does it authorize, the making of any offer (other than public offerings permitted under Applicable Law) of Tokens in circumstances in which an obligation arises for the Issuer to publish or supplement a prospectus for such offer.

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# A. OVERVIEW

## WARNING

The Tokens issued and offered to the public under this Prospectus are a novel and complex financial instrument. The Issuer has been established on 16 August 2018 and has only recently taken up its business activities. The blockchain technology used for the issuance of the Tokens is still in a state of development and the markets for trading with Tokens, if available at all, are very immature. The Tokens are issued under the Laws of the Principality of Liechtenstein and subject to the jurisdiction of the courts of Liechtenstein. Investors have no guarantee that they will receive interest payments and full repayment (minimum repayment amount is less than the nominal value of the Token) upon maturity. Under adverse circumstances they will receive less than the subscription price or suffer a complete loss of the invested capital.

An investment in Tokens is suitable only for experienced and financially sophisticated investors who are in a position to evaluate the risks, including the risks related to the security token offering under this Prospectus (the "STO") and the underlying technology, and who have sufficient resources to be able to bear any losses, including a complete loss, which may result from such investment. Before subscribing to or otherwise acquiring any Tokens, prospective investors should specifically ensure that they understand the structure of, and the risk inherent to, the Tokens and should specifically consider the risk factors set out under the section "Risk Factors" below.

This prospectus is written in English, and it requires a high proficiency of English for being capable of understanding the information contained therein.

## 1 INTRODUCTION

CROWDLITOKEN AG (the "Issuer") is a joint stock company (*Aktiengesellschaft*) incorporated under the laws of the Principality of Liechtenstein ("Liechtenstein"), registered with the Liechtenstein Registry of Commerce (*Handelsregister*) under number FL-0002.590.108-1 and having its registered offices at Austrasse 15, 9495 Triesen (Liechtenstein). The Issuer has been established in August 2018 by experienced professionals in real-estate and finance. The purpose of this Security Token Offering (the "STO") is to raise funds from the public, which will essentially serve as the equity portion for the acquisition of a portfolio of commercial and residential real estate objects in European countries (the "Investment Properties", and each an "Investment Property").

The Issuer will issue a maximum number of 1'000'000'000 digital tokens (referred to as "CROWDLITOKEN", "CRT", or "Tokens"), whereby each Token represents a derivative security with features of a structured bond with maturity date 14 December 2044 (referred to as the "Up to 1'000'000'000 CROWDLITOKEN Structured Bond due 2044" or the "Bond"). The Tokens are subject to, and are governed by, the terms and conditions (the "Terms and Conditions") set out in this Prospectus.

Application has been made to the Liechtenstein Financial Market Authority (the FMA) in its capacity as competent authority of the country of origin in line with the Prospectus Regulation to approve this document as a prospectus for the purposes of offering the Tokens to the public in any Member State of the European Economic Area where the publication of a prospectus in accordance with Article 3 of the Prospectus Regulation is required. The Prospectus has been approved on 26 October 2020.

The Issuer has also requested or will request the FMA in accordance with article 25 of the Prospectus Regulation to provide the competent authority in Germany, Austria, France, Luxembourg, Belgium, the Netherlands, the United Kingdom and Ireland (together with the Principality of Liechtenstein, the "Public Offer Jurisdictions" and each, a "Public Offer Jurisdiction") with a certificate of approval attesting that the Prospectus has been drawn up in accordance with the Prospectus Regulation. The Issuer reserves the right to make additional applications to FMA for notification to the competent authorities in additional EEA member states. The publication of the Prospectus will be made at least one Business Day (as defined in the Terms and



Conditions) prior to the commencement of an offer to the public of the Tokens in the relevant Public Offer Jurisdiction.

The FMA assumes no responsibility as to the economic and financial soundness of the Tokens or the quality or solvency of the Issuer.

## 2 KEY TERMS

**Structure and Volume of the Offering.** The Offering of Crowdlitoken on the basis of this Prospectus will start on the date indicated on the front page of this prospectus (the “Prospectus Date”) and in the Terms and Conditions and will be open for subscriptions until the Closing Date as designated in the Terms and Conditions.

The maximum number of Tokens to be issued by the Issuer to the public is 1'000'000'000 Tokens. The Issuer has, on the basis of a prior public offer in the period 12 April 2019 to 11 April 2020, in private sales and in compensating management and staff already issued 17.7 Mio Crowdlitoken. The Issuer further reserves the right to issue a maximum number of 800'000 Tokens plus a number of Token corresponding to a 3 % top up of the total number of Tokens issued for purposes of compensating the management and the staff of the Issuer as well as third-party service providers.

The Issuer reserves the right to cancel the issue of Tokens at any time and without stating reasons before Closing Date (as defined in the Terms and Conditions, Condition 2(c)). The Issuer furthermore reserves the right to reopen the issue and to issue additional Tokens at any time after the Closing Date (referred to as “**Post STO Offerings**”) under the conditions set forth in the Terms and Conditions, Condition 2(d). Each Post STO Offering will be governed by a supplement to this Prospectus or a new prospectus, if so required by Applicable Law, but it shall be subject to substantially the same terms and conditions (with the exception of the Subscription Price which shall be determined by the Issuer but shall not be below CHF 1.- per Token) as Tokens issued in the course of this STO.

**Currency.** The Bond is denominated in Swiss Francs (CHF), the lawful currency of the Principality of Liechtenstein (and Switzerland). The Issuer also accepts payments of the Subscription Price in Euro (“EUR”) or in Ether (“ETH”). Interest payments and repayment of Repayment Amounts will be made in the Currency in which the subscription price was settled, but Tokenholders may elect to receive payments in a different Currency by notifying the Issuer. All payments received in ETH will be converted into CHF in accordance with, and subject to, the conditions set forth in Section 4 of the Subscription Agreement. All fees and commissions charged by any intermediary involved in converting payments received in ETH into CHF will have to be borne by the Subscriber.

**Subscriptions.** Subscriptions for Tokens may be submitted by any natural or legal person (the “Subscriber”) who (i) is eligible to make such investments under Applicable Law and the Terms and Conditions, (ii) has completed the registration process with the Issuer via the Issuer’s website ([www.crowdlitoken.com](http://www.crowdlitoken.com)), and (iii) has passed the Issuer’s AML checks in accordance with the Terms and Conditions, Condition 5. After completion of the subscription process the Subscriber shall pay the subscription price in accordance with the Subscription Agreement to the Issuer. The Issuer will issue Tokens to Subscribers within 14 days after receipt of payment and credit the Tokens to the wallet designated by the Subscriber. The number of Tokens to be allocated is determined by the payments received from such Subscriber and converted into CHF, if not received in CHF, at prevailing market rates at the time payment is received, net of any exchange commissions, divided by the applicable Subscription Price. Uneven amounts will be rounded up in favor of the Subscriber to the next full Token.

**Registration.** In order to enforce AML laws and regulations, the Issuer will recognize and acknowledge as Tokenholders only persons who have been identified in accordance with Know-your-Customer (KYC) policies enacted by the Issuer and found to be in full compliance with Anti-Money Laundering (AML) rules and regulations under Applicable Law. Tokenholders who have been successfully vetted will be listed in a registry

of Tokenholders on the CROWDLITOKEN platform and will qualify as registered Tokenholders. Non-registered Tokenholders, including those who acquire Tokens in the secondary market but fail to complete the KYC/AML process, will be barred from exercising any right in relation to such Tokens, including, but not limited to, the right to receive any form of interest payments, the right to receive any form of principal repayment, the right to allocate CRT to Investment Properties within the CRT eco system, and the right to participate in the voting system (see Section H. for more information). Non-registered Tokenholders will only have naked ownerships rights in the Tokens.

The Issuer has implemented and applies technical means to ensure that Tokens can only be subscribed to and / or acquired in the secondary market by registered Tokenholders who successfully completed KYC procedures.

**Listing.** The Issuer will undertake best efforts to make Tokens tradeable on one or more exchanges or regulated market(s) if and when such market places are licensed and operative for trading security tokens. However, the Issuer cannot guarantee that the Tokens will in fact be admitted to trading at any such exchanges or regulated market, and nothing in this Prospectus shall be construed to imply a warranty that a listing will in fact take place. Tokenholders understand and acknowledge that unless and until Tokens are admitted for trading at an exchange or a platform trading with securities tokens will be possible only on a bilateral basis and that the Issuer will not provide any facilities or arrangements to make Tokens tradable on a bilateral or OTC basis. Tokenholders understand and acknowledge that a failure to have Tokens listed at an exchange or a platform will severely limit the liquidity of the Tokens and may adversely affect their economic value.

**Status of the Tokens.** The Tokens constitute direct, unconditional, unsecured and subordinated obligations of the Issuer and rank *pari passu* among themselves. The rights and claims of Tokenholders are subordinated as described in the Terms and Conditions, Condition 10(b), which means that they are junior to all unsubordinated outstanding liabilities of the Issuer in respect of the Issuer. They are subject to a Contingent Write-down (*bedingte Aufhebung von Forderungen durch Übereinkunft*), as further defined below) if, during the Term of the Bond (as defined below) the conditions set-out in the Terms and Conditions, Condition 12, are met. The rights of Tokenholders to claim and receive repayment from the Issuer on Maturity Date is limited to the net proceeds resulting from the liquidation of the portfolio of Investment Properties, unless this amount is lower than the Minimum Repayment Amount which has been set at CHF 0.70 per Token.

**Interest Payments.** Tokenholders are entitled to receive fixed-rate annual interests ("Fixed Interests").

Fixed-rate Interests are payable in monthly arrears. In order to take into account the time required to fully invest STO proceeds in Investment Properties the interest rate is staggered as follows:

- 0.875% p.a. until 24.04.2022;
- 1.4875% p.a. from 25.04.2022 until 24.04.2023;
- 2.1% p.a. from 25.04.2023 on until and including Maturity Date.

These interest rates are calculated on the basis of the Nominal Value of the Tokens (i.e. CHF 1.00).

Calculated on the basis of the Minimum Repayment Amount (as defined in the Terms and Conditions), which is CHF 0.70 for each Token, the interest rate corresponds to 1.25% p.a. at the first stage, 2.125% p.a. at the second stage and 3% p.a. at the third stage.

At any time prior to Cut-off Date (i.e. one year prior to Maturity Date), the Issuer has the right to temporarily reduce or suspend payment of Fixed Interests if the sum of Net Profits from all Investment Properties (calculated on the basis of the most recent yearly audited accounts for each Investment Property) is less than the sum of Fixed Interests paid in that period. In any such event, Fixed Interest shall temporarily and proportionally be reduced to match Net Profits from all Investment Properties of the previous twelve months.

Payment of Fixed Interests shall be resumed in full as soon as the sum of Net Profits from all Investment Properties is equal or higher than the sum of Fixed Interests to be paid. The Issuer will however not make supplementary payments for periods during which payment of Fixed Interests had been reduced or suspended.

CROWDLITOKEN ecosystem. The Issuer offers to Tokenholders the possibility to access the CROWDLITOKEN ecosystem, an internet-based platform which enables Tokenholders to exercise certain optionalities and creditor rights. The CROWDLITOKEN ecosystem is accessible only to Tokenholders that are registered on the CROWDLITOKEN platform, have successfully completed KYC/AML procedures installed by the Issuer and have, in that context, been allocated log-in details for the CROWDLITOKEN ecosystem.

The CROWDLITOKEN ecosystem offers the following features:

- Allocation of Tokens: The Issuer offers to Tokenholders the possibility to allocate their Tokens to one or several Investment Properties. Tokenholders who wish to allocate Tokens are required to choose from available options in the dashboard of the CROWDLITOKEN ecosystem and, by doing so, are deemed to enter into an Allocation Agreement with the Issuer. On the basis of such Allocation Agreement, Tokenholders are entitled to receive a fraction of Net Profits resulting from the operation of such properties (Performance-related Interests) in addition to Fixed Interests.
- Pay-Out Modalities: Tokenholders admitted to the ecosystem and allocating their Tokens do further have the choice, when entering into the Allocation Agreement, between interests being paid in cash (CRT-Cash) or in additional Tokens (CRT-Reinvest).
- Investment Property Information: The CROWDLITOKEN ecosystem will allow Tokenholders to review information regarding Investment Properties.
- Voting Rights: Tokenholders admitted to the ecosystem will have a say in relation to certain decisions affecting Investment Properties, in particular whether a property shall be divested.

Performance-related Interests. Performance-related Interests, payable to Tokenholders that have allocated their Tokens to certain Investment Properties and are thus deemed to have entered into an Allocation Agreement with the Issuer through the CROWDLITOKEN ecosystem, are calculated on the basis of the Net Profits resulting from the operation of the Investment Property or Properties to which Tokens have been allocated.

Net Profits include any profits realized when an Investment Property is sold prior to Cut-off Date ("Realized Profit"). Realized Profit is defined as the difference between the proceeds received upon the sale of an Investment Property prior to Cut-off Date (net of (i) incurred costs of the Issuer relating to the execution of such transaction; (ii) deferred and paid taxes in connection with the disposal of the Investment Property and the execution of such transaction) and the net acquisition price (plus any subsequent capitalized expenses) of such Investment Property according to the last audited statutory financial statement or (unaudited) interim financial statement.

Term and Repayment. The Bond shall be repaid on 14 December 2044 (the "Initial Maturity Date"). Repayment of the Tokens may be deferred by two times five (5) years (i.e. ten (10) years cumulatively) if the conditions set out in the Terms and Conditions, Condition 9.1, are met. The purpose of the option to extend the Initial Term is to avoid a forced sale of Investment Properties during periods where adverse real estate market conditions prevail. The Issuer has also the right to repay the Tokens prior to the initial or any subsequent Maturity Date (as defined in the Terms and Conditions) if the conditions set out in the Terms and Conditions, Condition 9.2, are met ("Early Repayment").

Twelve (12) months prior to the Maturity Date (referred to as the "Cut-off Date") net proceeds from the sale of Investment Properties will no longer be distributed as a portion of Performance-related Interests, but rather be allocated to a repayment account. At Maturity Date, Tokenholders will receive for each Token the highest of any of the following amounts: (i) the Minimum Repayment Amount which is CHF 0.70/Token; or (ii) the sum of the Net Liquidation Value (for properties liquidated since Cut-off Date) and Net Market Value (for properties not liquidated at Maturity Date), divided by the total number of Tokens, if the resulting Repayment Amount per

Token is less than CHF 1.00 but higher than the Minimum Repayment Amount; or (iii) CHF 1.00 per Token plus 85% of the sum of the Net Liquidation Value (for properties liquidated since Cut-off Date) and Net Market Value (for properties not liquidated at Maturity Date) exceeding CHF 1.00 per Token, divided by the total number of Tokens issued, if the resulting Repayment Amount per Token is higher than CHF 1.00. In other words, the rights of Tokenholders to claim and receive payment from the Issuer on Maturity Date is limited to the net proceeds resulting from the liquidation of the portfolio of Investment Properties (either by sale in the open market or by valuation at Net Market Value defined by an independent valuer), unless this amount is lower than the Minimum Repayment Amount in which case Tokenholders will receive CHF 0.70 per Token. The Issuer's obligation to repay Tokenholders at Maturity Date will be fully and unconditionally discharged with the payment of the Minimum Repayment Amount (provided the net liquidation value of the Investment Properties is less than 0.70 per Token).

**Contingent Write-Down.** The right of Tokenholders against the Issuer to receive interest payments or payment of the Minimum Repayment Amount on any Maturity Date is subject to a contingent write-down (the "Contingent Write-Down") if the conditions set forth in the Terms and Conditions, Condition 12, are met. This means that Tokenholders agree in advance to forfeit any rights to claim and receive interest payments or repayment of the Tokens if (i) the Issuer has lost 50% of its equity capital or (ii) the auditor makes a qualification in an audit report which would trigger a valuation of the Issuer's assets at liquidation values if not remedied without delay or (iii) if, based on a report of the Issuer's auditor, the sum of Net Profits earned from all Investment Properties is, on the basis of the most recent audited yearly accounts for each Investment Property, less than the sum of Fixed Interest paid in that period.

### 3 USE OF PROSPECTUS AND LIABILITY

The Prospectus comprises a prospectus for the purposes of the Prospectus Regulation and for the purpose of giving information with regard to the Issuer, which, according to the particular nature of the Issuer and the Tokens, is necessary to enable an investor to make an informed assessment concerning the Issuer and the Tokens.

The Issuer accepts responsibility for the information contained in this Prospectus and, to the best of its knowledge (having taken all reasonable care to ensure that such is the case) the information contained in the Prospectus is in accordance with the facts and does not omit anything likely to affect the meaning or significance of such information.

The information contained in the sections "Risk Factors" has been provided by CROWDLITOKEN AG or has been reproduced from publicly available information. The Issuer confirms that such information has been accurately reproduced and that, so far as it is aware, and is able to ascertain from such information, no facts have been omitted which would render the reproduced information materially inaccurate or misleading.

No person is or has been authorized by the Issuer to give any information or to make any representation not contained in or not consistent with this Prospectus or any other information supplied in connection with the offering of the Tokens and, if given or made, such information or representation must not be relied upon as having been authorized by the Issuer.

Neither this Prospectus or its delivery nor any other information supplied in connection with the offering, sale or delivery of the Tokens (i) is intended to provide the basis of any credit or other evaluation or (ii) should be considered as a recommendation by the Issuer that any recipient of this Prospectus or any other information supplied in connection with the offering, sale or delivery of the Tokens should purchase any Tokens. Each investor contemplating acquiring any Tokens should make its own independent investigation of the financial condition and affairs, and its own appraisal of the creditworthiness of the Issuer and should conduct its own examination of the terms and conditions of the Tokens and the investments to be made by the Issuer with the proceeds of this Offering. Save for the approval of the Prospectus by the FMA and save as described herein, neither this Prospectus nor any other information supplied in connection with the offering of the Tokens

constitutes an offer or invitation by or on behalf of the Issuer to any person to subscribe to, or otherwise acquire, any Tokens.

Neither the delivery of the Prospectus nor the offering, sale or delivery of the Tokens shall in any circumstances imply that the information contained herein concerning the Issuer is correct at any time subsequent to the date hereof or that any other information supplied in connection with the offering of the Tokens is correct as of any time subsequent to the date indicated in the document containing the same. Important new circumstances as well as relevant incorrect or inaccurate information coming to the Issuer's attention between the approval of the Prospectus and before the Closing Date, or, if later, before the listing of the Tokens at a regulated market licensed for trading with and accepting Security Tokens, will be disclosed and published in a supplement to this Prospectus if such circumstances, mistakes or inaccuracies may have an impact on the value of the Tokens. Supplements to this Prospectus will be approved by the FMA.

In the context of public offerings permitted under Applicable Law ("Permitted Offer"), the Issuer expressly consents to the use of the Prospectus in the Public Offer Jurisdictions by intermediaries authorized by the Issuer after the date of this Prospectus and whose names are published on the Issuer's website ([www.crowdlitoken.com](http://www.crowdlitoken.com)) (each such financial intermediary, an "Authorized Offeror") and accepts responsibility, in the Public Offer Jurisdictions, for the content of this Prospectus in relation to any person who purchases any Tokens in a Permitted Offer to the Public made by any Authorized Offeror, where that offer is made during the Offer Period (as defined below) and provided that the conditions attached to the giving of consent for the use of this Prospectus are complied with.

Except in the circumstances set out in the following paragraphs, the Issuer has not authorized the making of any offer to the public of Tokens by any offeror and the Issuer has not consented to the use of this Prospectus by any other person in connection with any public offerings permitted under Applicable Law. Any offer to the public of Tokens made without the consent of the Issuer is unauthorized and neither the Issuer nor, for the avoidance of doubt, any other Authorized Offeror accepts any responsibility or liability in relation to such offer or for the actions of the persons making any such unauthorized offer.

The Issuer's consent to the use of this Prospectus by the Intermediary and any Authorized Offeror in the context of Permitted Offers to the Public is only valid during the Offer Period (as defined in the Terms and Conditions).

Any Authorized Offeror is required, for the duration of the Offer Period, to publish on their respective websites an acceptance statement by which they accept the Issuer's offer to grant consent to the use of this Prospectus.

In the event of an offer being made by any Authorized Offeror, such Authorized Offeror will provide information to investors on the terms and conditions of the offer at the time the offer is made.

Supplements (if any) to this Prospectus will be approved by the FMA and published on the website of the Issuer ([www.crowdlitoken.com](http://www.crowdlitoken.com)) in accordance with article 23 of the Prospectus Regulation.

Any websites included in the Prospectus are for information purposes only and do not form part of the Prospectus.



## B. SUMMARY OF THE PROSPECTUS

### A. INTRODUCTION AND WARNINGS

The Issuer CROWDLITOKEN AG, Austrasse 15, 9495 Triesen, Liechtenstein, (LEI 875500R37XXPOON0SJ07), [welcome@crowdlitoken.com](mailto:welcome@crowdlitoken.com), issues digital tokens (referred to as "CROWDLITOKENS", "CRT" or "Tokens") on the basis of this securities prospectus (the "**Prospectus**").

This Prospectus was approved by the Finanzmarktaufsicht Liechtenstein ("**FMA**"), Landstrasse 109, Postfach 279, 9490 Vaduz (info@fma-li.li) on 26 October 2020.

#### ISIN LI0432942626

This summary contains a description of the main features and risks relating to the Issuer and the Token offered on the basis of this Prospectus. The summary is an introduction to the Prospectus and should always be read together with the full Prospectus. A thorough examination of the entire Prospectus is therefore recommended prior to any decision to purchase or subscribe. Investors have to consider that they are about to purchase a financial product, that is not simple and may be difficult to understand. Also, Investors should be aware that they may lose all or part of the invested capital. The Issuer points out that in the event that claims are brought before a court based on the information contained in this Prospectus, the plaintiff investor may, under national law of the Member States, have to bear the costs of translating the Prospectus prior to the commencement of proceedings.

In addition, the Issuer points out that the Issuer CROWDLITOKEN AG, who is responsible for the summary including any translation thereof may be held liable in the event that the summary is misleading, inaccurate or inconsistent when read together with other parts of the Prospectus or where it does not provide, when read together with other parts of the Prospectus, key information in order to aid investors when considering whether to invest in the securities.

### B. KEY INFORMATION ON THE ISSUER

#### I. Who is the Issuer of the Securities ?

The Issuer CROWDLITOKEN AG is a joint stock company (Aktiengesellschaft) in the meaning of the Art 261 et seq of the Liechtenstein Companies Act (Personen- und Gesellschaftsrecht) and was incorporated in Liechtenstein and subject to the laws of Liechtenstein. The registered office of the company is Austrasse 15, 9495 Triesen, Liechtenstein. The company has been registered in the Public Company Register of Liechtenstein on 17.08.2018 with register number FL-0002.590.108-1. The LEI of the Issuer is 875500R37XXPOON0SJ07. The principal activities of the Issuer are the acquisition, directly or through subsidiaries, of a portfolio of commercial and residential real estate in Europe and the management and operations of these properties.

The sole shareholder of the Issuer is CROWDLI AG, Zürcherstrasse 310, 8500 Frauenfeld, Switzerland. The members of the Board of Directors of the Issuer are Ernst Sutter, Martin Züger, Dr. Hans Kuhn, Toni Caradonna, Remo Weibel, Roger Bigger, Michael Escher and Dr. Hans Eggenberger. The managing directors are Domenic Kurt, Lidia Kurt and Isabella Brom.

The company's auditor is Grant Thornton AG, Bahnhofstrasse 15, 9494 Schaan.

#### II. What is the key financial information regarding the Issuer ?

Balance sheet as per 31 December 2019

ASSETS	CHF	EQUITY & LIABILITIES	CHF
Intangible Assets	6'932	Share Capital	100'000
Current Assets	1'184'406	Annual Profit / Loss	-2'187'975
Accruals and Deferrals	63'768	Provisions	33'800
		Liabilities	3'309'281
Total Assets	1'255'106	Total Liabilities	1'255'106



The balance sheet as of 31.12.2019 has been reviewed by the statutory auditor of the Issuer in accordance with the Liechtenstein Companies Act (Personen- und Gesellschaftsrecht, PGR). The auditor's report points out that CROWDLITOKEN AG is overindebted in the meaning of Art 182e sub-para 2 PGR, i.e. that half of the minimum capital of the entity is not covered. As creditors with claims amounting to CHF 2'128'386 have declared to accept that their claims are treated subordinated, no further measures are required for the time being.

### **III. What are the key risks that are specific to the Issuer ?**

#### **FINANCIAL SITUATION OF THE ISSUER**

##### **Capital, assets and income of the Issuer**

The business purpose of the Issuer is to raise funds for the acquisition of commercial and residential real estate in Europe. The Issuer's statutory capital (equity) is limited to CHF 100'000, which is only twice the minimum capital required under Liechtenstein law. The Issuer has already issued CROWDLITOKEN and has obtained subscription assets in an amount of appr. CHF 12 Mio and is now building up the real estate portfolio with first properties to be purchased in Switzerland and Germany. As per the date of this Prospectus, the Issuer has invested in one real estate property. The sole source of income of the Issuer are proceeds from real estate.

The auditor's report relating to the balance sheet of the Issuer for the year 2019 points out that CROWDLITOKEN AG is overindebted in the meaning of Art 182e sub-para 2 PGR, i.e. that half of the minimum capital of the entity is not covered. As creditors with claims amounting to CHF 2'128'386 have declared to accept that their claims are treated subordinated, no further measures are required for the time being.

##### **The Issuer may assume additional debt**

The Terms and Conditions of the Tokens do not limit the amount of additional indebtedness that the Issuer can create, incur, assume or guarantee.

The Issuer will use financing provided by third parties, including banks, to finance the acquisition of Investment Properties. If at the term of a financing arrangement with a third-party financier it is not possible to agree on a roll-over in a timely manner or at reasonable conditions, the Issuer may be forced to sell the Investment Property. Depending on the terms of such third-party financing, third party financiers may also have the right of early termination of such arrangements.

##### **Risk of illiquidity and insolvency of the Issuer**

The Issuer will invest the proceeds of this Offering in real estate. Negative developments such as the destruction of Investment Properties, an economic downturn with high vacancies or sharply increased interest rates could negatively affect the Issuer's liquidity. The Issuer will allocate a reasonable amount of the proceeds of the STO to maintain at all times an acceptable level of liquidity. However, it cannot completely exclude the risk of an illiquidity and a subsequent insolvency. Such scenarios may require the immediate disposal of properties or the liquidation or sale of the Issuer.

A severe crisis in real estate markets and/or sharply increased interest rates may lead to a substantial impairment of the value of Investment Properties. In order to absorb these risks the Issuer will allocate a reasonable amount of the proceeds of the STO to reserves. However, it cannot completely exclude the risk of losing all of its equity. In such a scenario, the Issuer has the right to apply a (contingent) write-down of the minimum repayment requirement, conditions for which may become permanent and thus lead to a partial or complete loss of the investment of a Tokenholder.

#### **RISK FACTORS RELATING TO THE BUSINESS OF THE ISSUER**

##### **Real estate risks**

The Issuer will make investments in commercial and residential real estate in Europe. Investments in real estate involve a number of specific risks, including the risk of unforeseen maintenance, uncovered damage, natural disaster, unexpected vacancy, impossibility of income collection, change to demographic structures, impairment of the location-rating due to new competitive buildings, and changed accessibility. Such developments may have a negative effect on the income which can be realized from the properties and/or an impairment of their market value.

## **C. KEY INFORMATION ON THE SECURITIES**

### **I. What are the main features of the securities ?**

**Type and Form of Securities:** The object of this Prospectus are digital tokens (referred to as "CROWDLITOKEN", "CRT", or "Tokens"), whereby each Token represents a derivative security with features of a structured bond with maturity date on 14 December 2044 (which may be extended by two times 5 years if certain conditions are met). CROWDLITOKEN are issued in CHF with a Nominal Value of CHF 1.- per Token.



The entirety of the Tokens issued during the STO are issued in the form of book-entry securities (Wertrechte). The transfer of ownership rights in Tokens from one Tokenholder to another Tokenholder, which transfer (trade) has to be made through exchanges, once available and operative for the transfer of Security Tokens, or on a bilateral (OTC) basis, will need to be registered on the CROWDLITOKEN platform and in accordance with its rules and provisions in order for a Tokenholder to be able to claim interest payments and repayments at Maturity Date. Registration of a transfer of Tokens to a purchaser or any other transferee made in accordance with the rules and provisions of the CROWDLITOKEN platform shall be deemed to constitute a transfer of the corresponding book-entry security. Subject to the Terms and Conditions, Condition 5, the Issuer shall recognize and acknowledge the person who is the registered holder of the Token in accordance with the rules and provisions of the CROWDLITOKEN platform (the "Tokenholder") as the person entitled to claim and exercise any and all rights linked to ownership of the Token. Payment to such Tokenholder shall be made in discharge of the Issuers corresponding obligation.

International Securities Identification Number (ISIN): **LI0432942626**

### ***Rights attached to the Securities***

Tokenholders are entitled to Fixed-rate Interest payments. Fixed-rate Interests are payable in monthly arrears with an interest rate which is staggered as follows:

- 0.875% p.a. until 24.04.2022;
- 1.4875% p.a. from 25.04.2022 until 24.04.2023;
- 2.1% p.a. from 25.04.2023 on until and including Maturity Date.

These interest rates are calculated on the basis of the Nominal Value of CHF 1.00 per Token.

Calculated on the basis of the Minimum Repayment Amount of CHF 0.70 for each Token the interest rate corresponds to 1.25% p.a. at the first stage, 2.125% p.a. at the second stage and 3% p.a. the third stage.

Repayment: The Tokens shall be repaid on 14 December 2044. The Initial Term may be extended by two times 5 years (i.e. 10 years cumulatively). At Maturity Date, Tokenholders will receive for each Token the highest of any of the following amounts: (i) the "Minimum Repayment Amount" which is CHF 0.70/Token; or (ii) the sum of the Net Liquidation Value (for properties liquidated since Cut-off Date) and Net Market Value (for properties not liquidated at Maturity Date) divided by the total number of Tokens, if the resulting Repayment Amount per Token is less than CHF 1.00 but higher than the Minimum Repayment Amount; or (iii) CHF 1.00 per Token plus 85% of the sum of the Net Liquidation Value (for properties liquidated since Cut-off Date) and Net Market Value (for properties not liquidated at Maturity Date) exceeding CHF 1.00 per Token, divided by the total number of Tokens issued, if the resulting Repayment Amount per Token is higher than CHF 1.00.

Early Repayment: The Issuer has the right, to be exercised at its sole discretion for the first time on 25 April 2025 or at any time thereafter, to repay the Tokens prior to the initial or any subsequent Maturity Date if: (i) the Net Liquidation Value or the Net Market Value of Investment Properties as of the Early Repayment Date is less than the Minimum Repayment Amount; (ii) following a Regulatory Event in relation to Tokenholders affected by such Event; or (iii) following a Tax Event.

Contingent Write-Down: The right of Tokenholders to receive payment of the Minimum Repayment Amount on any Maturity Date is subject to a contingent write-down if: (i) the Issuer has lost 50% of its equity capital, or (ii) the auditor makes a qualification in an audit report which would trigger a valuation of the Issuer's assets at liquidation values if not remedied without delay, or (iii) if the sum of Net Profits from all Investment Properties (calculated on the basis of the most recent audited yearly accounts for each Investment Property) is less than the sum of Fixed Interests paid in that period.

### ***Ranking***

The Tokens constitute direct, unconditional, unsecured and subordinated obligations of the Issuer and rank pari passu among themselves. The rights and claims of Tokenholders are subordinated, which means that they are junior to all unsubordinated outstanding liabilities of the Issuer in respect of the Issuer.

The rights of Tokenholders to claim and receive repayment from the Issuer on Maturity Date is limited to the sum of net proceeds resulting from the liquidation of the portfolio of Investment Properties and of the net market value for properties not liquidated, unless this amount is lower than the Minimum Repayment Amount in which Tokenholders will receive CHF 0.70 per Token.

Repayment at the option of the Tokenholders: The Tokens may not be repaid early at the option of the Tokenholders.

## **II. Where will the securities be traded?**

The CROWDLITOKEN are freely transferable. The Tokens are however, for the time being, not listed on a regulated or non-regulated market. The Issuer will use best efforts to have the Token listed on a regulated market once such market places are accepting and allowed to accept Security Tokens and are operative. Until and unless such listing (if ever), Tokens can only be sold and purchased on a bilateral basis.

The Issuer has implemented and applies technical means to ensure that Tokens can only be subscribed to and / or acquired in the secondary market by registered Tokenholders who successfully completed KYC procedures.

Transferability may therefore be factually restricted.

## **III. What are the key risks that are specific to the securities?**

### **RISKS RELATING TO THE STRUCTURE OF THE TOKENS**

#### **Limited rights of Tokenholder**

Tokenholders have only contractual rights against the Issuer to receive interest payments and repayment of principal, which may be less than the subscription price paid by the Tokenholder, at maturity. Tokenholders have no security interests or any other proprietary rights in Investment Properties to be acquired with proceeds from the issuance of Tokens. They have no rights to participate and/or vote in the Issuer's general meeting of shareholders or in any other of its bodies.

#### **Tokenholders' claims are subordinated**

The rights of Tokenholders to claim and receive payments from the Issuer on Maturity Date and for payment of interests is junior to the claims of all holders of unsubordinated obligations of the Issuer (including, but not limited to, banks providing third-party financing for the acquisition of Investment Properties). In a liquidation of the Issuer Tokenholders will be paid only if and after all senior obligations of the Issuer have been discharged.

#### **No security interests**

The Tokens constitute unsecured obligations of the Issuer. The Issuer has not created and will not create any security interest over the Investment Properties to secure its obligations in respect of the Tokens and no such security interests exist for the benefit of the Tokenholders.

### **RISKS RELATED TO THE NATURE OF TOKENS**

#### **Liquidity Risks**

Tokens are illiquid investments prior to their listing at an exchange. The Issuer will undertake best efforts to make Tokens tradable on one or more exchanges or regulated markets, if and when providers of such exchanges or platforms are licensed and operative for trading security tokens. Due to regulatory restrictions it is uncertain if and when a listing of security tokens (like the Token) is possible, and a listing may in any event be a complicated, time-consuming and cost-intensive process in the future. Unless and until Tokens are admitted for trading at an exchange or a platform trading with security tokens, the sale of Tokens will be possible only on a bilateral basis or over the counter (OTC). Both the liquidity and the price of Tokens will be adversely affected if an active and liquid market for the Tokens cannot be established. A failure to have Tokens listed at an exchange or a platform will severely limit the liquidity of the Tokens and may adversely affect their economic value. Even if Tokens can be listed a sufficient liquidity establishing reliable price signals is not guaranteed. A very low trading volume of Tokens may exaggerate market prices in both directions and distort the Token's market price. It is in any event not guaranteed that a Tokenholder willing to sell will find a purchaser, or a purchaser willing to pay a suitable price. This risk is carried in full by Tokenholders.

### **RISKS RELATED TO THE OFFER**

#### **Dilution**

The Issuer has already issued CROWDLITOKEN in a prior public offer, in the course of which early stage investors had the possibility to purchase Tokens at a price below the subscription price applicable under this Offer.

The Issuer further reserves the right to issue Tokens for purposes of compensating the management and the staff of the Issuer as well as third-party service providers. Recipients of such Tokens receive Tokens as compensation for services rendered and instead of being paid for such services but they do not contribute investable financial assets to the Issuer.

Irrelevant of the contribution made by Tokenholders and no matter at which point in time Tokens have been acquired or received, each Token grants the same rights (i.e. Fixed Interest Payments; Repayment at Maturity Date; use of optionalities available through the CROWDLITOKEN ecosystem) to a Tokenholder.

### Minimum Repayment is lower than nominal value

The rights of Tokenholders to claim and receive payment from the Issuer on Maturity Date is limited to the net proceeds resulting from the liquidation of the portfolio of Investment Properties, either by sale in the open market or by payment of an amount corresponding to the market value defined by an independent valuer (which will be a recognized, reputable auditor with well-founded experience in the area of evaluation of real estate such as PricewaterhouseCoopers, Wuest & Partner etc.), unless this amount is lower than the Minimum Repayment Amount which has been set at CHF 0.70 per Token and is therefore lower than the nominal value of a Token. The Issuer's obligation to pay off Tokenholders at Maturity Date will be fully and unconditionally discharged with the payment of the Minimum Repayment Amount (provided the net liquidation value of the Investment Properties is less than 0.70 per Token). Tokenholders must therefore be aware that they may, on Maturity Date, only receive the Minimum Repayment Amount of CHF 0.70 per Token, which is less than the Nominal Value of a Token and the investment made (CHF 1.00/Token).

### Risk of reduced returns

Under the Terms and Conditions Tokenholders will be paid Fixed Interests of 0.875% p.a. until 24.04.2022, of 1.4875% p.a. from 25.04.2022 until 24.04.2023 and of 2.1% p.a. from 25.04.2023 on until and including Maturity Date (always calculated on the basis of the Nominal Value of CHF 1.00 per Token; calculated on the basis of the Minimum Repayment Amount of CHF 0.70 per Token interest rates are 1.25%/2.125%/3% p.a.). If and to what extent Investment Properties will yield profits permitting to pay Fixed Interests is uncertain.

The Issuer has the right to temporarily reduce or suspend payment of Fixed Interests if the sum of Net Profits from all Investment Properties (calculated on the basis of the most recent audited yearly accounts for each Investment Property) is less than the sum of Fixed Interests paid in that period. Tokenholders are therefore exposed to the risk that they will not receive any interest payments.

Tokenholders who have allocated Tokens to specific Investment Properties and have thus entered into an Allocation Agreement with the Issuer will receive Performance-related Interest (in addition to Fixed Interests), which is calculated on the basis of the Net Profits resulting from the operation of such Investment Properties. If and to what extent Investment Properties will yield profits permitting to pay such Performance-related Interest is uncertain. No Performance-related Interest is paid if the Net Profit from the operation of the relevant Investment Property is less than the Fixed Interest of the same period or if no Fixed Interest is paid (e.g. Contingent Write-Down).

Investors will generally not be able to claim or receive interests or repayment of the principal if they have not successfully passed the KYC/AML process. All interests and repayments attributable to Non-Registered Tokenholders will be retained by the Issuer and will be used for accumulation of sufficient equity, the further development of related advanced technologies and for distribution to shareholders of the Issuer.

Whilst Performance-linked Interest and Repayment Amount are linked to the return and market value of the portfolio of Investment Properties, the Issuer is not obliged to invest the full amount of net proceeds of the STO in Investment Properties. Net proceeds will also be used to cover costs and expenses incurred for the STO including costs in connection with the issuance and distribution of Tokens, the project development as such and additional costs for the establishment of the CROWDLITOKEN platform and the CROWDLITOKEN ecosystem. In addition, the Issuer will invest a portion of the proceeds to build up a liquidity portfolio in order to safeguard liquidity at all times. The amounts or percentage of assets held by the Issuer in such liquidity reserve will mainly depend on conditions on real estate and capital markets (e.g. liquidity reserve may be higher if and as long as no suitable properties for investment can be found or are available).

### Tokenholders' claims are subject to Contingent Write-Down.

The right of Tokenholders against the Issuer to receive payment of the Minimum Repayment Amount on any Maturity Date is subject to a contingent write-down ("Contingent Write-Down") if (i) the accumulated net loss in the Issuer's audited financial statement is equal to or higher than 50% of the Issuer's capital (including statutory reserves under Art 309 PGR) or (ii) the Issuer's auditor makes a qualification in an audit report regarding viability of the issuer as a going concern which would trigger a valuation of the Issuers assets on a gone-concern basis.

The Tokenholders' claim to receive payment from the Issuer on Maturity Date will be reduced by the relevant Write-down Amount, and the Tokenholders will no longer have any rights whatsoever (including, but not limited to, any right to receive interest payments) against the Issuer with respect to such amount. Tokenholders may lose all or some of their investment as a result of any such write-down. Rights of Tokenholders subject to a Contingent Write-Down will be fully restored if the trigger conditions are no longer met prior to Cut-off Date. Until that time the Issuer is barred from distributing any dividends to shareholders. As a result of any such write-down Tokenholders may lose temporarily or permanently all or some of their investment and be barred to claim payment of interests.

## RISK FACTORS RELATING TO THE EXECUTION OF THE STO / Technical Risks

### Risks related to the STO interface and the CROWDLITOKEN ecosystem

The STO interface itself is a Blockchain based application which is licensed to the Issuer. Even though the Issuer has used best efforts in assessing the reliability of the interface, there remain risks of malfunctioning, bugs and errors, resulting in a late or wrong allocation of Tokens in relation to made investments.

Due to the overall regulatory uncertainties, procedures provided by the STO interface may become non-compliant with new rules and regulations which may become applicable during the process of the STO.

The STO interface uses best practice to comply with rules and regulations relating to the identification of Subscribers and/or Tokenholders as well as anti-money laundering laws. Given the state of development of markets for digital assets a risk remains that a competent authority finds the Issuer to be in non-compliance with laws and regulations, an event which might negatively affect the Issuer's business.

The Issuer has used best efforts in assessing the reliability of the CROWDLITOKEN ecosystem. However, there remain risks of malfunctioning, bugs and errors, which may result in a late or wrong allocation of Tokens. Also, technical errors in the KYC/AML procedures to be passed by investors or technical errors of the CROWDLITOKEN ecosystem may lead to a situation where Tokenholders can temporarily not access the platform.

### Finality issues

The Issuer uses smart contracts based on the Ethereum Protocol (<http://www.ethereum.org>) which is a new technology being established and used only recently. The Issuer cannot exclude future changes in the Ethereum Protocol and associated risks of unforeseen problems, which may impair the effective use of the smart contracts, such as the risk of a fork in Ethereum, a malfunctioning of Ethereum main chain, bottlenecks in Ethereum, or mining power attacks on Ethereum. The Issuer does not have sufficient experience with Ethereum Protocol to ensure that the Ethereum Protocol will work properly at all times and free of any bugs and defects. Therefore, it cannot be excluded that the Ethereum Protocol will not work properly and will not generate digital Tokens in accordance with this Prospectus. This could lead to a false allocation of the Tokens, unauthorized transactions and the loss of the Tokens of the Investors.

The state of the underlying Ethereum blockchain regularly changes even after a block has been mined (uncle blocks). This might even happen after many blocks have been mined. Therefore, the Issuer takes no responsibility for the finality of any Blockchain-based events, including the transfer of Tokens.

In case of a future fork of the underlying Ethereum Blockchain, the Tokens will be available on both forks of the chain. The Ethereum main chain is used as reference. In such an instance the Issuer will choose to support one of the forks only and solely maintain that version for all functions, including interest payments.

A change from proof of work to proof of stake concerning the Ethereum Protocol or any other used Blockchain technology could result in the theft or loss of Tokens.

### Loss of Tokens

Tokens may be lost or become inaccessible, in particular if the Tokenholder loses the respective private key to dispose of its Tokens or due to malfunctioning of the e-wallet in which the Tokens are stored. This could result in the loss of Tokens. It is the Tokenholders' sole responsibility to safely store and protect the private key that allows access to the e-wallet. Tokens may become inaccessible also in the case of death of a Tokenholder if he or she did not make arrangements for such case.

The loss of private keys could furthermore reduce the availability of various functionalities of the STO and the Tokens. In particular, it may be impossible to issue Tokens to Subscribers or to make Tokens transferable in which case they would remain paused indefinitely. Furthermore it may be impossible to make interest payments. Finally, there is a risk that an attacker may mint Tokens for non-contributing addresses, alter confirmation status, contribute uncontrolled amounts to the STO or allow the attacker to withdraw unclaimed interest payments.

## D. KEY INFORMATION ON THE OFFER OF THE NOTES TO THE PUBLIC

### I. Under which conditions and timetable can I invest in this security ?

**Offer Period:** The Offer will start in the Principality of Liechtenstein on 1 November 2020. For other Member States of the EEA the Offer Period will not commence in the relevant Member State until the day following the banking day in that Member State on which the registration office or other competent authority of the relevant Member State has been notified of the intended offer to the public.

Offer Period means the period during which the Prospectus is valid, i.e. one year after approval has been granted by FMA.

**Subscription Price:** During the Offer Period, the Issuer will offer and sell each Token at the Subscription Price which is 1.00 CHF/Token.

The Issuer reserves the right to cancel the issue of Tokens at any time before Closing Date (i.e. on 25 October 2021). In this event the Issuer will repay to Subscribers all amounts received as payment of a subscription not later than two months after the notice of cancellation was sent. If payment was made by the Subscriber in a currency other than CHF the conversion rate prevailing at the value date of repayment shall apply. Repayment shall be made net of all fees and charges.

The minimum amount to be subscribed by each Subscriber is CHF 100.

**Details of the method for paying up and delivering the Tokens:** The Issuer will issue Tokens to Subscribers within 14 days after receipt of payment and credit the Tokens to the wallet designated by the Subscriber.

Subscribers shall arrange for payment of the Subscription Price in Swiss Franc ("CHF"), in Euro ("EUR") or in Ether ("ETH"). Payments in CHF or EUR shall be made to the Issuer's bank accounts as disclosed during the subscription process.

Payments in ETH shall be made to the wallet of the Issuer (as disclosed during the subscription process). The Issuer may refuse acceptance of a payment without any further justification or explanation. Payments made in ETH are deemed to be received according to the timestamp within the respective wallet of the Issuer or the smart contract.

All payments received in ETH will be converted into CHF at prevailing market rates. Payments received in ETH will be collected and converted in regular intervals of up to ten days provided amounts exceeding a corresponding value of CHF 50'000 have been received and are waiting to be exchanged. Exchange rates are determined by a broker on a best execution basis, using data of a number of leading Crypto-Exchanges. The conversion rate USD-CHF and EUR-CHF will be determined based on data provided by Morningstar ([www.morningstar.com](http://www.morningstar.com)). The Issuer reserves the right to adapt the method for determining the conversion rate or the source for its calculation at its sole discretion on a daily basis during the entire Offering Period.

The Issuer has, on the basis of a prior public offer in the period 12 April 2019 to 11 April 2020 and in private sales, already issued 16.4 Mio Crowdlitoken. The Issuer further reserves the right to issue a maximum number of 800'000 Tokens plus a number of Token corresponding to a 3 % top up of the total number of Tokens issued for purposes of compensating the management and the staff of the Issuer as well as third-party service providers.

The Issuer estimates costs of this Offering to amount to 5,5 % of the STO proceeds which costs will be paid out of subscription proceeds.

All fees and commissions charged by any intermediary involved in subscription payments and conversion of currencies received will have to be borne by the Subscriber. The Issuer will charge the following maximum charges in the course of the subscription process:

- Subscription in CHF or EUR: 1%,
- Subscription in ETH: 1% for subscription process and 1% Exchange Brokerage
- All Subscriptions: 4 Tokens per Transaction GAS-Costs and 40 Tokens if Video Identification is required to the Issuer

Additional fees and commissions charged in context with the subscription or the conversion of payments received in a currency other than CHF into CHF or otherwise due to third parties or the Issuer will be paid by the Subscriber.

In addition, the Issuer may pay distribution fees to Authorized Offerors, i.e. to intermediaries which are marketing and distributing the CROWDLITOKEN and which are authorized by the Issuer to use the Prospectus in the Public Offer Jurisdictions.

## **II. Why is this Prospectus being produced ?**

The proceeds from the STO will primarily be used by the Issuer for the purpose of investments in Investment Properties, directly or through subsidiaries, to which STO proceeds will be forwarded by means of (unsecured) loans.

Net proceeds will also be used to cover costs and expenses incurred for the STO including costs in connection with the issuance and distribution of Tokens, the project development as such and additional costs for the establishment of the CRT platform and CRT ecosystem. In addition, the Issuer will invest a portion of the proceeds in order to build up a liquidity portfolio to safeguard liquidity at all times. The amounts or percentage of assets held by the Issuer in such liquidity reserve will mainly depend on conditions on real estate and capital markets (e.g. liquidity reserve may be higher if and as long as no appropriate properties for investment can be found or are available).



## C. RISK FACTORS

The following is a disclosure of risk factors relating to the Issuer and the Tokens. These factors include risks relating to the Issuer (section 1) and its business (section 2) as well as to the instrument itself (section 3) and the markets and infrastructure supporting the issuance and the custody of the Tokens as well as the trading, the clearing and settlement of transactions with tokens (sections 4 ff). It must be stressed that the Tokens are a novel and complex financial instrument, traded in immature markets relying on a market infrastructure in early stages of development. An investment in Tokens is therefore suitable only for experienced and financially sophisticated investors who are in a position to evaluate the risks and who have sufficient resources to be able to bear any losses which may result from such investment.

Prospective purchasers of the Tokens should consider these risk factors and consult with their own professional advisers before deciding to invest in Tokens. The risk warnings set out below cannot serve as a substitute for individual advice and information which is tailored to the individual requirements, objectives, experience, knowledge and circumstances of each prospective purchaser. If any of the risks described in the following materializes, the market price of the Tokens may be materially adversely affected and an investor could lose all or part of its original investment.

The risk information below does not purport to be an extensive and comprehensive list of all possible risks associated with an investment in Tokens. The risk factors discussed below are focused on risks which are specific to the Issuer and the Tokens; thus risks affecting financial instruments or the economy in general are not specifically discussed. Nor are risks being discussed which may affect any business operation, including operational risks and fraud. The sequence in which the risk factors are presented below is not indicative of their likelihood of occurrence or the potential magnitude of their financial consequences. Additional risks currently not known or currently not deemed to be material may also impair the Issuer's business operations.

### 1 RISK FACTORS RELATING TO THE ISSUER – FINANCIAL SITUATION OF THE ISSUER

#### 1.1 Capital, assets and income of the Issuer

The business purpose of the Issuer is to raise funds for the acquisition of commercial and residential real estate in Europe. The Issuer's statutory capital (equity) is limited to CHF 100'000, which is only twice the minimum capital required under Liechtenstein law. The Issuer has already issued CROWDLITOKEN on the basis of a prior public offer in the period 12 April 2019 to 11 April 2020 and has obtained subscription assets in an amount of appr. CHF 12 Mio. First investments in real estate are currently being completed. The sole source of income of the Issuer are proceeds from real estate.

The auditor's report relating to the balance sheet of the Issuer for the year 2019 points out that CROWDLITOKEN AG is over indebted in the meaning of Art 182e sub-para 2 PGR, i.e. that half of the minimum capital of the entity is not covered. As creditors with claims amounting to CHF 2'128'386 have declared to accept that their claims are treated subordinated, no further measures are required for the time being.

#### 1.2 The Issuer may assume additional debt

The Terms and Conditions of the Tokens do not limit the amount of additional indebtedness that the Issuer can create, incur, assume or guarantee.

The Issuer will use financing provided by third parties, including banks, to finance the acquisition of Investment Properties. If at the term of a financing arrangement with a third-party financier it is not possible to agree on a roll-over in a timely manner or at reasonable conditions, the Issuer may be forced to sell the Investment

Property. Depending on the terms of such third-party financing, third party financiers may also have the right of early termination of such arrangements.

### 1.3 Risk of illiquidity and insolvency of the Issuer

The Issuer will invest the proceeds of this Offering in real estate. Negative developments such as the destruction of Investment Properties, an economic downturn with high vacancies or sharply increased interest rates could negatively affect the Issuer's liquidity. The Issuer will allocate a reasonable amount of the proceeds of the STO to maintain at all times an acceptable level of liquidity. However, it cannot completely exclude the risk of an illiquidity and a subsequent insolvency. Such scenarios may require the immediate disposal of properties or the liquidation or sale of the Issuer.

A severe crisis in real estate markets and/or sharply increased interest rates may lead to a substantial impairment of the value of Investment Properties. In order to absorb these risks the Issuer will allocate a reasonable amount of the proceeds of the STO to reserves. However, it cannot completely exclude the risk of losing all of its equity. In such a scenario, the Issuer has the right to apply a (contingent) write-down of the minimum repayment requirement, conditions for which may become permanent and thus lead to a partial or complete loss of the investment of a Tokenholder.

## 2 RISK FACTORS RELATING TO THE BUSINESS OF THE ISSUER

### 2.1 Real estate risks

The Issuer will make investments in commercial and residential real estate in Europe. Investments in real estate involve a number of specific risks, including the risk of unforeseen maintenance, uncovered damage, natural disaster, unexpected vacancy, impossibility of income collection, change to demographic structures, impairment of the location-rating due to new competitive buildings, and changed accessibility. Such developments may have a negative effect on the income which can be realized from the properties and/or an impairment of their market value.

### 2.2 Interest rate risk

Real estate investments are particularly vulnerable to changes in interest rates. An increase in interest rates will most likely result in an increase of mortgage rates, reducing the net income generated from the properties. It may also negatively affect the market value of investment properties, including the value attributed to property used as collateral for securing mortgages. A quick and steep increase in interest rates may result in a severe decline of real estate market values for a prolonged period of time. While the Tokens have been structured in such a way to ride out a market downturn, it cannot be completely excluded that these safeguards will not suffice in the case of extremely adverse market conditions.

### 2.3 Inflation risk

Real estate investments will generally benefit from increased inflation expectations, but a sharp and/or quick increase in inflation will most likely negatively affect the general economy, which might result in a reduced demand and lower rents in particular for commercial real estate. Higher inflation may also result in higher discount factors used for determining the market value of investment properties and consequently to an impairment of market values.

### 2.4 Property market risks

Real estate markets are particularly exposed subject to overall supply and demand cycles. Market values of investment properties may fall and remain at a price level at which they were acquired for a prolonged period of time. Depending on the particular market, price volatility may be pronounced. While the Tokens have been structured in such a way to ride out a market downturn, it cannot be completely excluded that these safeguards will not suffice in the case of extremely adverse market conditions.



## 2.5 Liquidity risks

Real estate markets are relatively illiquid markets. Both investments in as well as divestments of real estate assets may take a considerable amount of time, in particular when markets are illiquid. A delay in investments, e.g. due to the unavailability of suitable investment opportunities, will result in reduced returns in investments. A delay in divestments, e.g. in the case of a market downturn, may result in a liquidity squeeze for the Issuer. The Issuer has implemented a number of safeguards for mitigating liquidity risks, including by maintaining a reasonable liquidity cushion, but it cannot be completely excluded that these safeguards will not suffice in the case of extremely adverse market conditions.

## 3 RISK FACTORS RELATING TO THE STRUCTURE OF THE TOKENS

The Tokens issued and offered to the public under this Prospectus are a novel and complex financial instrument. Investors have no guarantee that they will receive interest payments and full repayment (minimum repayment amount is less than the nominal value of the Token) upon maturity. Under adverse circumstances they will receive less than the subscription price, or suffer a complete loss of the invested capital.

### 3.1 Limited rights of Tokenholder

Tokenholders have only contractual rights against the Issuer to receive interest payments and repayment of principal, which may be less than the subscription price paid by the Tokenholder, at maturity. Tokenholders have no security interests or any other proprietary rights in Investment Properties to be acquired with proceeds from the issuance of Tokens. They have no rights to participate and/or vote in the Issuer's general meeting of shareholders or in any other of its bodies.

### 3.2 Tokenholders' claims are subordinated

The rights of Tokenholders to claim and receive payments from the Issuer on Maturity Date and for payment of interests is junior to the claims of all holders of unsubordinated obligations of the Issuer (including, but not limited to, banks providing third-party financing for the acquisition of Investment Properties). In a liquidation of the Issuer Tokenholders will be paid only if and after all senior obligations of the Issuer have been discharged.

### 3.3 No security interests

The Tokens constitute unsecured obligations of the Issuer. The Issuer has not created and will not create any security interest over the Investment Properties to secure its obligations in respect of the Tokens and no such security interests exist for the benefit of the Tokenholders.

### 3.4 No Deposit Insurance and no Public Oversight

The Tokens do not qualify as deposits and are therefore not guaranteed by any statutory or voluntary deposit insurance scheme. The use of proceeds from the issuance of Tokens is not subject to any oversight by a public authority.

## 4 RISKS RELATED TO THE NATURE OF TOKENS

### 4.1 Liquidity Risks

Tokens are illiquid investments prior to their listing at an exchange. The Issuer will undertake best efforts to make Tokens tradable on one or more exchanges or regulated markets, if and when providers of such exchanges or platforms are licensed and operative for trading security tokens. Due to regulatory restrictions it is uncertain if and when a listing of security tokens (like the Token) is possible, and a listing may in any event be a complicated, time-consuming and cost-intensive process in the future. Unless and until Tokens are admitted for trading at an exchange or a platform trading with security tokens, the sale of Tokens will be possible only on a bilateral basis or over the counter (OTC). Both the liquidity and the price of Tokens will be

adversely affected if an active and liquid market for the Tokens cannot be established. A failure to have Tokens listed at an exchange or a platform will severely limit the liquidity of the Tokens and may adversely affect their economic value. Even if Tokens can be listed a sufficient liquidity establishing reliable price signals is not guaranteed. A very low trading volume of Tokens may exaggerate market prices in both directions and distort the Token's market price. It is in any event not guaranteed that a Tokenholder willing to sell will find a purchaser, or a purchaser willing to pay a suitable price. This risk is carried in full by Tokenholders.

## 4.2 High volatility and vulnerability to price manipulation

Markets for digital assets are not mature nor fully developed markets with sufficient liquidity and volume to provide stable prices, leading to high bid/ask spreads, very high volatility and vulnerability to price manipulation of large players in the market.

The price at which Tokens will be traded will depend upon a number of factors, most of which are beyond the Issuer's control. These factors include, but are not limited to: market expectation concerning the Issuer's performance or financial condition; fluctuations in the Issuer's financial situation or operating results; general market and economic conditions; announcements by the Issuer and developments affecting the Issuer, its business, customers and suppliers and the markets in which the Issuer competes; changes in the management of the Issuer; and the factors listed herein under "Risk Factors relating to the Issuer".

In addition, markets for digital assets in general are subject to significant price and volume fluctuations. Such fluctuations as well as the economic situation of the financial markets as a whole may have a significant negative effect on the market price of the Tokens, regardless of the operating results and the financial situation of the Issuer. Fluctuations in the market price of crypto currencies (in particular Ether) may exaggerate market prices in both directions and distort the Token's market price.

## 5 RISKS RELATED TO THE OFFER

### 5.1 Dilution

The Issuer has already issued CROWDLITOKEN in a prior public offer, in the course of which early stage investors had the possibility to purchase Tokens at a price below the subscription price applicable under this Offer.

The Issuer further reserves the right to issue Tokens for purposes of compensating the management and the staff of the Issuer as well as third-party service providers. Recipients of such Tokens receive Tokens as compensation for services rendered and instead of being paid for such services but they do not contribute investable financial assets to the Issuer.

Irrelevant of the contribution made by Tokenholders and no matter at which point in time Tokens have been acquired or received, each Token grants the same rights (i.e. Fixed Interest Payments; Repayment at Maturity Date; use of optionalities available through the CROWDLITOKEN ecosystem) to a Tokenholder.

### 5.2 Minimum Repayment is lower than nominal value

The rights of Tokenholders to claim and receive payment from the Issuer on Maturity Date is limited to the net proceeds resulting from the liquidation of the portfolio of Investment Properties, either by sale in the open market or by payment of an amount corresponding to the market value defined by an independent valuer (which will be a recognized, reputable auditor with well-founded experience in the area of evaluation of real estate such as PricewaterhouseCoopers, Wuest & Partner etc), unless this amount is lower than the Minimum Repayment Amount which has been set at CHF 0.70 per Token and is therefore lower than the nominal value of a Token. The Issuer's obligation to pay off Tokenholders at Maturity Date will be fully and unconditionally discharged with the payment of the Minimum Repayment Amount (provided the net liquidation value of the Investment Properties is less than 0.70 per Token). Tokenholders must therefore be aware that they may, on Maturity Date, only receive the Minimum Repayment Amount of CHF 0.70 per Token, which is less than the Nominal Value of a Token and the investment made (CHF 1.00/Token).

### 5.3 Risk of reduced returns

Under the Terms and Conditions Tokenholders will be paid Fixed Interests of 0.875% p.a. until 24.04.2022, of 1.4875% p.a. from 25.04.2022 until 24.04.2023 and of 2.1% p.a. from 25.04.2023 on until and including Maturity Date (always calculated on the basis of the Nominal Value of CHF 1.00 per Token; calculated on the basis of the Minimum Repayment Amount of CHF 0.70 per Token interest rates are 1.25%/2.125%/3% p.a.). If and to what extent Investment Properties will yield profits permitting to pay Fixed Interests is uncertain.

The Issuer has the right to temporarily reduce or suspend payment of Fixed Interests if the sum of Net Profits from all Investment Properties (calculated on the basis of the most recent audited yearly accounts for each Investment Property) is less than the sum of Fixed Interests paid in that period. Tokenholders are therefore exposed to the risk that they will not receive any interest payments.

Tokenholders who have allocated Tokens to specific Investment Properties and have thus entered into an Allocation Agreement with the Issuer will receive Performance-related Interest (in addition to Fixed Interests), which is calculated on the basis of the Net Profits resulting from the operation of such Investment Properties. If and to what extent Investment Properties will yield profits permitting to pay such Performance-related Interest is uncertain. No Performance-related Interest is paid if the Net Profit from the operation of the relevant Investment Property is less than the Fixed Interest of the same period or if no Fixed Interest is paid (e.g. Contingent Write-Down).

Investors will generally not be able to claim or receive interests or repayment of the principal if they have not successfully passed the KYC/AML process. All interests and repayments attributable to Non-Registered Tokenholders will be retained by the Issuer and will be used for accumulation of sufficient equity, the further development of related advanced technologies and for distribution to shareholders of the Issuer.

Whilst Performance-linked Interest and Repayment Amount are linked to the return and market value of the portfolio of Investment Properties, the Issuer is not obliged to invest the full amount of net proceeds of the STO in Investment Properties. Net proceeds will also be used to cover costs and expenses incurred for the STO including costs in connection with the issuance and distribution of Tokens, the project development as such and additional costs for the establishment of the CROWDLITOKEN platform and the CROWDLITOKEN ecosystem. In addition, the Issuer will invest a portion of the proceeds to build up a liquidity portfolio in order to safeguard liquidity at all times. The amounts or percentage of assets held by the Issuer in such liquidity reserve will mainly depend on conditions on real estate and capital markets (e.g. liquidity reserve may be higher if and as long as no suitable properties for investment can be found or are available).

### 5.4 Tokenholders' claims are subject to Contingent Write-Down.

The right of Tokenholders against the Issuer to receive payment of the Minimum Repayment Amount on any Maturity Date is subject to a contingent write-down ("Contingent Write-Down") if (i) the accumulated net loss in the Issuer's audited financial statement is equal to or higher than 50% of the Issuer's capital (including statutory reserves under Art 309 PGR) or (ii) the Issuer's auditor makes a qualification in an audit report regarding viability of the Issuer as a going concern which would trigger a valuation of the Issuers assets on a gone-concern basis.

The Tokenholders' claim to receive payment from the Issuer on Maturity Date will be reduced by the relevant Write-down Amount, and the Tokenholders will no longer have any rights whatsoever (including, but not limited to, any right to receive interest payments) against the Issuer with respect to such amount. Tokenholders may lose all or some of their investment as a result of any such write-down. Rights of Tokenholders subject to a Contingent Write-Down will be fully restored if the trigger conditions are no longer met prior to Cut-off Date. Until that time the Issuer is barred from distributing any dividends to shareholders. As a result of any such write-down Tokenholders may lose temporarily or permanently all or some of their investment and be barred to claim payment of interests.

## 5.5 No Early Termination Option of Tokenholders

Tokenholders have no right for early termination of the Tokens. The Tokens maturity date is set to be 14 December 2044. The initial term of the Tokens may be extended by two times five years by resolution of the Issuer's board of directors if the net market value of the Investment Properties is less than 90% of the acquisition value. There is no guarantee that Tokens can be sold, or can be sold at a price expected or needed by Tokenholders, prior to maturity. The Tokens are therefore a long-term investment and are not suitable for investors who may have liquidity needs prior to the extended maturity dates.

## 5.6 Early Repayment Option of the Issuer

The Issuer has the right, to be exercised at its sole discretion, to repay the Tokens in whole or in part if (i) the value of the investment properties is less than the aggregate Minimum Repayment Amount of CHF 0.70 per Token, or following a Regulatory Event or a Tax Event. The early repayment option can be exercised for the first time on 25 April 2025 and at any time thereafter. If the Issuer elects to exercise the early repayment option Tokens will be repaid 30 days after notice has been given to Tokenholders.

If the Issuer elects to exercise the early repayment option, Tokenholders will not receive any interest payments thereafter and will receive an aggregate sum of interest payments which will be lower than the aggregate sum of interest payments over the full term of the Tokens. Furthermore, the repayment amount may be lower than in case of repayment after the full term of the Tokens. In such an event Tokenholders also carry a reinvestment risk, i.e. they may not be capable to reinvest the proceeds from early repayment in instruments carrying the same yield as the Tokens.

## 5.7 Risks related to currency exchange

Proceeds from the STO submitted in Ether will be exchanged into CHF as soon as sufficient volume can be pooled to assure a cost-effective execution of the exchange. The execution of the exchange may therefore take 10 days or more to complete.

Pending exchange, Ether submitted by Subscribers will remain subject to currency volatility. Since the allocation of Tokens to the Subscriber will be determined based on net proceeds (i.e. subscription payment less charges) credited to the account of the Issuer in CHF, calculated at the point in time payment is received by the Issuer, this currency exchange risk will be borne by the Issuer.

# 6 RISK FACTORS RELATING TO THE EXECUTION OF THE STO / TECHNICAL RISKS

## 6.1 Risks related to the STO interface and the CROWDLITOKEN ecosystem

The STO interface itself is a Blockchain based application which is licensed to the Issuer. Even though the Issuer has used best efforts in assessing the reliability of the interface, there remain risks of malfunctioning, bugs and errors, resulting in a late or wrong allocation of Tokens in relation to made investments.

Due to the overall regulatory uncertainties, procedures provided by the STO interface may become non-compliant with new rules and regulations which may become applicable during the process of the STO.

The STO interface uses best practice to comply with rules and regulations relating to the identification of Subscribers and/or Tokenholders as well as anti-money laundering laws. Given the state of development of markets for digital assets a risk remains that a competent authority finds the Issuer to be in non-compliance with laws and regulations, an event which might negatively affect the Issuer's business.

The Issuer has used best efforts in assessing the reliability of the CROWDLITOKEN ecosystem. However, there remain risks of malfunctioning, bugs and errors, which may result in a late or wrong allocation of Tokens. Also, technical errors in the KYC/AML procedures to be passed by investors or technical errors of the CROWDLITOKEN ecosystem may lead to a situation where Tokenholders can temporarily not access the platform.

## 6.2 Finality issues

The Issuer uses smart contracts based on the Ethereum Protocol (<http://www.ethereum.org>) which is a new technology being established and used only recently. The Issuer cannot exclude future changes in the Ethereum Protocol and associated risks of unforeseen problems, which may impair the effective use of the smart contracts, such as the risk of a fork in Ethereum, a malfunctioning of Ethereum main chain, bottlenecks in Ethereum, or mining power attacks on Ethereum. The Issuer does not have sufficient experience with Ethereum Protocol to ensure that the Ethereum Protocol will work properly at all times and free of any bugs and defects. Therefore, it cannot be excluded that the Ethereum Protocol will not work properly and will not generate digital Tokens in accordance with this Prospectus. This could lead to a false allocation of the Tokens, unauthorized transactions and the loss of the Token of the Investors.

The state of the underlying Ethereum blockchain regularly changes even after a block has been mined (uncle blocks). This might even happen after many blocks have been mined. Therefore, the Issuer takes no responsibility for the finality of any Blockchain-based events, including the transfer of Tokens.

In case of a future fork of the underlying Ethereum Blockchain, the Tokens will be available on both forks of the chain. The Ethereum main chain is used as reference. In such an instance the Issuer will choose to support one of the forks only and solely maintain that version for all functions, including interest payments.

A change from proof of work to proof of stake concerning the Ethereum Protocol or any other used Blockchain technology could result in the theft or loss of Tokens.

## 6.3 Loss of Tokens

Tokens may be lost or become inaccessible, in particular if the Tokenholder loses the respective private key to dispose of its Tokens or due to malfunctioning of the e-wallet in which the Tokens are stored. This could result in the loss of Tokens. It is the Tokenholders' sole responsibility to safely store and protect the private key that allows access to the e-wallet. Tokens may become inaccessible also in the case of death of a Tokenholder if he or she did not make arrangements for such case.

The loss of private keys could furthermore reduce the availability of various functionalities of the STO and the Tokens. In particular, it may be impossible to issue Tokens to Subscribers or to make Tokens transferrable in which case they would remain paused indefinitely. Furthermore it may be impossible to make interest payments. Finally, there is a risk that an attacker may mint Tokens for non-contributing addresses, alter confirmation status, contribute uncontrolled amounts to the STO or allow the attacker to withdraw unclaimed interest payments.

## 6.4 Risk of attacks and technical hazards

Even though the STO process is following best-practice procedures, the execution may be subject to several technical hazards which may slow down or interrupt the process or lead to a cancellation. Such factors include batch-overflow, DNS/DoS/DDoS attacks, the risks of website hacking, double spending, scam addresses or mining attacks as well as connectivity and transmission issues of the internet or insufficient computing capacity to execute transactions swiftly. Such factors are beyond the Issuer's control.

## 6.5 Risk of mining attacks

As with other decentralized systems, the Ethereum Blockchain, which is used for CROWDLITOKEN, is susceptible to mining attacks, including but not limited to double-spend attacks, majority mining power attacks, "selfish-mining" attacks, and race condition attacks. Any successful attack presents a risk to CROWDLITOKEN, expected proper execution and sequencing of CROWDLITOKEN, and expected proper execution and sequencing of Ethereum contract computations in general. Despite the efforts of the Issuer and Ethereum Foundation, the risk of known or novel mining attacks exists. Mining attacks, as described above, may also target other Blockchain networks with which CROWDLITOKEN interacts, and consequently CROWDLITOKEN may be impacted also in that regard and to the extent described above.



## 6.6 Hacking risk

The number of cyber-attacks on STOs has substantially increased in recent years. It cannot be excluded that the CROWDLITOKEN platform is hacked before, during or after the STO. Subscribers are reminded that technological developments regarding the capabilities to hack the cryptographic code of the platform and the Tokens themselves remain unpredictable. This could lead to a false allocation of the Tokens, unauthorized transactions and the loss of the Token.

The Issuer uses smart contracts to run the STO and to allocate the Tokens to Investment Properties within the ecosystem. The use of smart contracts is based on a new technology, which has been established and used in recent years only. The Issuer cannot exclude the risk of cyber-attacks on the smart contracts. This could lead to a false allocation of the Tokens, unauthorized transactions and the loss of Token.

## 6.7 Malfunctioning of smart contracts

The use of smart contracts is based on a new technology, which has been established and used in the recent years only. Therefore, there is a risk of unforeseen problems, which might occur with the use of the smart contracts. The Issuer does not yet have sufficient experience with smart contracts to ensure that the smart contracts will work properly at all times and free of any bugs and defects. Therefore, it cannot be excluded that the smart contracts do not work properly and cannot generate digital Tokens in accordance with this Prospectus. This could lead to a false allocation of the Tokens, unauthorized transactions and the loss of Tokens.

Since smart contracts are a novel technology, the Issuer intends to have the smart contracts audited by an independent auditor. Nevertheless, the Issuer cannot exclude that the smart contracts reveal serious issues even in case of completion of the audit. This could lead to a false allocation of the Tokens, unauthorized transactions and the loss of the Tokens.

# 7 LEGAL AND REGULATORY RISK FACTORS

## 7.1 Potential invalidity of the transfer of Tokens

A number of legal questions, qualifications and categorizations concerning STOs, Tokens and related new fields of technology (such as Blockchain) and investments using such tools and providing rights through Tokens are still in relatively early stages of scholarship discussions and not finally decided let alone harmonized throughout jurisdictions. Liechtenstein has issued a *Law on Token and VT Service Providers*, the so-called “Blockchain Law”, which governs and clarifies some of those issues (such as transfer of tokens). Nevertheless and while the Issuer believes that the legal underpinning provided by the Terms and Conditions is reasonably robust, it cannot be completely excluded that a court might come to the conclusion that a transfer of Tokens is ineffective, void, or voidable. Uncertainty also exists in relation to the issue of whether the choice of law of the Liechtenstein law is effective and binding in a court of law.

## 7.2 Amendment to laws or regulations

Existing laws, regulations and financial oversight practice is subject to intense political and jurisdictional debate in all jurisdictions where Tokens are offered for Subscription. Changes in applicable laws and regulations may be implemented and enter into force without warning and with immediate or even retrospective effect leading to impacts on the Issuer's operational results, the value of the investments made, the ability to offer, distribute and trade the Tokens as well as to distribute profits to the Tokenholders. In very severe circumstances, jurisdictions may enforce a cancellation of the Offering or a closing of the ecosystem and the Issuer respectively. This could lead to losses incurred by the Subscribers or Tokenholders.

Further, laws, regulations and requirements regarding identification of the Tokenholder, anti-money laundering, use of Blockchain technology, consideration as collective investment scheme, securities trading are at all times subject to change leading to amended requirements and / or new procedures required. This could also result in a sudden inability to trade the Token, to use the ecosystem or force the Issuer to exclude

Tokenholders from the ecosystem or the list of eligible Investors. Tokenholders are strictly reminded to observe legal and regulatory developments at all times and to consider their own position vis-à-vis those requirements.

The Issuer has institutionalized internal processes to ensure compliance with the laws and regulations of Liechtenstein and all other Public Offer Jurisdictions. If, despite these precautions, breaches of statutory or regulatory provisions occur, this could adversely affect the Issuer's business activities and/or the price of the Tokens.

Changes to data protection laws or regulations may force the Issuer to disclose any kind of additional information to authorities in the future.



## D. INFORMATION ABOUT THE ISSUER

### 1 RESPONSIBILITY STATEMENT

CROWDLITOKEN AG, having its registered offices at Austrasse 15, 9495 Triesen, (Liechtenstein), as Issuer accepts responsibility for the content of the Prospectus and declares that the information contained in the Prospectus is, to the best of its knowledge (having taken all reasonable care to ensure that such is the case), accurate and that no material facts have been omitted.

Where the Prospectus contains information obtained from third parties, such information has been accurately reproduced and as far as the Issuer is aware and is able to ascertain from information published by such third party, no facts have been omitted which would render the reproduced information inaccurate or misleading.

The Issuer accents that following the date of the Prospectus, events and changes may occur, which render the information contained in the Prospectus incorrect or incomplete. Supplemental information will only be published as required by and in a manner stipulated in article 19 of the Liechtenstein Prospectus Act (Wertpapierprospektgesetz).

### 2 PROSPECTUS APPROVAL

This securities prospectus has been approved by the Liechtenstein Financial Market Authority (FMA), the competent authority under Regulation (EC) 2017/1129, on 26 October 2020. The FMA only approves a security prospectus as meeting the standards of completeness, comprehensibility and consistency imposed by Regulation (EC) 2017/1129. Such approval should not be considered as an endorsement of the Issuer or a confirmation of the quality of the Securities. Investors are required to make their own assessment on the suitability of the Securities for an investment.

### 3 COMPANY INFORMATION

Legal and commercial name of the Issuer: CROWDLITOKEN AG.

Place of registration and register number: The Issuer is registered in the Commercial Registry of the Principality of Liechtenstein under the register number FL-0002.590.108-1.

Legal Form and date of incorporation: The Issuer has been established in the legal form of a joint stock company in accordance with article 261 seq. PGR and has been incorporated on 16 August 2018.

Registered office and address: The registered office of the Issuer is at Austrasse 15, 9495 Triesen, Principality of Liechtenstein. The management is available at [welcome@crowdlitoken.com](mailto:welcome@crowdlitoken.com).

Statutory purpose: The Issuer's statutory purpose is to execute all kind of transactions in connection with residential and commercial real estate within the Principality of Liechtenstein, Switzerland and other countries, such as acquisition, disposal, development, administration and letting. Within this main purpose, it can engage in commercial as well as financial transactions of all kind, provide services, acquire shareholdings and use innovative technologies, forms of financing and methods of payment. It can grant direct or indirect financing including collateral of all kind to its direct or indirect subsidiaries as well as third parties and its direct and indirect shareholders. It can develop innovative technologies and acquire, use, exploit, execute and realize proprietary rights.

Articles of association: The articles of association have been filed with the Registry of Commerce in Liechtenstein. The articles of association may be changed or amended at any time by the Issuer.

Share capital: The Issuer's capital is CHF 100,000, divided into 100'000 registered shares with a nominal value of CHF 1.00 each. All shares are fully paid-in.

## 4 THE ISSUER'S BUSINESS

### 4.1 Shareholders and Group Structure

The Issuer is a fully owned subsidiary of Crowdli AG, Zürcherstrasse 310, 8500 Frauenfeld (Switzerland). Crowdli AG was incorporated on 16 August 2016, and provides traditional crowdfunding solutions for real estate. Since the market-entry in January 2017 it has arranged the crowdfunding of 3 properties with a total investment value of more than CHF 10 million. The concept of real-estate crowdfunding is well established in Switzerland meanwhile, with aggregate funds of more than CHF 200 million raised. Crowdli AG is a privately held company.

The Issuer will hold Investment Properties directly and/or through local subsidiaries, with one or several companies to be set up for each jurisdiction. The exact group structure has not been determined as of Prospectus date.

It is intended that the holding structure as described above will be modified in the near future: The shareholders in Crowdli AG intend to establish a new entity, which will in future serve as a holding company of Crowdli AG and will also hold 100 % in CROWDLITOKEN AG directly. In addition, further new subsidiaries may be established by the new holding entity in order to increase the product offerings and to improve the financial and operational structure of the group's business.

### 4.2 Strategy

The Issuer is a start-up company with the vision to deploy the concept of real estate crowdfunding to the blockchain technology. The Issuer's strategy is:

- to develop a new concept for investing in real estate, combining features of direct and indirect investments. Investment in this eco system requires a very low minimum investment amount, is very simple and safe in use and can be tailored to the needs of the individual investor;
- to make real estate crowdfunding a part of the digital revolution in the financial services industry and contribute to establishing securities tokens as a new asset class.

Today, investments in real estate can be structured either as a direct or an indirect investment. Direct investments in real estate require large amounts of capital and are expensive due to high transaction costs. They are also relatively illiquid. Indirect investments made through real estate companies and funds avoid some of these obstacles even though many funds also require considerable minimum investment amounts and have lock-up periods to manage liquidity issues in case of increased redemptions. Indirect investment products are often trading above the net market value of the underlying portfolio, a premium which is not justified from an economic perspective. Fee structures of indirect real estate investments are often not transparent and misalign interest of the manager and investors.

The first prong of the Issuer's strategy is to offer a new way of investing in real-estate with the following key features:

- Minimum investment amount of only CHF 100, giving investors the possibility to diversify their investments over a broad range of Investment Properties located in different markets;
- Improved liquidity of investments provided Tokens are listed at an exchange;
- Full transparency for investors to which all relevant information (valuation reports, overview of tenants, accounts of the property, plans, pictures, location etc) will be disclosed, enabling investors to reliably assess the performance of each property;
- Co-determination of investors through voting rights for major decisions, including divestments of Investment Properties.

In order to implement this vision the Issuer will develop an internet-based ecosystem (the "CROWDLITOKEN ecosystem"), which provides Tokenholders certain additional optionalities. After entering into an Allocation Agreement with the Issuer, Tokenholders can use the following features of the CROWDLITOKEN ecosystem:

- Full flexibility in the allocation of their Tokens to one or several specific Investment Properties, permitting Tokenholders to participate in Net Profits generated from those particular properties, including their value appreciation or depreciation;
- Tokenholders can choose between interests being paid-out (CRT-Cash) or having them reinvested and receiving additional Tokens (CRT-Reinvest);
- Possibility to actively manage the own portfolio by easily swapping Tokens from one property to another property.

The second prong of the Issuer's strategy is to contribute to establishing security tokens like the CROWDLITOKEN as a new asset class, which it expects to be a key element in the digitization of the financial services industry. In order to contribute to this goal, the Issuer is striving to make the CROWDLITOKEN a suitable investment also for institutional investors like family offices and pension funds. The CROWDLITOKEN is therefore issued on the basis of a prospectus which is in full compliance with the Prospectus Regulation and all Applicable Laws. The Issuer is also committed to implement strict policies and procedures to ensure that all Tokenholders are identified (Know your Customer, KYC) and to prevent money laundering and terrorist financing.

### 4.3 Business Model

The Issuer plans to, directly or indirectly, acquire a portfolio of residential and commercial real estate in Europe with net proceeds from this STO. Investments will be made in accordance with the Investment Strategy outlined herein). Since the Issuer is a newly incorporated company with a share capital of only CHF 100'000, the net STO proceeds will essentially serve as the equity portion needed to finance the acquisition of Investment Properties. However, the terms of the STO are designed to immediately generate substantial reserves in the accounts of the Issuer at Closing Date to ensure financial stability over the full term of the securities, including in times of adverse market conditions.

In addition, the Issuer (or its subsidiaries) will seek to finance Investment Properties with loans from banks and other third-party financiers. This debt will normally be secured with a mortgage on Investment Properties and will rank senior to the claims and obligations of Tokenholders. Senior debt is expected to make up between 50 and 70% of the full acquisition price of Investment Properties.

Finally, net STO proceeds will also be used by the Issuer for the following purposes:

- The Issuer will cover all costs and expenses incurred for the STO (estimated at approximately 5.5% of the STO proceeds) with STO proceeds, including costs in connection with the issuance and distribution of Tokens, the project development as a whole, and costs prefinanced by its shareholders. After completion of the STO additional costs for the establishment of the CRT platform (estimated at approximately 2% to 3% of the STO proceeds) will be covered with STO proceeds.
- The Issuer will invest a portion of the STO proceeds in liquid assets in order to build-up a liquidity portfolio in order to safeguard the Issuer's liquidity at all times. The liquidity portfolio will include investment funds and shares and bonds of listed companies with a high dividend or interest yield. The share of STO proceeds to be allocated to the liquidity portfolio will depend, inter alia, on conditions on real estate and capital markets. The size of the liquidity portfolio shall be determined by the Issuer and is expected not to exceed 10% of STO proceeds, net of STO and platform development costs, once they are fully invested in real estate. Over time the Issuer will accumulate retained, undistributed, own earnings to provide liquid reserves allowing for a higher degree of assets to become invested in real estate. Nevertheless, the Issuer reserves the right to temporarily hold higher amounts in the liquid portfolio to assure financial stability and solvency at all times. It shall also be at the Issuer's discretion in which assets the liquidity portfolio shall be invested and whether the portfolio shall be managed internally or by way of an external asset management mandate.

The terms of the STO are designed to ensure sustained profitability of the Issuer's operations. Operational costs are covered by (i) the property administration charge of 0.75% p.a. levied on total assets, (ii) withholding 15% on Net Profits exceeding 5% return on investment, (iii) retaining Net Profits not fully allocated to

Tokenholders and relating to Tokenholders barred from claiming rights against the Issuer as a result of non-compliance with KYC rules, and (iv) a 3% charge made for the execution of the acquisition and disposal of Investment Properties. The charges (i) and (ii) will be allocated to the profit and loss statement of each Investment Property as management costs. The charge (iv) will gross up the book-value of Investment Properties and be accounted for as income of the Issuer.

Tokenholders have the right to receive Fixed Interests at a rate of 0.875% p.a. in the first two years, of 1.4875% p.a. in the third year and of 2.1% for the remainder of the term of the Tokens. The interest rates are calculated on the basis of the Token's Nominal Value of CHF 1.00. Based on the Minimum Repayment Amount of CHF 0.70 per Token, interest rates correspond to 1.25% p.a. of the Minimum Repayment Amount in the first stage, 2.125% p.a. in the second stage and 3% p.a. in the third stage.

Tokenholders are furthermore offered access to the CROWDLITOKEN ecosystem, an internet based application that enables Tokenholders to allocate their Tokens to properties of their choice within the CROWDLITOKEN eco system. Allocation will give Tokenholders the right to receive additional Performance-related Interests. Since Performance-related Interest are directly linked to the Net Profit resulting from the operation of Investment Properties, the costs for Total Interest will automatically adjust in case of adverse market conditions.

#### 4.4 Market Environment and Conditions

Target Markets for Tokens: The CROWDLITOKEN is designed to appeal to investors who are seeking exposure to digital assets indirectly backed by real estate assets. Three main groups are targeted with this Offering: investors who are already invested in and familiar with digital assets, institutional investors like family offices or high net-worth individuals who are seeking exposure to digital assets, and tech-affine retail investors. To the best of the Issuer's knowledge the CROWDLITOKEN is the first Token with characteristics of an indirect real-estate investment, but a number of projects with similar features have been announced publicly in Switzerland and other jurisdictions. While CROWDLITOKEN most likely will be a first mover, it is to be expected that competitors will quickly follow suit.

Real Estate Markets: After a long period with very low interests and high capital volumes invested in real estate, the origination of suitable projects requires sound research, comprehensive due diligence and sufficient time to execute the investment. Interest rates are more likely to rise over the next years, leading to yield depression and thus higher availability of real estate. The issuer is planning to acquire real estate in European countries, which are known for a high degree of productivity and sound economic stability. Any adverse economic development is therefore expected to have less negative impact on net profit and the valuation of Investment Properties.

The issuer is not aware of any circumstances that are to be expected to have a materially negative impact on the Issuers business prospects.

Public Offer Jurisdictions: Tokens will be offered for sale to the public in Liechtenstein (where this Prospectus is approved by the FMA) and in further EU jurisdictions where the Prospectus will be notified (Germany, Austria, France, Luxembourg, Belgium, the Netherlands, the United Kingdom and Ireland). Offers in other EU or EEA member states will only be made pursuant to an exemption under the Prospectus Regulation, as implemented in that Member State, from the requirement to publish a prospectus for offers of bonds. The Issuer will further seek authorization to distribute the Tokens to the public and/or to qualified investors in a number of non-EU/EEA jurisdictions, in each case in accordance with Applicable Law.

Legal conditions: legal and regulatory conditions for STOs are not settled yet and vary considerably across jurisdictions. This is true for both the regulation of STOs, tokens and investment in tokens as well as for the legal framework relating to ownership rights in tokens and their transfer. The government of Liechtenstein has enacted the *Law on Token and VT Service Providers*, the so-called "Blockchain Act", which entered into force on 1 January 2020 and clarifies some of those issues. Nevertheless, relative uncertainty remains which may expose the Issuer's business to legal and regulatory risks, including the risk that the Token cannot be offered to the public in certain jurisdictions, that applicable regulation is subject to change and that the transfer of tokens is not legally enforceable as contemplated. See for more information Chapter C. – Risk Factors.

## 4.5 Issuer's Asset and Liability Structure

The Issuer has been established in April 2018 with a share capital of CHF 100'000.

From April 2019 to April 2020, the Issuer has publicly offered CROWDLITOKEN on the basis of a Security Prospectus approved by the Liechtenstein Financial Market Authority on 12 April 2019. During the public offer period and in a private sale preceding the public offer, 16.4 Million CRT have been subscribed to by more than 450 investors.

The Issuer has, through the sale of CRT, thus raised appr. CHF 12 Mio and is now building up the real estate portfolio with first properties to be purchased in Switzerland and Germany. As per the date of this Prospectus, the Issuer has invested in one real estate property. The sole source of income of the Issuer are proceeds from real estate.

Investment Properties will be partially financed with STO proceeds and partially with loans from banks and other third-party financiers. This debt will normally be secured with a mortgage on Investment Properties and will rank senior to the claims and obligations of Tokenholders. Senior debt is expected to make up between 50 and 70% of the full acquisition price of Investment Properties. Net STO proceeds will therefore essentially serve as the equity portion needed to finance the acquisition of Investment Properties.

However, the terms of the STO are designed to generate a substantial amount of reserves in the accounts of the Issuer at Closing Date. The reserves will result from the following sources:

- First, the Subscription Price of the Tokens is higher than the Minimum Repayment Amount of CHF 0.70 per Token.
- Second, Tokenholders are entitled to claim and receive payments of interests or any form of Repayment only if they have been identified in accordance with the KYC policies enacted by the Issuer and if they have been found to be in full compliance with the AML rules and regulations. Further, duly identified Tokenholders will only receive performance-related interest if and as long as they execute their right to allocate their Tokens. The share of Net Profits attributable to non-registered Tokenholders and the share of performance-related interest not claimed by identified Tokenholders will be retained by the Issuer and used, at the Issuer's sole discretion, to fund additional reserves dedicated to managing risks in relation to Investment Properties, to finance the listing of Tokens at regulated markets, to fund the development of new blockchain applications or, to the extent not used otherwise, for distributions (dividend payments) to the Issuer's shareholders.

Additional instruments permitting to stabilize the Issuer in the case of adverse market conditions are provided for by the Terms and Conditions. First, the Issuer has the option to extend the Term of the Securities by two times five years in order to prevent being forced to liquidate or refinance the portfolio under adverse market conditions. Second, in the case of a severe crisis of real estate markets, the Issuer has the option to write-down obligations under the Securities to prevent an insolvency and a fire-sale liquidation of the portfolio of Investment Properties.

The Issuer reserves the right to issue or assume additional debt or equity at any time. In particular, the Issuer will seek to finance the acquisition of Investment Properties with loans from banks and other third-party financiers. The Issuer furthermore reserves the right to reopen the issue and issue additional Tokens at any time after completion of the STO (referred to as "Post STO Offerings") under the conditions set forth in the Terms and Conditions, Condition 2(d). Each Post STO Offering will be governed by a new prospectus if required by Applicable Law, but it shall be subject to substantially the same terms and conditions as Tokens issued in the course of this STO (with the exception of the subscription price which shall be determined by the Issuer but shall not be below CHF 1.- per Token).



## 4.6 Milestones and Factors impacting the Implementation of the Business Model

The following milestones have been envisaged for the implementation of the business plan:

<b>Start development ecosystem</b>	January 2020
<b>Establishment of Swiss subsidiary company</b>	April 2020
<b>Investing in first property</b>	April 2020
<b>Extension of real estate portfolio</b>	August 2020
<b>Going-Live of ecosystem</b>	August 2020
<b>Start of public offering</b>	1 November 2020
<b>Establishment of further subsidiary companies abroad</b>	End of 2020 - 2021

A successful implementation of the business plan may be prevented by a number of factors beyond the control of the Issuer, including, but not limited, to the following:

- **Regulatory Risks:** regulations governing STOs and the issuance and/or distribution of Tokens is still in a state of flux. It can therefore not be excluded that despite the approval of this Prospectus the distribution of the Tokens will be restricted to qualified investors, subject to other restrictions or be banned completely in one or several target jurisdictions;
- The success of the STO might be adversely affected by persistent negative market conditions for STOs and securities tokens or by severe reputational problems affecting participants in digital asset markets, resulting, e.g., from fraud, market manipulation, criminal charges, or operational problems affecting such participants;
- A failure to have the Tokens listed at an exchange or a regulated market would severely limit the Token's liquidity and economic value and therefore also affect the prospects of this STO;
- A severe downturn in real-estate markets of one or several target-jurisdictions would also affect the prospects for successfully implementing the business plan.

## 5 THE CROWDLITOKEN ECOSYSTEM

### 5.1 Definition

A key component of the Issuer's strategy is to develop an ecosystem offering innovative means of investing in financial assets backed by real-estate (the "CROWDLITOKEN ecosystem"). The CROWDLITOKEN ecosystem is an internet-based platform, which enables Tokenholders to exercise certain optionalities and creditor rights, including the following:

- **Allocation of Tokens:** The Issuer offers to Tokenholders the possibility to allocate their Tokens to one or several Investment Properties through the CROWDLITOKEN ecosystem. Tokenholders allocating their Tokens are entitled to receive Performance-related Interests in addition to Fixed Interests.
- **Pay-Out Modalities:** Tokenholders admitted to the ecosystem have a choice between interests being paid in cash (CRT-Cash) or in additional Tokens (CRT-Reinvest).
- **Investment Property Information:** The CROWDLITOKEN ecosystem will allow Tokenholders to review information regarding Investment Properties.

- Voting Rights: Tokenholders admitted to the ecosystem will have a say in relation to certain decisions affecting Investment Properties, in particular whether a property shall be divested.

These optionalities and rights are available to Tokenholders after they have purchased Tokens and have, by choosing from options available on the dashboard of the CROWDLITOKEN ecosystem, entered into an Allocation Agreement with the Issuer.

These functionalities will enable Tokenholders to customize their investment portfolio and fine-tune their exposure to markets, classes of real estate and currencies. As a result, Tokenholders will have the possibility to adjust their risk-return-profile and their capital exposure to their particular needs and expectations.

## 5.2 Access

Access to the CROWDLITOKEN eco system is granted only to persons who are identified as rightful owners of a Token according to the CROWDLITOKEN platform (the “Tokenholder”), irrespective of whether Tokens were directly issued to such person or whether they were acquired from another person in the secondary market.

Furthermore, the functionalities provided by the CROWDLITOKEN eco system can only be accessed after a tokenholder has been identified in accordance with the KYC policies enacted by the Issuer and after he has been found to be in full compliance with all other requirements set forth in the Terms and Conditions, Condition 5. A tokenholder who successfully completed this vetting process is registered in a list of Tokenholders and thus becomes a registered Tokenholder. No access is granted to tokenholders, including those who acquired a Token on the secondary market, who have not been fully vetted (“Non-registered Tokenholder”).

The Issuer has implemented and applies technical means to ensure that Tokens can only be subscribed to and / or acquired in the secondary market by registered Tokenholders who successfully completed KYC procedures.

Tokenholders will access the CROWDLITOKEN ecosystem through a log-in page on the Issuer’s website ([www.crowdlitoken.com](http://www.crowdlitoken.com)). Log-in information will be provided to Tokenholders following the successful conclusion of the KYC/AML process. Tokenholders will find a cockpit with an overview of all functionalities provided by the ecosystem.

## 5.3 Allocation of Tokens

Tokenholders are offered the possibility to allocate Tokens to one or several Investment Properties, once such Investment Properties have been acquired by the Issuer, through the CROWDLITOKEN ecosystem.

Each Investment Property will have a limited number of lots for allocation of Tokens. The number of available lots depends on the proceeds from the issuance of Tokens used for the acquisition of the property. Allocation in this context therefore means “reserving” one or several lots available in a particular Investment Property and participating pro rata in Net Profits generated from the operation of that particular Investment Property.

Tokenholders do not have a claim to allocate their Tokens to specific properties. If no or not enough lots are available for allocation, Tokenholders may not be able to allocate their Tokens to a specific property and will not be able to benefit from the Net Profits of that specific property.

Allocation is an individual, discretionary decision by the Tokenholder and is effective for as long as the Tokenholder holds the specific allocated Tokens. When Tokens are sold, the allocation will be reverted and the respective lots will become available again for allocation by other Tokenholders.

The number of Tokens that can be allocated to a particular Investment Property is the sum of STO proceeds to be invested for such property (i.e. the total investment amount minus senior debt) divided by the current or last issuance price per Token. Investors may allocate their Tokens to 95% of available lots per property with the remaining 5% being reserved for Tokens to be issued to Tokenholders that chose CRT-Reinvest and may wish to allocate such Tokens to the respective property.

The total number of Tokens that can be allocated to a specific Investment Property (AT) can therefore be determined as follows:



$$AT = \frac{(Investment - senior\ debt)}{\emptyset\ price/stage} \times 1.05$$

Example: The current issuance price is CHF 0.9325 per Token. A property with a total investment volume of CHF 15 million is acquired, financed with CHF 10 million senior debt. The total number of Tokens which can be allocated to that Investment Property (including 5% reserved for CRT-Reinvest) is calculated as follows:

$$\frac{15'000'000'000 - 10'000'000'000}{0.9325} \times 1.05 = 5'630'027\ \text{Tokens}$$

If the acquisition is made at a later stage with an issuance price of e.g. 1.17 per Token, the total number of Tokens subscribed at that stage which can be allocated to this property is only 4'487'180 (including 5% reserved for CRT-Reinvest):

$$\frac{15'000'000'000 - 10'000'000'000}{1.17} \times 1.05 = 4'487'180\ \text{Tokens}$$

## 5.4 Performance-related Interests

Tokenholders who allocated Tokens to particular Investment Properties are entitled to receive Performance-related Interests in addition to Fixed Interests. Performance-related Interests are a fraction of the Net Profits resulting from the operation of such property whereby the fraction is the percentage share of each allocated Token over the total number of lots available for allocation.

### 5.4.1 Calculation of Performance-related Interests

Performance-related Interests are calculated on the basis of the Net Profits resulting from the operation of the Investment Property or Properties to which Tokens have been allocated. The Net Profit of each Investment Property is the net rental income (as further defined in the table below) resulting from the operation of such Investment Property plus Realized Profit minus:

- (i) costs for administration, repair and maintenance, operational costs, insurance, property tax, interests and amortization for third-party finance;
- (ii) taxes (including corporate taxes) attributable to such Investment Property;
- (iii) administration charges deducted by the Issuer in accordance with Condition 7;

all items determined in accordance with generally accepted accounting principles applicable in the jurisdiction in which the Investment Property is located.

Net Profits include any profits realized when an Investment Property is sold prior to Cut-off Date ("Realized Profit"). Realized Profit is defined as the difference between the proceeds received upon the sale of an Investment Property prior to Cut-off Date (net of (i) incurred costs and a 3% transaction charge of the Issuer relating to the execution of the disposal of the Investment Property; and (ii) deferred and paid taxes in connection with the disposal of the Investment Property and the execution of such transaction) and the net acquisition price (plus (i) due diligence costs; (ii) a 3% charge of the Issuer relating to the execution of the acquisition of the Investment Property, and (iii) any subsequent capitalized expenses) of such Investment Property according to the last audited statutory financial statement or (unaudited) interim financial statement.

The Net Profits of each Investment Property are therefore determined as follows:

Gross rental income	<b>Total expected income if fully let</b>
- Vacancy	Deduction for vacancy incurred
- Collection risk	Unpaid rents
= Net rental income	
+ Realized Profits	As defined in Condition 8.1(b)
- Administration	Costs of local, external administrator
- Repair and Maintenance	Costs incurred and provided for
- Operational Costs	Costs which are not transferrable to tenants
- Insurance	All sort of required insurance
- Property Tax	Depending on local tax regime
- Interest and amortization	Interest and amortization payments on mortgage
= Net property income	The basis for calculation of Return on Investment
- Allocated tax	Allocation of corporate and income tax to the property
- Fees	0.75% property administration charge plus 15% performance bonus on excess of 5% Return on Investment
= Net Profit	
- Fixed interest	0.875% / 1.4875% / 2.1% on Nominal Value
= Basis for calculation of Performance-related Interest	

If an Investment Property is fully allocated, all Net Profits from this property will be distributed to Tokenholders who allocated Tokens to such property. If an Investment Property is not fully allocated, Net Profits attributable to allocated Tokens ( $NP^{AT}$ ) are determined in accordance with the following formula:

$$NPAT = NP * \left( \frac{AT - NAT}{AT} \right)$$

where NP = Net Profits as per table above, AT = total number of Tokens which can be allocated to an Investment Property and  $N^{AT}$  = number of non-allocated tokens on that same Investment Property (see above).

The fraction a Tokenholder receives from Net Profits attributable to allocated Tokens ( $FNP^{AT}$ ) is determined as follows:

$$FNPAT = NPAT * \frac{T}{AT - NAT}$$

Where NPAT = Net Profits attributable to allocated Tokens, T = number of Tokens allocated by the specific Tokenholder; AT = total number of Tokens which can be allocated to an Investment Property and NAT = number of non-allocated tokens (see above).



Example: A property X with a total investment volume of CHF 15 million is acquired and financed with CHF 10 million senior debt and CHF 5 million STO proceeds. The average issuance price/Token is CHF 0.9325. The total number of Tokens which can be allocated to that Investment Property is 5'630'027.

Tokenholder A has allocated 56'300.27 Token to property X, corresponding to 1% of the total number of Tokens that can be allocated to the Property. If Net Proceeds resulting from the management of property X is CHF 1'000'000 in y1, Total Interests to be paid to Tokenholder A are CHF 10'000 (CHF 492.63 Fixed Interests and CHF 9'507.37 Performance-related Interests) p.a..

The Performance-related Interests shall be determined by using Net Profits of the relevant Investment Property, as shown in the most recent audited yearly accounts, and the allocation status for each property on the last calendar-day of each month at 12:00 pm CET (cut-off date).

Interest will be paid out in monthly installments based on the last available yearly audited accounting statement less a discount for prudence of 10%. Post audit of the next following yearly account statement of the Issuer, the difference between prior-year-based, paid monthly installments and effective performance related interest will be paid-out together with the next following monthly payment. Monthly payments will be executed on the fifth banking-day of each month. Where required, currency translation will be executed using the applicable rate at the date of execution.

Example: Tokenholder A keeps allocated 56'300.27 Token to property X, corresponding to 1% of the total number of Tokens that can be allocated to the Property. The Performance-related Interest is calculated based on a Net Profit of y1 (CHF 1'000'000) as shown in the last available yearly accounting statements less a discount for prudence of 10% (therefore: CHF 900'000).

The yearly Fixed Interest amounts to CHF 492.63, which will be distributed over twelve months. Tokenholder A also receives Performance-related Interests of CHF 708.95 per month (prudent yearly Net Profits of CHF 900'000 x Allocation Share of 1% - Yearly Fixed Interest of CHF 492.63, divided by 12 months) if the Net Profits are not expected to change in y2.

In case the Net Profits are expected to change or are effectively changing during y2, e.g. due to the development of rental yields or vacancies, the monthly payout of the Performance-related Interests will be decreased or increased accordingly.

Net Profits will depend, inter alia, on the overall development of rental yields, vacancies, expenses for repair and maintenance of Investment Properties and marginal taxation at their location.

## 5.5 CRT-Cash and CRT-Reinvest

Tokenholders admitted to the CROWDLITOKEN ecosystem can choose between interests (Fixed Interests and Performance-related Interest) paid out in cash (in ETH, CHF or EUR; referred to as "CRT-Cash") or to have additional Tokens allocated for interests accrued (referred to as "CRT-Reinvest"). As long as the Tokenholder does not make a selection in the CROWDLITOKEN ecosystem, CRT-Reinvest is deemed to be selected.

### 5.5.1 Settlement of Performance-related Interests

Any claim for payment of interest is subject to the registration and identification of the Tokenholder in accordance with KYC/AML procedures and policies implemented by the Issuer or as required by Applicable Law, not later than at Maturity Date.

The Issuer shall pay 90% of expected Performance-related Interests in twelve (12) monthly installments. The amount will be determined based on the Net Profits as shown in the most recent audited yearly accounts of the Issuer. The payment of Performance-related Interests shall be made each month on the fifth Business Day ("Interest Payment Date") after the relevant Investment Property has first been made available for allocation in the CROWDLITOKEN ecosystem. The remainder (difference between all installments and the effective Net Profits as shown in the audited annual accounts of the Issuer for the relevant period), if any, shall be paid 30 days after approval of the relevant accounts resp. on the fifth Business Day of the following month.

If the total sum of installments paid for a particular accounting period exceeds the effective Net Profits, this difference shall be deducted from payments to be made in the next accounting period.

Example: The Issuer has so far based its calculation of Performance Related Interest for the period on a Net Profit of CHF 900'000.-.

At the end of y2, the effective Net Profits are shown in the audited annual accounts of the Issuer to be CHF 1'100'000. The difference of CHF 200'000 (share of Tokenholder A still allocated on property: CHF 2'000) will be paid 30 days after approval of the audited annual accounts of the Issuer, therefore no later than 5 July of each year.

If the effective Net Profits, at the end of y2, are CHF 800'000.-, the difference of CHF 100'000 will be deducted from the Performance Related Interests payments of the property over the following twelve months (i.e. deduction of CHF 8'333.- each month from total amount of Performance Related Interest available for payments to allocated Tokenholders).

(a) Settlement of Interest Payment in Cash

Payment of Interests shall be made in the Currency in which payment for the subscription price was received from the Tokenholder. The Tokenholder may elect to receive payment in another Currency such as CHF, EUR, ETH, by notifying the Issuer.

Payments due in ETH shall be settled by sending ETH to the Tokenholder's wallet. Exchange fees charged by the exchange agent for exchanging CHF into ETH for purposes of making interest payments shall be borne by the Tokenholder. The Issuer shall not be liable for late payment of Total Interests as a result of undue delay of the exchange operation performed by the exchange agent.

Payments due in CHF or EUR will be made by the Issuer to an account to be stated by each Investor in the CROWDLITOKEN ecosystem.

(b) Settlement of Interest Payment in CRT-Reinvest

Tokenholders may choose to reinvest accrued Total Interests ("CRT-Reinvest") instead of receiving payment in cash in an Eligible Currency.

Payment of Total Interests on CRT-Reinvest shall be settled by transferring unallocated Tokens to the Tokenholder's wallet. The number of Tokens to be transferred is calculated by dividing Total Interests payable to such Tokenholder by the Subscription Price payable for newly issued Tokens at the time the interest payment becomes due, if any, alternatively, by the last applicable Subscription Price for Tokens issued by the Issuer.

Subject to Applicable Law, the Issuer shall not be liable to pay interest with regard to Tokens if (i) the Issuer is not capable of identifying the Tokenholder; or (ii) a Tokenholder failed to perform the steps required to successfully pass the KYC/AML process. Any claim for interest payments with regard to a Token against the Issuer shall be time-barred in accordance with Condition 16.

Claims for payment of interests shall become time-barred after a period of five (5) years, calculated from their respective due dates.

### 5.5.2 Restrictions with regard to payment of Performance-related Interests

Performance-related interest will only be paid once the proceeds of this STO have been invested by the Issuer and once and to the extent properties acquired do yield Net Profits.

No Performance-related Interests are paid if the Net Profit from the operation of the relevant Investment Property is less than the Fixed Interest of the same period and / or if no Fixed Interests are paid to Tokenholder (e.g. Contingent Write-Down).

One year prior to the Maturity Date (the "Cut-off Date") net proceeds from the sale of Investment Property will no longer form part of Net Profits to be distributed as Performance related Interests, but will be allocated to a repayment account.

For the avoidance of doubt, the same Repayment Amount becomes payable for each Token held by a Tokenholder whether or not a Token was allocated or whether the Tokenholder has opted for CRT Cash or CRT Reinvest.

## 5.6 Information

The Issuer will provide information regarding Investment Properties through the CROWDLITOKEN ecosystem. Tokenholders will have access to documentations, the accounts, valuation reports and other information regarding Investment Properties to which Tokens have been allocated.

## 5.7 Voting Rights

Tokenholders are offered the possibility to participate in votings arranged through the CROWDLITOKEN platform. One Token will have one vote.

Non-mandatory votings will be arranged by resolution of the board of directors, acting at its sole discretion, in relation to relevant issues, including a change of the investment strategy or the disposition of an Investment Property. While a change of the investment strategy will be submitted to all registered Tokenholders for approval, only Tokenholders who allocated Tokens to a particular Investment Property will have a say in the disposition of such property.

Mandatory votings will be required in situations described in the Terms and Conditions in accordance with Condition 14. Any proposal will require the affirmative vote of Tokenholders holding not less than 50% of the Tokens participating or represented in the vote. Resolutions passed by a simple majority of participating or represented votes will be effective and binding upon all Tokenholders, including Tokenholders who abstained from voting or who voted against the proposed modification.

## 5.8 Termination of Allocation

A Tokenholder can at any time decide to change the allocation of its Tokens or to terminate allocation. Also, a sale of allocated Tokens is only possible after allocation has been terminated and the Token has been “reset”.

A Tokenholder wishing to terminate or change allocation or to sell allocated Tokens will have to exit the CROWDLITOKEN ecosystem resp. withdraw Tokens with regard to which he wishes to terminate allocation from the ecosystem.

Upon termination of the allocation, all optionalities chosen by the Tokenholder in the ecosystem (allocation, pay-out modalities, voting rights) for such token will be deleted.

Tokens are therefore fully fungible at all times. Fungibility of Tokens is not affected by functionalities provided within the ecosystem to certain Tokenholders personally and which will be accounted for outside of the smart-contract of the Token.

# 6 INVESTMENT STRATEGY

## 6.1 Overview

The rationale for this Offering is to obtain external financing for the acquisition of a real estate portfolio in accordance with the Issuer's investment strategy (the “Investment Strategy”). The Issuer intends to invest net STO proceeds, directly or through subsidiaries, to which STO proceeds are forwarded by means of (unsecured) loans, in residential and commercial real estate in Europe in order to build a high-quality portfolio of Investment Properties, which preserves value and offers opportunities for value growth.

The Issuer will hold these Investment Properties directly or through one or more subsidiaries and the Issuer or such subsidiaries will be the sole owners of the properties, registered in the local land registry. Tokenholders, including Tokenholders who have allocated Tokens to specific properties, will have no ownership or any other preferential right in relation to specific properties. The Issuer's Investment Strategy is prepared by the Issuer's Real Estate Committee and approved by the Board of Directors. It will be re-evaluated from time to time and,

if and to the extent considered necessary so that the Issuer can continue to meet its investment goals, be confirmed or (partially) adjusted.

Net proceeds from this Offering will also be used to cover costs and expenses incurred for the STO (estimated at approximately 5.5% of the STO proceeds) and for the establishment of the CRT platform (estimated at approximately 2% to 3% of the STO proceeds) and the CRT ecosystem. Furthermore the Issuer will hold a portion of the STO proceeds in the form of liquid assets in order to build-up a liquidity portfolio. The management of this portfolio is not dealt with in the Investment Strategy.

## 6.2 Country Strategies

The Issuer intends to invest net STO proceeds in residential and commercial real estate in Europe. The first acquisitions will be made in Switzerland where the Investment Strategy will focus on office and commercial properties since no investments in residential real estate is possible due to regulatory restrictions. Investments in other jurisdictions will include both residential and commercial real estate. Other target jurisdictions include Germany and Austria, the Netherlands and Belgium, Northern European countries (Denmark, Sweden, Finland) and Eastern European countries (Poland, the Czech Republic, Latvia, Lithuania, Estonia and Hungary).

Since real-estate markets in the target jurisdictions differ considerably, country specific criteria are defined for the acquisition, the management and the divestment of properties. In general terms, investments will focus on multi-tenant buildings (maximum of 20% rental space per tenant) with a high tenancy rate, i.e. no investments in development projects or properties in need of repositioning will normally be made.

## 6.3 Responsibilities and Organization

**Real Estate Committee:** The Issuer's Board of Directors has appointed a real estate committee (the "Real Estate Committee") which will supervise the implementation of the Investment Strategy, define criteria for the acquisition of Investment Properties, lay down a long-term building and maintenance strategy across the whole portfolio and take action if an Investment Property performs poorly or loses value. The Real Estate Committee also will determine Investment Properties to be put-up for sale, but the final decision about any divestment is vested with Tokenholders who have allocated Tokens to that particular Investment Property. Any divestment of an Investment Property therefore needs approval of the simple majority of Tokenholder votes (calculated on the basis of Token allocated to such property) (see above Section 4). The Real Estate Committee has four to five members who have in-depth experience and proven knowledge in the real-estate business.

**Operational Responsibilities:** The operational implementation of the Investment Strategy will be the responsibility of a Real Estate Team which will be led by the Head of Real Estate. The Real Estate Team will include several country teams which will be responsible for the management of Investment Properties in one or several jurisdictions, including the supervision of local service providers. Country teams are reporting directly to the Head of Real Estate.

**Financing:** The Issuer will hold Investment Properties directly or through one or several local subsidiaries, with one or several companies to be set up for each jurisdiction. The Issuer will finance local subsidiaries directly or indirectly with equity and subordinated and unsecured loans. The acquisition of Investment Properties will also be financed with senior loans (including mortgages) from local banks and other lenders. Senior debt is expected to make up between 50 and 70% of the whole acquisition price at the time of acquisition. Interest rates for senior debt will be at prevailing market rates at the time of acquisition, and a possible increase in market rates will likely have a major impact on the Issuer's business model.

## 6.4 Reporting and Valuation

Each Investment Property will be accounted for as a profit center in accordance with generally accepted accounting principles applicable in the jurisdiction in which the property is located. A profit and loss statement will be prepared based on the accrual accounting method as per the end of each year. This statement will be made available to Tokenholders who have allocated Tokens to the respective property in the CROWDLITOKEN ecosystem within 30 business days.



The Issuer will have the entire portfolio of Investment Properties valued by way of a desktop analysis by an external appraiser such as PricewaterhouseCoopers (PwC), Wuest & Partner etc. twice per year, who may also be tasked to make an appraisal of properties to be acquired by the Issuer. The Issuer will report twice per year the Net Market Value (NMV) of Investment properties to Tokenholders who have allocated Tokens to the respective property.

## 6.5 Acquisition Process

The process for the acquisition of Investment Properties is defined in the form of a template approved by the Real Estate Committee. All properties are subject to a due diligence prior to acquisition, which will cover the following items:

- Legal (leases, maintenance contracts etc.);
- Building/technical status (condition, age, wear etc.);
- Economics (return, financing, tenants etc.);
- Construction and planning law (building regulations, zoning plan);
- Location (micro and macro location).

For each property an external expert opinion will be prepared by an independent appraiser and construction expert. The technical status of the building and the purchase price will be verified. All relevant contracts will be reviewed by local legal counsels.

The final decision regarding the acquisition of an Investment Property will be made by the Board of Directors upon a recommendation from the Real Estate Committee. After completion of the transfer of ownership, the Investment Property is assigned to an asset manager and entered into the reporting structure of the Issuer.

## 7 FINANCIAL INFORMATION

### 7.1 Accounting Policies and Auditor

The balance sheet of the Issuer as of 31.12.2019 was audited by Grant Thornton AG, Bahnhofstrasse 15, 9494 Schaan, Principality of Liechtenstein. Grant Thornton is a global assurance and advisory group. Grant Thornton AG, Schaan, holds all relevant licenses and permissions to audit financial statements of any financial institution in Liechtenstein. Grant Thornton AG, Schaan, is regulated by the Liechtenstein FMA. Grant Thornton is a member of Liechtenstein Association of Auditors (Liechtensteinische Wirtschaftsprüfer-Vereinigung).

The Balance Sheets of the Issuer are established and audited in accordance with accounting standards pursuant to the Liechtenstein Persons and Companies Act (PGR). The Issuer may in the future and will, if so required by law or regulation, decide to further on prepare (consolidated) financial statements in accordance with International Financial Reporting Standards (IFRS).

There has been no significant change in the Issuer's financial position since 31 December 2019.

The Balance sheet as per 31 December 2019 is shown on the following two pages.

Review of the balance sheet as of 31.12.2019

The balance sheet as of 31.12.2019 has been reviewed by the statutory auditor of the Issuer in accordance with the Liechtenstein Companies Act (Personen- und Gesellschaftsrecht, PGR).

The auditor's report points out that CROWDLITOKEN AG is overindebted in the meaning of Art 182e sub-para 2 PGR, i.e. that half of the minimum capital of the entity is not covered. As creditors with claims amounting to CHF 2'128'386 have declared to accept that their claims are treated subordinated, no further measures are required for the time being.

## CROWDLITOKEN AG

9495 Triesen

FL-0002.590.108-1

	31.12.2019
<b>BILANZ</b>	CHF
<b>AKTIVEN</b>	
<b>Anlagevermögen</b>	
<i>Immaterielle Anlagewerte</i>	
Aufwendungen für die Errichtung und Erweiterung des Geschäftsbetriebes	6'932
<i>Total immaterielle Anlagewerte</i>	6'932
<b>Total Anlagevermögen</b>	<b>6'932</b>
<b>Umlaufvermögen</b>	
<i>Forderungen</i>	
Sonstige Forderungen	14'499
<i>Total Forderungen</i>	14'499
<i>Guthaben bei Banken, Postscheckguthaben, Schecks und Kassenbestand</i>	1'169'907
<i>davon ETH-Token</i>	3'465
<b>Total Umlaufvermögen</b>	<b>1'184'406</b>
<b>Aktive Rechnungsabgrenzungsposten</b>	<b>63'768</b>
<b>TOTAL AKTIVEN</b>	<b>1'255'106</b>



## CROWDLITOKEN AG

9495 Triesen

FL-0002.590.108-1

### BILANZ

31.12.2019

CHF

#### PASSIVEN

##### Eigenkapital

Gezeichnetes Kapital	100'000
Jahresgewinn (+) / Jahresverlust (-)	-2'187'975
<i>Total Eigenkapital</i>	<i>-2'087'975</i>

##### Rückstellungen

Steuerrückstellungen	1'800
Sonstige Rückstellungen	32'000
<i>Total Rückstellungen</i>	<i>33'800</i>

##### Verbindlichkeiten

Verbindlichkeiten gegenüber Banken	124
Erhaltene Anzahlungen	1'056'421
Verbindlichkeiten aus Lieferungen und Leistungen	109'757
Verbindlichkeiten gegenüber verbundenen Unternehmen	2'128'386
<i>davon Verbindlichkeiten mit Rangrücktritt</i>	<i>2'128'386</i>
Sonstige Verbindlichkeiten	14'593
<i>davon Verbindlichkeiten aus Steuern</i>	
<i>davon Verbindlichkeiten im Rahmen der sozialen Sicherheit</i>	<i>14'437</i>
<i>Total Verbindlichkeiten</i>	<i>3'309'281</i>

##### Passive Rechnungsabgrenzungsposten

-

#### TOTAL PASSIVEN

1'255'106





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**Grant Thornton AG**

Bahnhofstrasse 15

P.O. Box 663

FL-9494 Schaan

T +423 237 42 42

F +423 237 42 92

[www.grantthornton.li](http://www.grantthornton.li)

**Bericht der Revisionsstelle zur Abschlussprüfung 2019**

An die Generalversammlung der  
**CROWDLITOKEN AG, 9495 Triesen**

Als Revisionsstelle haben wir die Jahresrechnung (Bilanz, Erfolgsrechnung und Anhang) und den Jahresbericht der CROWDLITOKEN AG für das am 31. Dezember 2019 abgeschlossene Geschäftsjahr, umfassend den Zeitraum vom 17.08.2018 bis 31.12.2019, geprüft.

Für die Jahresrechnung und den Jahresbericht ist der Verwaltungsrat verantwortlich, während unsere Aufgabe darin besteht, diese zu prüfen und zu beurteilen. Wir bestätigen, dass wir die gesetzlichen Anforderungen hinsichtlich Befähigung und Unabhängigkeit erfüllen.

Unsere Prüfung erfolgte nach den Grundsätzen des liechtensteinischen Berufsstandes, wonach eine Prüfung so zu planen und durchzuführen ist, dass wesentliche Fehlaussagen in der Jahresrechnung und im Jahresbericht mit angemessener Sicherheit erkannt werden. Wir prüften die Posten und Angaben der Jahresrechnung mittels Analysen und Erhebungen auf der Basis von Stichproben. Ferner beurteilten wir die Anwendung der massgebenden Rechnungslegungsgrundsätze, die wesentlichen Bewertungsentscheide sowie die Darstellung der Jahresrechnung als Ganzes. Wir sind der Auffassung, dass unsere Prüfung eine ausreichende Grundlage für unser Urteil bildet.

Gemäss unserer Beurteilung vermittelt die Jahresrechnung ein den tatsächlichen Verhältnissen entsprechendes Bild der Vermögens-, Finanz- und Ertragslage der Gesellschaft in Übereinstimmung mit dem liechtensteinischen Gesetz. Ferner entsprechen die Jahresrechnung und der Jahresbericht dem liechtensteinischen Gesetz und den Statuten.

Der Jahresbericht steht im Einklang mit der Jahresrechnung.

Wir empfehlen, die vorliegende Jahresrechnung zu genehmigen.



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Wir machen darauf aufmerksam, dass die CROWDLITOKEN AG im Sinne von Art. 182e Abs. 2 PGR überschuldet ist. Da Gläubiger der Gesellschaft im Betrag von CHF 2'128'386 Rangrücktritt erklärt haben, hat der Verwaltungsrat von der Benachrichtigung des Gerichts abgesehen.

Schaan, 24. Juni 2020

Grant Thornton AG

Egon Hutter  
Zugelassener Wirtschaftsprüfer  
Leitender Revisor

ppa Mathias Eggenberger  
Zugelassener Wirtschaftsprüfer

**Beilagen:**

- Jahresrechnung (Bilanz, Erfolgsrechnung und Anhang)
- Jahresbericht





## 8 ORGANISATION OF THE ISSUER

### 8.1 Board of Directors and Investment Committee

Role of the board of directors: The board of directors will define the strategic guidelines for the Issuer's business and be responsible for the oversight of the operational and financial management of the Issuer. The board of directors will delegate the management tasks and the operational business to the management. The implementation of the investment strategy will be delegated to a Real-Estate Committee, but final decision regarding the acquisition of Investment Properties will be made by the board of directors.

### 8.2 Composition of the board of directors

#### ***Ernst Sutter (Chairman)***

Ernst is an independent entrepreneur and owner/ shareholder of different real estate and food companies. He holds various mandates as board member, has a profound network base in real estate and strong links to high calibre investors. Ernst is the chairman of CROWDLI AG, Frauenfeld.

#### ***Martin Züger (Member)***

Martin Züger (Swiss) holds a master's degree in architecture and gained first experience with several reputed architecture offices before he founded his own architecture company in Switzerland and became co-owner of a real estate investment company as well as a general contractor for construction of real estate. Backed with 35 years of professional experience, Martin has a wealth of comprehensive know-how in the real estate sector.

#### ***Dr. Hans Kuhn (Member)***

Dr. Hans Kuhn (Swiss) is a practicing attorney in Zurich (Switzerland). He specializes in banking and financial market law, including fintech and blockchain law. He advises and represents banks, fintechs and financial services providers in regulatory matters and has also extensive experience in securities law (including international securities transactions) and payment and secured transactions. He serves as a member of the board or as an advisor for a number of startups in the fintech and blockchain sphere. Before joining private practice he has served as chief legal counsel for Swiss National Bank, Switzerland's central bank, for more than 13 years. Hans Kuhn served as a member of national and international expert groups on matters such as bank resolution, derivatives and netting legislation. He played a leading role in the national and international securities law reforms, acting as chairperson of the national expert group preparing the Swiss Federal Intermediated Securities Act and the Diplomatic Conference which adopted the Geneva Securities Convention.

#### ***Toni Caradonna (Member)***

Toni Caradonna (Swiss) has been actively involved in the Blockchain scene since the very early stages. Thus, he managed to program the worldwide first smart contract for UNICEF. Additionally, he developed a comprehensive Blockchain-solution for Porini foundation which is mainly involved in sustainability innovations of the United Nations. Toni Caradonna is also the initiator of the Ethereum Movie "Venture", a project that has implemented the global first film fully funded with Ethereum and today listed on CoinMarketCap. Toni is very well known and highly reputed in the Blockchain community, holds a Master in Physics, is a passionate artist and a welcomed key-note speaker at high rank global Blockchain and crypto conferences.

#### ***Dr. Hans Eggenberger (Member)***

Dr. Hans Eggenberger (Liechtenstein) obtained a Master in Economics at the highly reputed Hochschule St. Gallen followed by his degree as a certificated public accountant in Switzerland. He is a Partner at Töndury + Partner AG in Liechtenstein where he is providing a wide range of services in the trust and financial sector such as formation, administration, acting as Director or Trustee as well as tax and legal matters.

#### ***Remo Weibel (Member)***

Remo knows the laws and mechanisms of selling financial products from the bottom up. From 1995-2019 he held various positions at Swiss Life Select. From 2010 he was CEO of this comprehensive financial planner

for private clients. He was promoted to the Executive Board of Swiss Life Switzerland in 2012. In addition to his vast experience, Remo also brings his outstanding European network to the company.

***Michael Escher (Member)***

Michael Escher knows what it means to establish and expand markets and sales channels for products and services internationally. He was born with an interest in real estate, as he was able to gain insight into his father's real estate business at an early age. With his business administration studies with a focus on finance/strategy, complemented by his Executive MBA at the renowned London Business School, Michael moved into industry. After spending time in London and Frankfurt in leading positions at Swiss blue chip companies, he was most recently a member of the Executive Board at Meyer Burger and was responsible for all commercial activities. Today, Michael runs his own consulting company with a focus on strategy, marketing, and internationalization, primarily supporting technology companies and start-ups.

***Roger Bigger (Member)***

Roger launched his career as a qualified banker, before earning a degree in business studies and gaining extensive experience in management. He plans and implements real estate projects and coordinates transactions more than CHF 300 million. As a board member of several different companies in the financial and real estate sector, he has a strong international network. Today, Roger is a businessman, owner, and delegate of azemos holding ag, as well as a co-founder of CROWDLI AG.

### 8.3 Operational Management

**Role of management:** The operational management is responsible for the management of the Issuer based on the strategic guidelines provided by the board of directors. The operational management reports to the board of directors.

**Composition of the management:**

***Domenic Kurt - CEO***

Domenic Kurt (Swiss) has a management-level background in distribution, product management and consulting with a large Swiss Bank. One of his projects was to launch a decentralized distribution construction with an integrated information software for the third largest Swiss bank. He managed a lot of customer assets as a head of private banking. Since 2015, he also was successfully involved with several start-ups in the real estate and financial sector. As a chairman of the board he developed the strategy for a Swiss fintech startup. Furthermore, as a co-founder of a property company, he builds up a real estate portfolio. He holds a bachelor's degree in business administration and a Diploma of advanced Studies in Swiss finance with specifics in Innovation Management.

***Dr. Lidia Kurt (-Bolla) – Chief Strategic Officer (CSO)***

Dr. Lidia Kurt (Swiss) has extensive experience in blockchain-based investment areas. She was involved in establishing vision&, Switzerland's first asset manager for blockchain investments. She was also the managing partner of a consulting boutique for quantitative financial affairs and has worked for major financial institutions in Zurich, London and Hong Kong. Lidia graduated from the University of St. Gallen with a PhD in asset management.

***Isabella Brom – Chief Information Officer (CIO)***

Isabella Brom (Swiss) complements the team with her experience in enterprise architecture, decentralized business models and digital asset infrastructure. With her company KORE Technologies AG she and her team develop comprehensive digital asset software solutions in the areas of issuance, custody and node services. Previously, she built up and managed the consulting arm for distributed ledger technologies at Ernst&Young Switzerland, initiated and implemented digitization projects with Fortune 500 companies.

## 8.4 Compensation for Management and Staff and third party providers

Members of the board of directors and the management as well as staff members and third party providers will be compensated with Tokens as part of their salary structure. For this purpose 800'000 Token plus a number of Token corresponding to a 3% top up of the total number of Tokens issued in this Offering may be issued for compensation purposes. Tokens allocated under this program will have to co-invest alongside all Tokenholders, i.e. Members of the board of directors and the management will be obliged to allocate the Tokens to specific investment properties through the CROWDLITOKEN ecosystem for as long as they hold this or a comparable position in one of the Issuers bodies.

## 8.5 Conflicts of Interest

Since some members of the board of directors are also entrepreneurs and board members of other companies in the real estate, technology and finance sector, potential conflicts of interest may arise. The Issuer will apply strict policies in order to avoid conflicts of interest and will enter into transactions only on an at arm's length basis. If a conflict of interest cannot be avoided it will be disclosed.

## 8.6 Corporate Conduct

Election terms: Members of the board of directors will be elected / re-elected on an annual basis for a term of one year by the annual ordinary general meeting of shareholders of the Issuer.

Signatory powers: The Issuer applies a strict policy of segregation of duties. No one shall be granted sole signatory power.

Audit committee: The Issuer does not have an audit committee as the company is not listed on a stock exchange.

Employees: The Issuer may hire own personnel to strengthen operational capacities at its domicile and will hire further personnel for its planned subsidiaries in the countries where Investment Properties will be acquired.

## 8.7 Dividend payments

The issuer will primarily use profits to accumulate and retain sufficient reserves to manage risks in connection with real estate, to enable the trading of Tokens on exchanges licensed for trading with and accepting security tokens, once available, and to further develop real estate related Blockchain applications. The issuer reserves the right to use accumulated reserves in excess of the aforementioned purpose for the distribution of dividends at his sole discretion.

## 8.8 Major contracts and financial commitments

During the preparation of this Offering, Crowdli AG, the Issuer's sole shareholder, has entered into a number of material contracts with suppliers which shall be assumed by the Issuer after the Closing. Some of these contracts have been entered into with related companies, particularly azemos partner AG, Frauenfeld, Switzerland (Project structuring, for development and coordination as well as commercial and operational execution).

During the preparation of this Offering, Crowdli AG has prefinanced costs and expenses in connection with serving these agreements. The Issuer has agreed with Crowdli AG to reimburse these costs and expenses based on detailed accounts post-closing. A part of these costs may be paid through the allocation of Tokens (see also A.2).

Furthermore, the Issuer might enter into a management agreement with Crowdli AG.

## 8.9 Litigation

There is no pending litigation.

## 8.10 Major changes

There are no major changes.

## E. INFORMATION ABOUT THE SECURITIES

### 1 OBJECT OF THE PROSPECTUS / TYPE OF SECURITIES

The object of this Prospectus are a maximum number of 1'000'000'000 digital tokens (referred to as "CROWDLITOKEN", "CRT", or "Tokens"), whereby each Token represents a derivative security with features of a structured bond with an initial term until 14 December 2044 (referred to as the "Up to 1'000'000'000 CROWDLITOKEN Structured Bonds due 2044" or the "Bonds", ISIN LI0432942626).

The performance of the CROWDLITOKEN is partially linked to a portfolio of commercial and residential real estate objects in European countries (the "Investment Properties", and each an "Investment Property") which will be acquired with proceeds from this Offering and which will be held and managed by the Issuer or subsidiaries of the Issuer.

Owners of CROWDLITOKEN ("Tokenholders") will be paid fixed-rate interest payments ("Fixed Interests").

At Maturity Date, Tokenholders will receive the Repayment Amount which will be determined in correlation to the market value of the portfolio of Investment Properties at that time but will in any event not be less than the Minimum Repayment Amount of CHF 0.70 per Token.

Any and all payments to Tokenholders are subject to the Tokenholders having successfully completed KYC/AML procedures installed by the Issuer and having registered themselves on the CROWDLITOKEN platform. The Issuer has implemented and applies technical means to ensure that Tokens can only be subscribed to and / or acquired in the secondary market by registered Tokenholders who successfully completed KYC procedures.

For the avoidance of doubt: Whilst interest payments and the Repayment Amount are partially linked to the performance of the portfolio of Investment Properties, the Issuer is not obliged to invest the net proceeds of the STO in full into Investment Properties at any time. Parts of the net proceeds will also be used for covering costs incurred in relation to this Offering and the development and implementation of the CROWDLITOKEN platform and the CROWDLITOKEN ecosystem and in order to build up a liquidity reserve portfolio of the Issuer.

### 2 LAW GOVERNING THE TOKENS

This Offering is governed by the laws of the Principality of Liechtenstein.

### 3 STATUS OF THE TOKENS

The Tokens constitute direct, unconditional, unsecured and subordinated obligations of the Issuer and rank *pari passu* among themselves. The rights and claims of Tokenholders are subordinated as described in the Terms and Conditions, Condition 10(b), which means that they are junior to all unsubordinated outstanding liabilities of the Issuer in respect of the Issuer. They are subject to a Contingent Write-down (*bedingte Aufhebung von Forderungen durch Übereinkunft*, as further defined below) if, during the term of the Tokens (as defined below) the conditions set-out in the Terms and Conditions, Condition 12, are met.

### 4 FORM OF SECURITIES

The entirety of the Tokens issued during the Offering are issued in the form of book-entry securities (Wertrechte), and investors shall at no time have the right to demand (i) conversion of Tokens into physical securities and/or (ii) delivery of physical securities.

Crowdlitokens issued during the course of this Offering or during a Post-STO Offering (if any) shall be deemed to form part of one and the same class of securities. They are fully fungible and can be traded at regulated markets once market places are licensed for trading with Security Token and once the Tokens are listed or accepted for trading on such exchanges or platforms. Until such listing, Tokens can be traded on a bilateral (OTC) basis only.



The transfer of ownership rights in Tokens from one Tokenholder to another Tokenholder will need to be registered on the CROWDLITOKEN platform and in accordance with its rules and provisions in order for a Tokenholder to be able to claim interest payments and repayments at Maturity Date. Registration of a transfer of Tokens to a purchaser or any other transferee made in accordance with the rules and provisions of the CROWDLITOKEN platform shall be deemed to constitute a transfer of the corresponding book-entry security by the Issuer. Subject to the Terms and Conditions, Condition 5, the Issuer shall recognize and acknowledge the person who is the registered holder of the Token in accordance with the rules and provisions of the CROWDLITOKEN platform (the “Tokenholder”) as the person entitled to claim and exercise any and all rights under the Terms and Conditions of the Token. Payment to such Tokenholder shall discharge the Issuer from any obligation under the Terms and Conditions.

The Issuer has implemented and applies technical means to ensure that Tokens can only be subscribed to and / or acquired in the secondary market by registered Tokenholders who successfully completed KYC procedures.

## 5 CURRENCY

The Tokens are denominated in Swiss Francs (“CHF”), the lawful currency of the Principality of Liechtenstein (and Switzerland). The Issuer also accepts payments of the subscription price in Euro (“EUR”) or in Ether (“ETH”). All payments received in ETH will be converted into CHF in accordance with, and subject to, the conditions set forth in Section 4 of the Subscription Agreement (see Template Annex I). All fees and commissions charged by any intermediary involved in converting payments received in a currency other than CHF into CHF will have to be borne by the Subscriber.

Interest payments and repayments will be made in the Currency in which the subscription price was settled, but Tokenholders may elect to receive payments in a different Currency, such as CHF, EUR and ETH, by notifying the Issuer.

## 6 STRUCTURE AND VOLUME OF THE OFFERING

The Offering of Crowdlitoken on the basis of this Prospectus will start on the 1 November 2020 and will be open for subscriptions until the Closing Date as designated in the Terms and Conditions.

The Issuer has, on the basis of a prior public offer in the period 12 April 2019 to 11 April 2020 and in private sales, already issued 16.4 Mio Crowdlitoken. The Issuer further reserves the right to issue a maximum number of 800'000 Tokens plus a number of Token corresponding to a 3 % top up of the total number of Tokens issued for purposes of compensating the management and the staff of the Issuer as well as third-party service providers. The maximum number of Tokens to be issued to the public by the Issuer is 1'000'000'000 Tokens.

**Cancellation of Issue:** The Issuer reserves the right to cancel the issue of Tokens before Closing Date at any time and without stating reasons. In this event, the Issuer will return all amounts paid for subscription of Tokens to Subscribers not later than two months after the notice of cancellation was sent. If payment was made by the Subscriber in a currency other than CHF the conversion rate prevailing at the value date of repayment, determined in accordance with Condition 4 of the Subscription Agreement (see Annex I), shall apply. Repayment shall be made net of all fees and charges.

**Post STO Offerings:** The Issuer reserves the right to reopen the issue or to issue additional Tokens at any time after the Closing Date (referred to as “Post STO Offerings”) under the conditions set forth in the Terms and Conditions, Condition 2(d). Each Post STO Offering will be governed by a new prospectus, if required by Applicable Law, but it shall be subject to substantially the same terms and conditions as Tokens issued in the course of this STO (except with regard to the subscription price, which will be determined by the Issuer but shall in any event not be less than CHF 1.- per Token).

**Subscriptions:** Subscriptions for Tokens may be submitted by any natural or legal person (the “Subscriber”) who (i) is eligible to make such investments under the Applicable Law and the Terms and Conditions, (ii) has completed the registration process with the Issuer via the Issuer’s website ([www.crowdlitoken.com](http://www.crowdlitoken.com)), and (iii) has passed the Issuer’s AML checks in accordance with Section 2 of the Subscription Agreement (Annex I).

After completion of the subscription process the Subscriber shall pay the subscription price in accordance with the Subscription Agreement (Annex I). Payment instructions and conditions for the conversion of currencies are provided for in the Subscription Agreement (Annex I). All fees and commissions charged by the Issuer's bank or any other intermediary involved in converting payments received in a currency other than CHF into CHF will be paid by the Subscriber.

Settlement: The Issuer will issue Tokens to Subscribers within 14 days after receipt of payment and allocate the Tokens to the wallet designated by the Subscriber. The number of Tokens to be allocated is determined by the payments received from such Subscriber and converted into CHF, if not received in CHF, at prevailing market rates at the time payment is received, net of any exchange commissions, divided by the applicable Subscription Price. Uneven amounts will be rounded up in favor of the Subscriber to the next full Token.

## 7 REGISTRATION OF TOKENHOLDERS

In order to enforce AML laws and regulations, the Issuer will recognize and acknowledge as Tokenholders only persons who have been identified in accordance with Know-your-Customer (KYC) policies enacted by the Issuer and found to be in full compliance with Anti-Money Laundering (AML) rules and regulations under Applicable Law. Tokenholders who have been successfully vetted will be listed in a registry of Tokenholders on the CROWDLITOKEN platform.

Non-registered Tokenholders, including those who acquire Tokens in the secondary market but fail to complete the KYC/AML process and do not register themselves on the CROWDLITOKEN platform, will be barred from exercising any right in relation to such Tokens, including, but not limited to, the right to receive any form of interest payments and the right to receive any form of principal repayment. Non-registered Tokenholders will only have naked ownership rights in the Tokens, which can be acquired and transferred to another person even if the transferor or the transferee have not completed the KYC and AML and registration process.

The Issuer has implemented and applies technical means to ensure that Tokens can only be subscribed to and / or acquired in the secondary market by registered Tokenholders who successfully completed KYC procedures.

## 8 LISTING

The Issuer will undertake best efforts to make Tokens tradable on one or more regulated markets if and when such markets accept security tokens. However, the Issuer cannot guarantee that the Tokens will in fact be admitted to trading at any such regulated market, and nothing in this Prospectus shall be construed to imply a warranty that a listing will in fact take place. Tokenholders understand and acknowledge that unless and until Tokens are admitted for trading at a regulated market, (i) trading with security tokens will be possible only on a bilateral basis and that (ii) the Issuer does not and will not provide any facilities or arrangements to make Tokens tradable on a bilateral or OTC basis. Tokenholders understand and acknowledge that a failure to have Tokens listed at a regulated market will severely limit the liquidity of the Tokens and may adversely affect their economic value.

## 9 INTEREST PAYMENTS

Tokenholders are entitled to receive fixed-rate annual interests ("Fixed Interests") payable in monthly arrears in accordance with, and subject to, the Terms and Conditions, Condition 8.1. In order to take into account the time required to fully invest STO proceeds in Investment Properties the interest rate is staggered as follows:

- 0.875% p.a. until 24.04.2022;
- 1.4875% p.a. from 25.04.2022 until 24.04.2023;
- 2.1% p.a. from 25.04.2023 on until and including Maturity Date.

These interest rates are calculated on the basis of the Nominal Value of the Tokens (i.e. CHF 1.00).

Calculated on the basis of the Minimum Repayment Amount (as defined in the Terms and Conditions), which is CHF 0.70 for each Token, the interest rate corresponds to 1.25% p.a. at the first stage, 2.125% p.a. at the second stage and 3% p.a. at the third stage.

At any time prior to Cut-off Date (i.e. one year prior to Maturity Date), the Issuer shall have the right to temporarily reduce or suspend payment of Fixed Interests if, based on a report of the Issuer's auditor, the Issuer notifies the Tokenholder Representative that the sum of Net Profits from all Investment Properties, calculated on the basis of the most recent audited yearly accounts of the Issuer for each Investment Property, is less than the sum of Fixed Interests paid in that period. In any such event, Fixed Interest shall temporarily and proportionally be reduced to match Net Profits from all Investment Properties of the previous twelve months.

Payment of Fixed Interests shall be resumed in full as soon as the sum of Net Profits from all Investment Properties is equal or higher than the sum of Fixed Interests to be paid. The Issuer will however not make any supplementary payments for periods during which payment of Fixed Interests had been reduced or suspended.

## 10 PAYMENT OF REPAYMENT AMOUNT AT MATURITY DATE

The Tokens shall be repaid on 14 December 2044 (the „Initial Term“, the “Initial Maturity Date”). Repayment of the Tokens may be deferred by two times 5 years (i.e. 10 years cumulatively) if the conditions set out in the Terms and Conditions, Condition 9.1, are met. The purpose of the option to extend the Initial Term is to avoid a forced sale of Investment Properties during periods where adverse market conditions prevail in real estate markets. The Issuer has also the right to repay the Tokens prior to the initial or any subsequent Maturity Date (as defined in the Terms and Conditions) if the conditions set out in the Terms and Conditions, Condition 9.2, are met (“Early Repayment”).

At Maturity Date, Tokenholders will receive for each Token the highest of any of the following amounts:

- (i) the “Minimum Repayment Amount” which is CHF 0.70/Token; or
- (ii) the sum of the Net Liquidation Value (for properties liquidated between Cut-off Date and Maturity Date) and Net Market Value (for properties not liquidated until Maturity Date) divided by the total number of Tokens, if the resulting Repayment Amount per Token is less than CHF 1.00 but higher than the Minimum Repayment Amount; or
- (iii) CHF 1.00 per Token plus 85% of the sum of the Net Liquidation Value (for properties liquidated between Cut-off Date and Maturity Date) and Net Market Value (for properties not liquidated until Maturity Date) exceeding CHF 1.00 per Token, divided by the total number of Tokens issued, if the resulting Repayment Amount per Token is higher than CHF 1.00.

“Net Liquidation Value” is defined to mean the total proceeds resulting from the sale of the Investment Properties minus (i) the total of costs and expenses for such sales; and (ii) all other reasonable costs for the liquidation of the Investment Properties. “Net Market Value” is defined to mean the market value of an Investment Property or a portfolio of Investment Properties, as determined by an independent valuer (see Terms and Conditions, Condition 22).

### *Examples for calculation of Repayment Amount*

- Scenario A: At Maturity Date the sum of Net Liquidation Value and the Net Market Value, divided by the total number of Tokens issued by the Issuer is CHF 1.50 per Token and therefore exceeds the Nominal Value (CHF 1.00/Token) by CHF 0.50. Repayment (gross of any exchange charges) will be CHF 1.425 per Token (Nominal Value plus 85% of the excess amount).
- Scenario B: At Maturity Date the sum of Net Liquidation Value and the Net Market Value, divided by the total number of Tokens issued by the Issuer is CHF 0.90 per Token. Repayment (gross of any exchange charges) will be CHF 0.90 per Token.

- Scenario C: At Maturity Date the sum of Net Liquidation Value and the Net Market Value, divided by the total number of Tokens issued by the Issuer is CHF 0.65 per Token. Repayment (gross of any exchange charges) will be the Minimum Repayment Amount of CHF 0.70 per Token.

The Issuer's obligation to repay Tokenholders at Maturity Date will be fully and unconditionally discharged with the payment of the Minimum Repayment Amount (provided the net liquidation value of the Investment Properties is less than or equal to 0.70 per Token).

The right of Tokenholders against the Issuer to receive payment of the Minimum Repayment Amount on any Maturity Date (and to receive interest payments) is subject to a contingent write-down ("Contingent Write-Down") if the conditions set forth in the Terms and Conditions, Condition 12, are met. This means that Tokenholders agree in advance to forfeit any rights to claim and receive repayment of the Tokens if (i) the Issuer has lost 50% of its equity capital or (ii) the auditor makes a qualification in an audit report which would trigger a valuation of the Issuer's assets on a gone-concern basis (i.e. at liquidation values) if not remedied without delay. A write-down is made to the extent, and only to the extent, required to remedy the trigger conditions. A Contingent Write-Down does not constitute an Event of Default (as defined by the Terms and Conditions, Condition 13).

Rights of Tokenholders subject to a Contingent Write-Down will be fully restored if the trigger conditions are no longer met prior to Cut-off Date. Until that time the Issuer is barred from distributing any dividends to shareholders. As a result of any such write-down Tokenholders may lose temporarily or permanently all or some of their investment.

## 11 INFLUENCE OF UNDERLYING ON VALUE OF TOKENS

The Issuer will invest net proceeds from the STO in commercial and residential real estate in European states in accordance with the investment strategy adopted by the Issuer's board of directors.

Detailed information about the portfolio of Investment Properties held by the Issuer or any of its subsidiaries will be disclosed in the annual accounts of the Issuer and will also be available for Tokenholders through the CROWDLITOKEN ecosystem. However, Tokenholders do not have any direct interest in, or beneficial ownership of, any Investment Property at any time.

The value of the Tokens will be influenced by the underlying portfolio of Investment Properties. Specifically, the value of the portfolio of Investment Properties at Maturity Date will determine the Repayment Amount, unless the value is lower than or equal to the Minimum Repayment Amount of CHF 0.70/Token in which case Tokenholders will receive the Minimum Repayment Amount. The value of the portfolio of Investment Properties will be determined by an independent valuer based on the portfolio's performance (rental yields, vacancies, operational cost, maintenance) and will depend on the location, age, type of use, terms of tenancy agreements, general market conditions in relevant real estate markets, the interest rate level prevailing at that time, the applicable discount rate, the valuation method used by the independent valuer and (for properties outside of Switzerland) the foreign exchange rate of the local currency vis-à-vis the CHF (as the currency of the CROWDLITOKEN) prevailing at the time of the valuation. Depending on these or other factors Tokenholders may or may not receive more than the Minimum Repayment Amount.

For the avoidance of doubt: Whilst the Repayment Amount is linked to the market value of the portfolio of Investment Properties, the Issuer is not obliged to invest the full amount of net proceeds of the STO in Investment Properties. Net proceeds will also be used to cover costs and expenses incurred for the STO including costs in connection with the issuance and distribution of Tokens, the project development as such and additional costs for the establishment of the CRT platform and the CRT ecosystem. In addition, the Issuer will invest a portion of the proceeds in order to build up a liquidity portfolio to safeguard liquidity at all times. The amounts or percentage of assets held by the Issuer in such liquidity reserve will mainly depend on conditions on real estate and capital markets (e.g. liquidity portfolio may be higher if and as long as no appropriate properties for investment can be found or are available). Tokenholders do not have any direct interest in, or beneficial ownership of, any Investment Property at any time.

## 12 RETURN / CALCULATION METHOD

Tokenholders will receive on Maturity Date payment of a Repayment Amount in the Currency (CHF, EUR or ETH) in which the Subscription Price was paid, unless a Tokenholder has elected to receive payment in a different Currency by notifying the Issuer.

The Repayment Amount is the highest of any of the following amounts: (i) the “Minimum Repayment Amount” which is CHF 0.70/Token; or (ii) the sum of the Net Liquidation Value (for properties liquidated since Cut-off Date) and Net Market Value (for properties not liquidated at Maturity Date), divided by the total number of Tokens, if the resulting Repayment Amount per Token is less than CHF 1.00 but higher than the Minimum Repayment Amount; or (iii) CHF 1.00 per Token plus 85% of the sum of the Net Liquidation Value (for properties liquidated since Cut-off Date) and Net Market Value (for properties not liquidated at Maturity Date) exceeding CHF 1.00 per Token, divided by the total number of Tokens issued, if the resulting Repayment Amount per Token is higher than CHF 1.00.

Net Liquidation Value means the total proceeds resulting from the sale of the Investment Properties minus (i) the total of costs and expenses for such sales; and (ii) all other reasonable costs for the liquidation of the Investment Properties. Net Market Value means the market value of an Investment Property or a portfolio of Investment Properties, as determined by an independent valuer at Maturity Date.



## F. TAX INFORMATION

The following information on tax issues arising in relation to the STO and the Tokens is for information purposes only. Tax rules and regulations applicable to STOs and Tokens are not fully settled yet, and it is safe to assume that rules and regulations will change over the term of these Securities and/or that their interpretation will evolve. The following information does not constitute tax advice in relation to Tokenholders or any other party. Each Tokenholder should seek professional advice to fully understand the tax implications of an investment in Tokens for him or her personally. Investors should be aware that the tax legislation of the investor's domicile and of the Issuer's country of incorporation may have an impact on the income received from the securities.

### 1 WITHHOLDING TAX

Liechtenstein currently does not levy any withholding taxes on dividends and interests.

### 2 NATURE OF THE INCOME ON CRT

The Issuer has not confirmed the nature of the income paid on the CRT with the Liechtenstein tax authorities. The Liechtenstein tax authorities might come to the conclusion that the payments on the CRT do partly or fully qualify as dividend payments or interest.

### 3 TAXATION OF INVESTORS

The following is a general description of certain tax considerations relating to the purchasing, holding and disposing of CRT. It does not purport to be a complete analysis of all tax considerations relating to the CRT. In particular, this discussion does not consider any specific facts or circumstances that may apply to a particular Tokenholder. It is therefore not intended to be, and should not be construed to be, legal or tax advice to any particular Tokenholder. The discussions that follow for each jurisdiction are based upon the applicable laws in force and their interpretation on the date of this Prospectus. These tax laws and interpretations are subject to change that may occur after such date, even with retroactive effect.

It is the own and sole responsibility of the Subscriber or Tokenholder to assess the tax consequences of an ownership or transfer of CRT or the potential buyback of CRT by the Issuer and to pay any and all taxes resulting from such ownership, transfer or a potential buyback of CRT by the Issuer.

Prospective purchasers are advised to consult with their own tax advisers concerning the comprehensive tax consequences of their ownership of Tokens. No information provided in this Prospectus and/or on the CROWDLITOKEN website constitute tax advice which could lead to any form of responsibility or liability by the Issuer by any means.

### 4 INVESTORS RESIDENT IN LIECHTENSTEIN

Individual investors are regarded as resident in Liechtenstein if they are residing within Liechtenstein with the intention of staying permanently (i.e. domicile in Liechtenstein). In addition, individuals with habitual abode within Liechtenstein are deemed resident for tax purposes if they are residing in the country for more than six consecutive months. For individual investors domiciled in Liechtenstein, the ownership in CRT is subject to property tax and realized interest income and capital gains from CRTs should be tax-free.

A legal entity is resident in Liechtenstein if its legal seat (as provided for in its statutes, articles of associations etc.) or effective place of management is in Liechtenstein. The term "effective place of management" means the place where the effective management of the entity is located. Legal entities domiciled in Liechtenstein that hold CRTs are required to pay tax on realized interest income and capital gains from bonds.

## 5 INVESTORS NOT RESIDENT IN LIECHTENSTEIN

Non-resident individual investors should not be treated as having a permanent establishment in Liechtenstein for the sole reason of them purchasing, holding or selling CRT and accordingly neither capital gains nor any income which may be generated by a non-resident individual investor should be subject to taxation in Liechtenstein.

Non-resident legal entities should not qualify as tax residents in Liechtenstein for the sole reason of them purchasing, holding or selling CRT as long as the income and capital gains are not derived through a permanent establishment in Liechtenstein.

## 6 OTHER JURISDICTIONS

The taxation and other tax effects for an investor from purchasing, holding or selling CRT or receiving income on CRT essentially depend on the tax legislation in the investor's country of domicile. For this reason, each potential investor is advised to consult on the laws and regulations applicable to the purchase, holding and sale of CRT and income on CRT at his place of residence.

The Issuer does not assume any responsibility for the individual tax consequences for the investor resulting from the purchase, holding or sale of CRT or receiving income on CRT.

## 7 SWISS SECURITIES TRANSFER TAX

CRT qualify as taxable securities within the meaning of the Swiss securities transfer tax law. The issuance of the CRT is exempt from Swiss securities transfer tax but secondary market trading of CRT might be subject to Swiss securities transfer tax if a Swiss or Liechtenstein securities dealer (as defined in Article 13 Paragraph 3 of the Swiss stamp duty law of 27 June 1973) is involved in any transaction with CRT.

## 8 CORPORATE TAXATION

The Issuer is subject to unlimited tax liability in Liechtenstein. Income from real estate is generally taxed in the jurisdiction where the real estate is located.

When structuring the real estate investments, the Issuer shall use reasonable efforts to maximize the after tax return for the Tokenholders.

The Issuer will analyse the tax implications of each envisaged real estate investment. The corresponding analysis is to be made in advance and, if necessary, the Issuer will seek professional advice in order to confirm such analysis by means of an external opinion. The Issuer may, in its discretion but in the best interest of any or all of the Tokenholders, make a real estate investment either directly or indirectly through one or more subsidiaries, depending on country-specific characteristics including legal, regulatory, tax or other requirements.

The Issuer shall use its reasonable efforts to avoid a tax liability of the investors because of the real estate investments. The incurrance of a tax liability shall in no way indicate that the Issuer has failed to comply with this covenant.

In addition, tax rules concerning real estate investments might be subject to change and such change may therefore have an impact on the overall investment return.

## 9 FATCA / CRS

Pursuant to the prevailing rules relating to FATCA, CRS, and any similar current or future legislation, regulation or guidance enacted, promulgated or issued by any jurisdiction, tax authority or international organisation which implements or seeks to implement a similar tax reporting and/or tax withholding regime or any related intergovernmental agreement ("Information Exchange Rules"), the Issuer may be required to disclose information in relation to the Investors to national or international authorities.

Each Investor will be required to provide information to the Issuer so that it is able to comply with the documentation and reporting requirements under applicable Information Exchange Rules and any associated legislation and/or regulations, and if an Investor fails to provide such information, such Investor may be required to bear the costs of non-compliance or may be rejected or withdrawn as an Investor in CRT. Additionally, the Issuer will have full authority to take any steps as it determines in its sole discretion are necessary or appropriate to mitigate the consequences to the other Investors of a non-complying investor's failure to provide information.

## G. DOCUMENTS INCORPORATED BY REFERENCE

No documents incorporated by reference.

## H. OFFER

### a. RESOLUTION OF BOARD OF DIRECTORS

In accordance with resolutions adopted by the Issuer's board of directors on 1 September 2018, 12 March 2019 and 4 June 2020 the Issuer offers a maximum number of 1'000'000'000 digital tokens ("Crowdlitoken" or "CRT") whereby each Token represents a derivative security with features of a structured bond with a term until 2044 for issuance to and subscription by the public. Net of required operational liquid assets the proceeds of the CRT issue shall primarily be used for the acquisition of commercial real estate in Switzerland and commercial as well as residential real estate in other European countries.

### b. TERMS AND CONDITIONS OF THE CROWDLITOKENS

## 1 SCOPE

- (a) These Terms and Conditions (the „Terms and Conditions“) shall apply to the public offering of digital tokens (referred to as “Crowdlitoken”, “CRT”, or “Token”) whereby each Token represents a derivative security with features of a structured bond (the “Offering”) in –
  - (i) the Principality of Liechtenstein (“Liechtenstein”);
  - (ii) in member states of the European Economic Area („EEA“) where the competent authority of the host member state has been notified in accordance with article 25 of the Regulation (EU) 2017/1129 of 14 June 2017 on the prospectus to be published when securities are offered to the public or admitted to trading (the „Prospectus Regulation“); and
  - (iii) in jurisdictions which are not a member state of the EEA (a “Third Country”), provided the public offering of Tokens is permissible under Applicable Law in such Third Country, in which case the Terms and Conditions shall apply in conjunction with the relevant country schedule annexed to the Terms and Conditions.
- (b) Unless otherwise agreed by the parties, the Terms and Conditions shall not apply to the offering or sale of Tokens if such offering or sale does not qualify as a public offering under Applicable Law (as defined by Condition 20).

## 2 OFFERING

- (a) The minimum amount to be subscribed by each Subscriber is CHF 100 (or the corresponding amount in ETH or EUR). The ETH-CHF conversion rate will be determined by a broker on a best execution basis using data of a number of leading Crypto-Exchanges. The conversion rate USD-CHF and EUR-CHF will be determined based on data provided by Morningstar ([www.morningstar.com](http://www.morningstar.com)). The Issuer reserves the right to adapt the method for determining the conversion rate or the source for its calculation at its sole discretion on a daily basis during the entire Offering Period.

All Tokens issued in the course of this STO shall be deemed to form part of one and the same class of securities.

- (b) Post STO Offerings: The Issuer reserves the right to issue additional Tokens at any time after the Closing Date (“Post STO Offerings”). Except where required by circumstances, Tokens issued in the course of any Post STO Offering shall be subject to substantially the same terms and conditions as Tokens issued in the course of this STO except for (i) the number of Tokens offered for subscription and possibly, (ii) the subscription price (which will be determined by the Issuer but shall not be less than CHF 1.- per Token).



- (c) Issuance for allocation to CRT-Reinvest: The Issuer has the right to issue Tokens for purposes of allocation to Tokenholders who have opted to reinvest accrued interests ("CRT-Reinvest" as defined by Condition 22).

### 3 CANCELLATION OF ISSUANCE

The Issuer has the right, but not the obligation, to cancel the issue of Tokens at any time before Closing Date without stating reasons.

If the Issuer elects to cancel the issue of Tokens –

- (i) it shall send a notice of cancellation to Subscribers in accordance with Condition 18 and
- (ii) all amounts received as payment of a subscription shall be repaid to Subscribers. Repayment shall be arranged not later than two (2) months after the notice of cancellation was sent. If payment was made by the Subscriber in a currency other than CHF the conversion rate prevailing at the value date of repayment, determined in accordance with Condition 4 of the Subscription Agreement (Annex I), shall apply. Repayment shall be made net of all fees and charges.

The Subscribers agree that the Issuer shall not be held liable, and waive any claim against the Issuer to the fullest extent permitted by Applicable Law, for any loss or damages resulting from the cancellation of the STO, including, but not limited to, any claims for indirect or consequential damages, loss of profit or earnings, unrealized savings, and additional expenses, regardless of the legal basis.

### 4 FORM OF SECURITIES

The Tokens are digital tokens which each represent a derivative security with features of a structured bond. The Tokens are issued in the form of book-entry securities (Wertrechte), investors shall at no time have the right to demand (i) conversion of Tokens into physical securities and/or (ii) delivery of physical securities.

Crowdlitokens issued during the course of this Offering or during a Post-STO Offering (if any) shall be deemed to form part of one and the same class of securities. They are fully fungible and can be traded at exchanges or regulated markets, once such exchanges or platforms are licensed for trading with Security Token and once the Tokens are listed or accepted for trading on such exchange or platform. Until such listing, Tokens can be traded on a bilateral (OTC) basis only.

The transfer of ownership rights in Tokens from one Tokenholder to another Tokenholder will need to be registered on the CROWDLITOKEN platform and in accordance with its rules and provisions in order for a Tokenholder to be able to claim interest payments and repayments at Maturity Date. Registration of a transfer of Tokens to a purchaser or any other transferee made in accordance with the rules and provisions of the CROWDLITOKEN platform shall be deemed to constitute a transfer of the corresponding book-entry security. The Issuer shall recognize and acknowledge the person who is the registered holder of the Token in accordance with the rules and provisions of the CROWDLITOKEN platform (the "Tokenholder") as the person entitled to claim and exercise any and all rights out of the Token. Payment to such Tokenholder shall in each case discharge the Issuer from payment obligations under this Prospectus.

The Issuer reserves the right to swap Tokens (i.e. to issue and allocate substitute Tokens for CROWDLITOKEN held by an investor and to destroy swapped Tokens) if technically required or useful (e.g. if there are changes to the blockchain, other types of Token have developed which the Issuer considers to be more useful etc.).

### 5 EXERCISE OF RIGHTS

The Issuer will recognize and acknowledge as Tokenholders persons who have been registered on the CROWDLITOKEN platform, a prerequisite for which is that such Tokenholder has been identified in accordance with the KYC policies enacted by the Issuer and has been found to be in full compliance with the AML rules and regulations (together the "KYC/AML Regulations") under Applicable Law.

Any person who acquires Tokens in the secondary market but fails to complete the KYC/AML and registration process established by the Issuer shall be barred from exercising any right in relation to such Tokens, including, but not limited to, the right to receive any form of interest payments and the right to receive any form of Repayment.

The Issuer has implemented and applies technical means to ensure that Tokens can only be subscribed to and / or acquired in the secondary market by registered Tokenholders who successfully completed KYC procedures.

Various functionalities of the STO and the Tokens, including, but not limited to, the issuance and the transfer of Tokens and the receipt of interest payments, are available only with the private key associated to Tokens. The Tokenholders agree that the Issuer shall not be held liable, and waive any claim against the Issuer to the fullest extent permitted by Applicable Law, for any loss or damages resulting from the loss or theft of the private key, including, but not limited to, any claims for indirect or consequential damages, loss of profit or earnings, unrealized savings, and additional expenses, regardless of the legal basis.

## 6 TRADING

The Issuer will undertake best efforts to make Tokens tradable on one or more exchanges or regulated markets, subject to the availability of exchanges or regulated markets for trading security tokens (such as the CRT Token) and in accordance with Applicable Law. Tokenholders understand and acknowledge that –

- (i) notwithstanding all efforts the Issuer cannot ensure that the Tokens will be admitted for trading at an exchange or regulated market, and nothing in this Prospectus shall be construed as constituting a warranty or promise to that effect; and
- (ii) unless and until Tokens are admitted for trading at an exchange or regulated market trading with Tokens will be possible only on a bilateral basis.

Where Tokens are admitted for trading by an exchange or regulated market, trades will be executed in accordance with the rules and regulations of such exchange or market and settled by way of transfer on the CROWDLITOKEN platform.

The Issuer has the right, but not the obligation, to repurchase Tokens from Tokenholders in the secondary market, provided the Token's Market Price (as defined by Condition 22) is less than 75% of the Net Market Value per Token (as defined by Condition 22). A repurchase is made at market conditions with the consent of the Tokenholders; it does not constitute a call option of the Issuer. The Issuer may hold, destroy or re-sell Tokens it repurchased in accordance with this provision.

## 7 ADMINISTRATION CHARGES

The Issuer applies and deducts, directly or through Subsidiaries holding Investment Properties, inter alia, the following costs and charges and each Tokenholder acknowledges and agrees to such charges:

- (i) Property administration charge: A charge of 0.75% per annum on total assets. The charge will be accounted for in the accounts of each Investment Property acquired with proceeds from this STO.
- (ii) Annual performance bonus: A bonus of 15% p.a. on Net Property Income (as defined by Condition 22, but before taxes and property administration charge on each property) of each Investment Property to the extent the return on such Investment Property, defined as the net property income in percent of the net acquisition price, is higher than 5% p.a. The charge will be debited to the accounts of each Investment Property and determined based on audited annual financial statements of each Investment Property.

## 8 CALCULATION OF INTERESTS

### (a) Fixed Interests

Tokenholders are entitled to receive fixed-rate annual interests ("Fixed Interests") payable in monthly arrears. In order to take into account the time required to fully invest STO proceeds in Investment Properties the interest rate is staggered as follows:

- 0.875% p.a. until 24.04.2022;
- 1.4875% p.a. from 25.04.2022 until 24.04.2023;
- 2.1% p.a. from 25.04.2023 on until and including Maturity Date.

These interest rates are calculated on the basis of the Nominal Value of the Tokens (i.e. CHF 1.00).

Calculated on the basis of the Minimum Repayment Amount (as defined in the Terms and Conditions), which is CHF 0.70 for each Token, the interest rate corresponds to 1.25% p.a. at the first stage, 2.125% p.a. at the second stage and 3% p.a. at the third stage.

### (b) Performance-related Interest

Tokenholders have the option, after having acquired Tokens, to allocate their Token or some of them to particular Investment Properties. By choosing optionalities available on the dashboard of the CROWDLITOKEN ecosystem, Tokenholder are deemed to enter into an Allocation Agreement with the Issuer.

On the basis of such Allocation Agreement, allocated Tokens are entitled to receive, in addition to Fixed Interest, Performance-related Interest, which shall be defined as a fraction of Net Profits from the management of such Investment Properties. The fraction of Performance-related Interests attributable to each allocated Token (PRI) shall be determined as follows:

$$PRI = \left( \frac{NPAT}{AT - NAT} \right) - FI$$

Where NPAT = Net Profits attributable to allocated Tokens, AT = total number of Tokens which can be allocated to an Investment Property, NAT = number of non-allocated Tokens on the same Investment Property and FI = Fixed Interests per Token.

Performance-related interest will only be paid once the proceeds of this STO have been invested by the Issuer and once and to the extent properties acquired do yield Net Profits.

Performance-related interest will only be paid if and as long as the Tokens are allocated to a specific Investment Property. The allocation has to be terminated and the Token will be reset before a Tokenholder is able to sell such Token.

No Performance-related Interests shall be due if the payment of Fixed Interests is reduced or suspended in accordance with Condition 12(d) or if the Net Profit from the operation of the relevant Investment Property is less than the Fixed Interest amount.

The Net Profit of each Investment Property is the net rental income (as defined in the table in Section D.4 of this Prospectus) resulting from the operation of such Investment Property plus Realized Profit minus:

- costs for administration, repair and maintenance, operational costs, insurance, property tax, interests and amortization for third-party finance;
- taxes (including corporate taxes) attributable to such Investment Property;

(iii) administration charges deducted by the Issuer in accordance with Condition 7;

all items determined in accordance with generally accepted accounting principles applicable in the jurisdiction in which the Investment Property is located.

Realized Profit is the difference between the proceeds received upon the sale of an Investment Property prior to Cut-off Date (net of (i) incurred costs and a 3% transaction charge of the Issuer relating to the execution of the disposal of the Investment Property; and (ii) deferred and paid taxes in connection with the disposal of the Investment Property) and the net acquisition price (plus (i) due diligence costs; (ii) a 3% charge of the Issuer relating to the execution of the acquisition of the Investment Property, and (iii) any subsequent capitalized expenses) of such Investment Property according to the last audited statutory financial statement or (unaudited) interim financial statement. The Net Liquidation Value of Investment Properties divested after Cut-off Date will no longer be allocated to the respective Investment Property and will therefore no longer form part of Realized Profits to be included in the Net Profit for the purpose of calculation of Performance-related interest but shall be credited to a repayment account maintained by the Issuer.

## 8.1 SETTLEMENT OF INTEREST PAYMENTS

Payment of Fixed Interests shall be made monthly on the fifth Business Day of each month ("Interest Payment Date").

Performance-related Interests: The Issuer shall pay 90% of expected Performance-related Interests in twelve (12) monthly installments. The amount will be determined based on the Net Profits as shown in the most recent audited yearly accounts. The payment of Performance-related Interests shall be made each month on the fifth Business Day ("Interest Payment Date") after the relevant Investment Property has first been made available for allocation in the CROWDLITOKEN ecosystem. The remainder (difference between all installments and the effective Net Profits as shown in the audited annual accounts for the relevant period), if any, shall be paid on the first Interest Payment Date 30 days after approval of the relevant accounts.

If the total sum of installments paid for a particular accounting period exceeds the effective Net Profits, this difference shall be deducted from payments to be made in the next accounting period.

Payment of Interests shall be made in the Currency in which payment for the subscription price was received from the Tokenholder. The Tokenholder may elect to receive payment in another Currency such as CHF, EUR, ETH, by notifying the Issuer.

Payments due in ETH shall be settled by sending ETH to the Tokenholder's wallet. Exchange fees charged by the exchange agent for exchanging CHF into ETH for purposes of making interest payments shall be borne by the Tokenholder. The Issuer shall not be liable for late payment of Total Interests as a result of undue delay of the exchange operation performed by the exchange agent.

Payments due in CHF or EUR will be made by the Issuer to the account stated by an investor in the CROWDLITOKEN ecosystem.

Interest payments (due on the fifth Business Day of each month) will always be made to the person(s) holding a Token and / or having allocated Token to a specific property at 12.00 pm CET on the last calendar-day of a month.

With regard to Fixed Interest and Performance-related Interest, the Issuer reserves the right to suspend payment of accrued interest if a resulting payment per Token does not exceed CHF 1.-. If so, payments per Token can be suspended and accumulated and will be made as soon as the amount per Token to be distributed exceeds CHF 1.- or at the point in time a Tokenholder leaves the ecosystem.

## 9 TERM AND REPAYMENT

### 9.1 MATURITY DATE

(a) Initial Maturity Date

The Bond shall mature on 14 December 2044 (the „Initial Term“).

Subject to Conditions 9.1(b) and 9.1(c), the Issuer shall repay the Tokens on 14 December 2044 (the “Initial Maturity Date”) without further notice to the Tokenholders.

(b) Extended Maturity Date

The Issuer shall have the right, but not the obligation, to defer repayment at Initial Maturity Date by five (5) years until 14 December 2049 (the “Extended Maturity Date”), provided the Issuer’s board of directors resolves that the following conditions are met:

- (i) the Net Market Value of the portfolio of Investment Properties owned by the Issuer as determined by the last audited financial statement or (unaudited) interim financial statement is 90% of the Acquisition Value (as defined by Condition 21) or less; or
- (ii) an independent valuer comes to the reasonable conclusion that the Net Liquidation Value (as defined by Condition 21) of the Investment Properties is in all likelihood 90% of the Acquisition Value or less.

The Issuer’s board of directors shall adopt such resolution not later than twelve (12) months prior to the Initial Maturity Date. Tokenholders shall be notified of the extension without delay.

(c) Ultimate Maturity Date

The Issuer shall have the right, but not the obligation, to defer repayment at Extended Maturity Date by another five (5) years until 14 December 2054 (the “Ultimate Maturity Date”) if the Issuer’s board of directors resolves that the conditions in Condition 9.2 (b) (i) and (ii) are met. The Issuer’s board of directors shall adopt such resolution not later than twelve (12) months prior to the Extended Maturity Date. Tokenholders shall be notified of the extension without delay.

### 9.2 EARLY REPAYMENT

The Issuer may elect, at its sole discretion, to pay off the Tokens in whole or in part, giving not less than 30 days’ notice to Tokenholders and notifying the date fixed for early repayment (the “Early Repayment Date”):

- (i) if the Net Liquidation Value or the Net Market Value of Investment Properties as of the Early Repayment Date is less than the Minimum Repayment Amount;
- (ii) following a Regulatory Event in relation to Tokenholders affected by such Event; or
- (iii) following a Tax Event;

in each case together with any accrued but unpaid interests up to (and including) the Early Repayment Date.

The Issuer shall have the right to exercise the early repayment option on 25 April 2025 for the first time, and at any time thereafter.

A “Regulatory Event” is deemed to have occurred if the Issuer is notified in writing by any authority competent under Applicable Law to the effect that the Tokens are not, or cease to be, in full compliance with Applicable Law.

A “Tax Event” is deemed to have occurred if (i) the Issuer has or will become obliged to pay additional amounts in respect of any payments due under the Tokens as a result of any change in, or amendment to, the laws or regulations of the Principality of Liechtenstein, or any change in the general application or official interpretation of such laws or regulations, and (ii) such obligation cannot be avoided by the Issuer taking reasonable measures available to it.

### 9.3 CALCULATION OF REPAYMENT AMOUNTS

On the Early Repayment Date or on any Maturity Date, as the case may be, the Issuer shall pay to Tokenholders for each Token the highest of any of the following amounts:

- (i) the “Minimum Repayment Amount” which is CHF 0.70/Token; or
- (ii) the sum of the Net Liquidation Value (for properties liquidated since Cut-off Date) and Net Market Value (for properties not liquidated at Maturity Date) divided by the total number of Tokens, if the resulting Repayment Amount per Token is less than CHF 1.00 but higher than the Minimum Repayment Amount; or
- (iii) CHF 1.00 per Token plus 85% of the sum of the Net Liquidation Value (for properties liquidated since Cut-off Date) and Net Market Value (for properties not liquidated at Maturity Date) exceeding CHF 1.00 per Token, divided by the total number of Tokens issued, if the resulting Repayment Amount per Token is higher than CHF 1.00.

### 9.4 SETTLEMENT OF REPAYMENT AMOUNTS

On Early Repayment Date or Maturity Date, as the case may be, the Issuer shall pay the Repayment Amount in exchange to the Tokens in accordance with the remainder of this Condition.

Settlement of the Repayment Amount by the Issuer shall be made in the Currency in which payment for the subscription price was received from the Tokenholder unless the Tokenholder has notified the Issuer not later than at Cut-off Date of the election of another Currency such as CHF, EUR and ETH.

Repayment Amounts due in ETH shall be settled by sending ETH to the Tokenholder’s wallet. Exchange fees charged by the exchange agent for exchanging CHF into ETH for purposes of making interest payments shall be borne by the Tokenholder. The Issuer shall not be liable for late payment of the Repayment Amount as a result of undue delay of the exchange operation performed by the exchange agent.

Payments due in CHF or EUR will be made by the Issuer to the account to be stated by the investor in the CROWDLITOKEN ecosystem.

Any claim for repayment at Maturity Date is subject to the registration and identification of the Tokenholder in accordance with KYC/AML procedures and policies implemented by the Issuer or as required by Applicable Law, not later than at Maturity Date.

Subject to Applicable Law, the Issuer shall not be liable to repay the Token if (i) the Issuer is not capable of identifying the Tokenholder; or (ii) a Tokenholder failed to perform the steps required to successfully pass the KYC/AML process. Any claim for repayment of the Token against the Issuer shall be time-barred in accordance with Condition 16.



## 10 STATUS AND SUBORDINATION

### (a) Status

The Crowdlitokens constitute direct, unconditional, unsecured and subordinated obligations of the Issuer and rank pari passu among themselves. The rights and claims of the Tokenholders are subordinated as described in this Condition 10(b).

### (b) Subordination

In the event of an order being made, or an effective resolution being passed, for the liquidation or dissolution of the Issuer, the rights and claims of the Tokenholders against the Issuer in respect of the Tokens shall rank (i) junior to the claims of all holders of unsubordinated obligations of the Issuer and all other subordinated obligations of the Issuer, (ii) pari passu among themselves, and (iii) senior to any equity instruments (*Beteiligungsrechte*) of the Issuer.

In bankruptcy proceedings (*Konkursverfahren*) or any form of composition with creditors (*Nachlassvertrag*) in relation to the Issuer, the Tokenholders shall not be entitled to and shall not argue or vote as creditors of the Issuer or its estate that the Tokens rank or be treated senior, pari passu or otherwise in competition with any creditors the claims of which are senior to the Tokens.

Each creditor whose claims rank senior to the Tokens is entitled in his own right to invoke and hold the status of the Tokens pursuant to this Condition 10 against the Tokenholders and the Issuer.

## 11 SUBSTITUTION OF THE ISSUER

The Issuer may, without the consent of the Tokenholders, at any time substitute itself in respect of all rights and obligations arising under or in connection with the Tokens with any legal entity of which all shares carrying voting rights are directly or indirectly held by the Issuer (the “New Issuer”), provided that:

- (i) the New Issuer is in the opinion of the Tokenholders’ Representative in a position to fulfill all payment obligations arising from or in connection with the Tokens; and
- (ii) the Issuer has issued, on a subordinated basis as set out in Condition 10, an irrevocable and unconditional guarantee in respect of the obligations of the New Issuer under the Tokens in form and content satisfactory to the Tokenholders’ Representative.

In the event of a substitution of the Issuer, notice of such substitution shall be made in accordance with Condition 18 and any reference to the Issuer shall be deemed to refer to the New Issuer.

## 12 CONTINGENT WRITE-DOWN

- (a) At any time prior to Cut-off Date the claims of Tokenholders against the Issuer to receive payment of the Minimum Repayment Amount on any Maturity Date shall be reduced by the relevant Write-down Amount, and the Tokenholders shall no longer have any rights whatsoever (including, but not limited to, any right to receive interest payments) against the Issuer with respect to the relevant Write-down Amount (such reduction, a Contingent Write-down – *bedingte Aufhebung von Forderungen durch Übereinkunft*) if the Issuer notifies the Tokenholder Representative that any of the following conditions has been met:

- (i) the accumulated net loss in the Issuer’s audited financial statement is equal or higher than 50% of the Issuer’s capital (including statutory reserves under article 309 PGR); or
- (ii) the Issuer’s auditor makes a qualification in an audit report regarding the viability of the Issuer as a going concern which would trigger a valuation of the Issuers assets on a gone-concern basis.

“Write-down Amount” means the higher of the amount required to either (i) recapitalize the Issuer to a level of 50% of the Issuer’s capital (including statutory reserves under article 309 PGR), or (ii) avoid any qualification of the Issuer’s auditor which would trigger a valuation of the Issuer’s assets on a gone-concern basis.

- (b) Claims of Tokenholders subject to a Contingent Write-down shall be fully restored if the conditions set-forth in this Condition 12(a) are no longer met prior to Cut-off Date.
- (c) The Issuer shall be barred from distributing any dividends to shareholders if claims of Tokenholders have been subject to a Contingent Write-down, unless and until such claims are fully restored in accordance with this Condition 12(c).
- (d) At any time prior to Cut-off Date the Issuer shall have the right to temporarily reduce or suspend payment of Fixed Interests if, based on a report of the Issuer’s auditor, the Issuer notifies the Tokenholder Representative that the sum of Net Profits from all Investment Properties, calculated on the basis of the most recent audited yearly accounts for each Investment Property, is less than the sum of Fixed Interests paid in that period. In any such event, Fixed Interest shall temporarily and proportionally be reduced to match Net Profits from all Investment Properties of the previous twelve months.

Payment of Fixed Interests shall be resumed in full as soon as the sum of Net Profits from all Investment Properties is equal or higher than the sum of Fixed Interests to be paid. The Issuer will however not make any supplementary payments for periods during which payment of Fixed Interests had been reduced or suspended.

## 13 DEFAULT

### (a) Event of Default

The occurrence of any of the following events in respect of the Issuer shall constitute an event of default ("Event of Default"):

- (i) Failure to pay. The Issuer fails to make, when due, any payment under the Tokens and such failure continues for ten (10) Business Days after the day on which notice of such failure is given by the Tokenholder Representative to the Issuer.
- (ii) Other breach of Terms and Conditions. The Issuer fails to perform, when due, any other material obligation under the Terms of the Tokens and such failure continues for forty-five (45) days after the day on which notice of such failure is given by the Tokenholder Representative to the Issuer.
- (iii) Restructuring without assumption. The Issuer is subject to a corporate restructuring and the New Issuer fails to satisfy the conditions for a substitution of the Issuer under Condition 11.
- (iv) Insolvency events. The Issuer is (or is deemed by law, a court or a regulatory authority competent under Applicable Law) insolvent or bankrupt, or a general assignment or an arrangement or composition with or for the benefit of the relevant creditors in respect of any such debts is agreed or declared in respect of or affecting all or a substantial part of the debts of the Issuer.
- (v) Repudiation of obligations. The Issuer declares that it will not perform any material obligation under the Terms of the Bond (other than as part of a bona fide dispute as to the existence, nature or extent of such obligation).

### (b) Default Notice

If any Event of Default occurs, the Tokenholders’ Representative has the right, but not the obligation, to serve a written notice of default (“Default Notice”), such notice having the effect

that the Bond shall become immediately due and payable at the Minimum Repayment Amount plus accrued interest, if any, on the day the Default Notice is served.

(c) Restructuring

If the Event of Default is a failure to pay, a restructuring without assumption, or an insolvency event (as outlined above under this Condition 13(a)), the Tokenholders Representative may request the Issuer to produce a plan for a restructuring of its debt. If the Tokenholders Representative reasonably concludes that an adoption of the restructuring plan is in the best interest of the Tokenholders it shall submit the plan to the Tokenholders for approval through the voting functionality on the CRT platform or by any other means as determined by the Tokenholders Representative including through publishing of a notice on the website of the Tokenholders Representative.

## 14 AMENDMENT OF THE TERMS AND CONDITIONS

(a) Reserved Matter Modification

These Terms and Conditions may be modified in relation to a Reserved Matter with the consent of the Issuer and the affirmative vote of Tokenholders holding not less than 50% of the Tokens participating or represented in the votes. If a Reserved Matter Modification is approved it shall be effective and binding upon all Tokenholders, including Tokenholders who abstained from voting, voted against the proposed modification or are Non-Registered Tokenholders.

Reserved Matter in relation to the Tokens means any modification of the terms and conditions of the Tokens that would:

- (i) change the currency or place of payment of any amount payable on the Tokens;
- (ii) change the seniority or ranking of the Tokens;
- (iii) change the law governing the Tokens or change any court to whose jurisdiction the Issuer has submitted, or any immunity waived by the Issuer in relation to legal proceedings arising out of or in connection with the Tokens; or
- (iv) change the definition of a Reserved Matter.

(b) Other Modifications

The Terms of the Tokens may be amended by agreement by the Issuer with the consent of the Tokenholders Representative provided that in the sole opinion of the Tokenholders Representative such amendment is of a formal, minor or technical nature, is made to correct a manifest error and is not prejudicial to the interests of the Tokenholders. Notice of any such amendment shall be published in accordance with Condition 18.

## 15 NO SET-OFF

No Tokenholder may set-off any claims arising under the Tokens against any claims that the Issuer may have against it. The Issuer may not set-off any claims it may have against the Tokenholder against any of its obligations under the Tokens.

## 16 STATUTE OF LIMITATIONS

Claims for payment of interests and the repayment of the Bond shall become time-barred after a period of five (5) years, calculated from their respective due dates.

## 17 TOKENHOLDERS REPRESENTATIVE

Dr. Helene Rebholz, Anwaltskanzlei König Rebholz Zechberger, Landstrasse 36, 9495 Triesen, Liechtenstein shall be appointed as Tokenholders Representative.

The Tokenholders Representative's duties and competences are exhaustively described in this Prospectus and in the Tokenholder Representatives Agreement attached to this Prospectus as Annex 2.

The Tokenholders Representative is neither entitled nor obliged to assume any other duties or competences or to take or consider any actions on behalf of or for the benefit of the Tokenholders other than those or going beyond the scope of the duties and competences as explicitly described herein and in the Tokenholders Representative Agreement.

Communications from the Tokenholders Representative to the Tokenholders will exclusively occur by publishing notices on the Issuers website or in the CROWDLITOKEN ecosystem. Such publications will be arranged for by the Issuer upon request of the Tokenholders Representative.

## 18 NOTICES

All notices regarding the Tokens shall be published on the website of the Issuer (where notices are currently published under the address [www.crowdlitoken.com](http://www.crowdlitoken.com)).

For the term of this Prospectus, the Articles of Association of the Issuer can be inspected on the before stated website. Additional information such as reports, letters, valuations and statements can be accessed by Tokenholders in the CROWDLITOKEN ecosystem.

## 19 TAX

All payments made by or on behalf of the Issuer in respect of the Tokens will be made free from any restriction or condition and be made without deduction or withholding for or on account of any present or future taxes, duties, assessments or governmental charges of whatever nature imposed or levied by or on behalf of the Principality of Liechtenstein, unless deduction or withholding of such taxes, duties, assessments or governmental charges is required to be made by Applicable Law.

## 20 GOVERNING LAW AND JURISDICTION

The terms and conditions of the Tokens and the Tokens shall be governed by and construed in accordance with the laws of Liechtenstein.

Any dispute arising out of or in connection with the terms and conditions of the Tokens shall fall within the exclusive jurisdiction of the Courts of Liechtenstein.

## 21 SEVERABILITY

If at any time one or more of the provisions of the terms and conditions of the Tokens is or becomes unlawful, invalid, illegal or unenforceable in any respect under any law, the validity, legality and enforceability of the remaining provisions shall not be in any way affected or impaired thereby.

## 22 DEFINITIONS

"Acquisition Value" shall mean the purchase price paid for the acquisition of an Investment Property, including all taxes, fees, charges, and reasonable expenses incurred for such acquisition.

"Allocation Agreement" means an agreement which is entered into between the Issuer and Tokenholders when Tokenholders choose from the optionalities available on the dashboard of the CROWDLITOKEN ecosystem

to (i) allocate their Tokens to one or certain investment properties or to (ii) receive interest payments in cash (CRT Cash) or Tokens (CRT Reinvest).

“Applicable Law” means any applicable national, federal, supranational, state, regional, provincial, local or other statute, law, ordinance, regulation, rule, code, guidance, order, published practice or concession, regulatory requirement, judgment or decision of an Authority, and the rules of any applicable exchange, trading venue or clearing house.

“Authorized Offeror” means any intermediary who (i) has been authorized by the Issuer to the use of the Prospectus in the Public Offer Jurisdictions if permitted by Applicable Law and (ii) whose name is published on the Issuer’s website ([www.crowdlitoken.com](http://www.crowdlitoken.com)).

“Benchmark” has the meaning given in Condition 2(d).

“Bond” or “Bonds” means any and all Tokens offered in the course of the STO.

“Tokenholder Representative” shall have the meaning given in Condition 17.

“Business Day” means any day on which banks in Switzerland and Liechtenstein are open for business.

“CHF” or “Swiss franc” shall mean the lawful currency of Switzerland and of Liechtenstein.

“Closing Date” shall mean 25 October 2021.

“Contingent Write-down” has the meaning given in Condition 12.

“Crowdlitoken” shall mean a digital token representing a derivative security with features of a structured bond issued under the Terms and Conditions and further defined in Condition 4.

“Crowdlitoken platform” shall mean the Ethereum-based blockchain application.

“CRT-Cash” are Tokens held by a Tokenholder who opted to have interests paid in cash when allocating Tokens and thus concluding an Allocation Agreement with the Issuer.

“CRT-Reinvest” are Tokens held by a Tokenholder who exercised, when entering into an Allocation Agreement with the Issuer, the option to reinvest interests accrued and therefore to receive interest payment in Token instead of cash.

“CRT” shall mean a digital token representing a derivative security with features of a structured bond issued under the Terms and Conditions and further defined in Condition 4.

“Currency” shall mean ETH, CHF, or EUR.

“Cut-off Date” is twelve (12) months prior to a Maturity Date.

“Default Notice” has the meaning given in Condition 13(b).

“Early Repayment Date” has the meaning given in Condition 9.2.

“EEA” shall mean the European Economic Area as constituted by the Agreement on the European Economic Area.

“Eligible Currency” means ETH, CHF or EUR.

“ETH” or “Ether” each means the cryptocurrency used in the Ethereum platform.

“EUR”, “Euro” or “euro” each means the lawful currency of the member states of the European Union that adopt the single currency in accordance with the Treaty establishing the European Community (signed in Rome on March 25, 1957), as amended by the Treaty on European Union (signed in Maastricht on February 7, 1992), the Treaty of Amsterdam (signed in Amsterdam on October 2, 1997) and the Treaty of Nice (signed in Nice on February 26, 2001).

“Event of Default” has the meaning given in Condition 13(a).

“Extended Maturity Date” has the meaning given in Condition 9.1(b).

“Extended Public Sale” shall have the meaning given in Condition 2(b)(iv).

“Fixed Interests” has the meaning given in Condition 8.1(a).

“Initial Maturity Date” has the meaning given in Condition 9.1(a).

“Initial Term” has the meaning given in Condition 9.1(a).

“Interest Payment Date” has the meaning given in Condition 8.1.

“Investment Property” or “Investment Properties” shall mean any commercial or residential real estate (i) acquired by the Issuer or its Subsidiaries with net proceeds of the issue (after deduction of required net working capital) in accordance with the Issuers investment guidelines.

“Issuer” means CROWDLITOKEN AG, a joint stock company (*Aktiengesellschaft*) having its registered office at Austrasse 15, 9495 Triesen Liechtenstein, or any New Issuer.

“STO” shall mean the Security Token Offering made under the Terms and Conditions.

“KYC/AML Regulations” shall have the meaning given in Condition 5.1.

“Liechtenstein” shall mean the Principality of Liechtenstein.

“Market Price” shall mean (i) the 20-days rolling average of bid and ask prices for CRT published by all Crypto-Exchanges where the CRT is admitted to trading, or (ii) the Net Market Value divided by the total number of Tokens issued and in circulation if the CRT is nowhere admitted to trading.

“Maturity Date” means the Early Repayment Date, the Extended Maturity Date, or the Ultimate Maturity Date.

“Minimum Repayment Amount” means CHF 0.70 per CRT.

“Net Liquidation Value” shall mean the total proceeds resulting from the sale of the Investment Properties minus (i) the total of costs and expenses for such sales; and (ii) all other reasonable costs for the liquidation of the Investment Properties.

“Net Market Value” shall mean the market value of an Investment Property or a portfolio of Investment Properties, as determined by an independent valuer which has to be a recognized, reputable auditor with well-founded experience in the area of evaluation of real estate such as PricewaterhouseCoopers, Wuest & Partner etc.

“Net Profit” shall have the meaning given in Condition 8.1(b) and shall be determined in accordance with the table in Section E.9 of this Prospectus.

“New Issuer” shall have the meaning given in Condition 11.

“Nominal Value” shall mean 1 CHF/CRT or the aggregate amount in CHF for the total number of Tokens issued by the Issuer.

“Non-Registered Tokenholder” shall mean any person holding the private key in relation to a specific token, who is not registered as the holder of a Token in accordance with the rules and provisions of the CROWDLITOKEN platform and does therefore not have any claims for payment of interest or the Repayment Amount under the Prospectus.

“Offering” shall mean the public offering to purchase Tokens in accordance with the Terms and Conditions.

“Offer Period” shall mean the period during which the Prospectus is valid in accordance with article 18 of the Prospectus Act.

“Performance-related Interests” has the meaning given in Condition 8.1(b).

“Permitted Offer” is an offering of Tokens to the public permitted under Applicable Law.

“Post STO Offerings” shall have the meaning given in Condition 2(b).

“Prospectus Regulation” shall mean Regulation (EU) 2017/1129 of the European Parliament and of the Council of 14 June 2017 on the prospectus to be published when securities are offered to the public or admitted to trading on a regulated market, and repealing Directive 2003/71/EC.

“Prospectus Date” shall mean the date indicated on the front page of this Prospectus.



“Public Offer Jurisdiction” shall mean the Principality of Liechtenstein, Germany, Austria, France, Luxembourg, Belgium, the Netherlands, the United Kingdom, Ireland and any other EEA member state which has been notified in accordance with article 23 of the Prospectus Act.

“Public Offering” shall mean any offering made under this Prospectus.

“Realized Profit” shall have the meaning given in Condition 8.1

“Repayment Amount” shall have the meaning given in Condition 9.3.

“Regulatory Event” shall have the meaning given in Condition 9.2.

“Reserved Matter Modification” has the meaning given in Condition 14(a).

“Reserved Matter” has the meaning given in Condition 14(a).

“Subscriber” is a natural or legal person, or a group of persons, who has entered into a Subscription Agreement with the Issuer and who meets the conditions in Condition 2 of the Subscription Agreement (Annex I).

“Subscription Price” shall mean the price paid for Tokens in this Public Offering.

“Subscription Agreement” shall mean the agreement entered into in accordance with the template attached to this Prospectus as Annex I.

“Tax Event” shall have the meaning given in Condition 9.2.

“Terms and Conditions” shall refer to the terms and conditions set out in this Prospectus.

“Term of the Bond” shall mean the period until Maturity Date.

“Third Country” shall mean a state other than a member state of the EEA.

“Token” shall mean a digital token representing a derivative security with features of a structured bond issued under the Terms and Conditions and further defined in Condition 4.

“Tokenholder” shall mean any person holding the private key in relation to a specific token and who is registered as the holder of a Token in accordance with the rules and provisions of the CROWDLITOKEN platform.

“Total Interests” means the sum of Fixed Interests and Performance-related Interests.

“Ultimate Maturity Date” has the meaning given in Condition 9.1(c).

“Write-down Amount” has the meaning given in Condition 12(b).

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For CROWDLITOKEN AG:

Triesen, 26. Oktober 2020

Triesen, 26. Oktober 2020

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Domenic Kurt, CEO

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Lidia Kurt, CSO

# ANNEXE



## TEMPLATE FOR SUBSCRIPTION AGREEMENT FOR CROWDLITOKENS

# SUBSCRIPTION AGREEMENT FOR CROWDLITOKENS

CROWDLITOKEN AG, a joint stock company (*Aktiengesellschaft*) having its registered office at Austrasse 15, 9495 Triesen, Principality of Liechtenstein (the "Issuer") offers to Subscribers Structured Bonds due 2044 in the form of digital tokens (referred to as "Crowdlitoken", "CRT", or "Token") as part of a Security Token Offering (the "STO"). The Terms and Conditions of this Offering are set out in the Securities Prospectus (the "Prospectus") to which this Subscription Agreement is attached.

This Agreement governs the identification and admission of persons eligible for acquiring Crowdlitokens, their subscription and the settlement of the issue. It shall be read in conjunction with the Prospectus. If permitted by the context and unless otherwise set forth, the terms and expressions defined in this Agreement shall have the same meaning as in the Prospectus.

## 1. SUBSCRIBER

Subscriptions for Tokens may be submitted by any person (the "Subscriber") who --

- (i) is eligible to make such investments under Applicable Law and the Terms and Conditions;
- (ii) has completed the registration process with the Issuer via the Issuer's website ([www.crowdlitoken.com](http://www.crowdlitoken.com)); and
- (iii) has passed the KYC/AML process in accordance with Section 2 of this Agreement.

## 2. SUBSCRIBER IDENTIFICATION AND ANTI-MONEY LAUNDERING PROCESS

Under European and Liechtenstein anti-money laundering legislation, the Issuer must verify the identity and permanent address of any Subscriber or of any person (including an intermediary) acting for a Subscriber. Every Subscriber will be subject to a standard Know your Customer (KYC) process (the "Standard KYC Process"), which may include a video conference call with the Subscriber in order to confirm the Subscriber's identity information as well as a digital signature on KYC documents generated in the course of this call.

Any Subscriber is subject to additional checks and reviews by the Issuer in order to enforce regulations and policies aimed at combatting money laundering or terrorist financing. Any Subscriber shall promptly provide any information requested by the Issuer for that purpose.

Any Subscriber who fails to complete the KYC Process or who fails to satisfy KYC/AML policies of the Issuer shall be barred from subscribing for CROWDLITOKENS. All payments received from such persons will be rejected and returned.

## 3. SUBSCRIPTION

Subject to the provisions of this Agreement and the Terms and Conditions, the Issuer undertakes to issue Crowdlitokens to the Subscriber, and the Subscriber undertakes to pay CHF 1.- for each Crowdlitoken subscribed (the "Subscription Price").

The Subscriber acknowledges and confirms to have received, read and understood the Prospectus and to agree to its terms, specifically as set forth in the Terms and Conditions.

The minimum amount to be subscribed by each Subscriber is CHF 100.-.

Subscriptions must be received by the Issuer not later than on the Closing Date.

## 4. PAYMENTS

Subscribers shall arrange for payment of the Subscription Price in Swiss Franc ("CHF"), in Euro ("EUR") or in Ether ("ETH").

Payments in CHF or EUR shall be made to the Issuers account (number disclosed in the course of the subscription process). Payments in CHF or EUR are deemed to be received on 10:00 a.m. CET of the Business Day when the payment is credited to one of these accounts.

Payments in ETH shall be made to the wallet of the Issuer (address / process disclosed in the course of the subscription process). The Issuer or the bank or provider maintaining the wallet may refuse acceptance of a payment without any further justification or explanation. Payments made in ETH are deemed to be received according to the timestamp within the respective wallet of the Issuer or the smart contract.

All payments received in ETH will be converted into CHF at prevailing market rates. Payments received in ETH will be collected and converted in regular intervals of up to ten days provided amounts exceeding a corresponding value of CHF 50'000 have been received and are waiting to be exchanged. Exchange rates are determined by a broker on a best execution basis, using data of a number of leading Crypto-Exchanges. The conversion rate USD-CHF and EUR-CHF will be determined based on data provided by Morningstar ([www.morningstar.com](http://www.morningstar.com)). The Issuer reserves the right to adapt the method for determining the conversion rate or the source for its calculation at its sole discretion on a daily basis during the entire Offering Period.

The Issuer will charge the following maximum fees, commissions and charges in the course of the subscription process:

- Subscription in CHF or EUR: 1%
- Subscription in ETH: 1% for the subscription process and 1% to Exchange Brokerage
- All Subscriptions:
  - 4 Tokens per Transaction for GAS-Costs; and
  - 40 Tokens if Video Identification is required;payable to the Issuer.

Additional fees and commissions charged in context with the subscription process and the conversion of payments received in a currency other than CHF into CHF or otherwise due to third parties or the Issuer will be paid by the Subscriber.

In addition, the Issuer may pay distribution fees to Authorized Offerors.

## 5. SETTLEMENT

The Issuer will issue Tokens to Subscribers 14 days after receipt of payment and allocate the Tokens to the wallet designated by the Subscriber. The number of Tokens to be allocated is determined by the payments received from such Subscriber as converted into CHF, if not received in CHF, at prevailing market rates at the time payment is received by the Issuer, net of any exchange commissions, divided by the applicable Subscription Price. Uneven amounts will be rounded up in favor of the Subscriber to the next full Token.

## 6. GOVERNING LAW AND JURISDICTION

This Agreement shall be governed by and construed in accordance with the laws of the Principality of Liechtenstein.

Any dispute arising out of or in connection with this Agreement shall fall within the exclusive jurisdiction of the Courts of the Principality of Liechtenstein.



# ANNEXE



## TOKENHOLDER REPRESENTATIVE AGREEMENT

# TOKENHOLDER REPRESENTATIVE AGREEMENT

between

Crowdlitoken AG  
Austrasse 15  
9495 Triesen

(the Issuer)

on the one hand

and

Anwaltskanzlei König Rebholz Zechberger  
Dr. Helene Rebholz  
Landstrasse 36  
9495 Triesen

(Tokenholder Representative)

on the other hand.

## A. Preamble

- I. The Issuer issued, on the basis of a Security Prospectus approved by the Liechtenstein Financial Market Authority on [...] (the "Prospectus") CROWDLITOKEN. CROWDLITOKEN qualify as „structured bonds“ and vest rights into Tokenholders to demand payment of fixed interest from the Issuer as well as the right to redeem the Tokens at the end of their term. Furthermore, Tokenholders have the right to allocate their Token to specific real estate assets which gives them the opportunity to receive, in addition, variable interest payments. The rights of Tokenholders are described in the Prospectus in more detail.
- II. According to the Prospectus dated 26 October 2020, which is an integral part of this Tokenholder Representative Agreement (the "**Agreement**"), Tokenholders do have certain rights, with regard to which they may be represented by the Tokenholder Representative. The Prospectus further states that the Issuer requires consent of the Tokenholder Representative in order to be able to implement certain acts.

In light of the before stated the parties agree as follows, whereby all terms used in the following do have the meaning given to them in the Prospectus:



## B. Tokenholder Representative Agreement

### I. The Tokenholder Representative

1. The Tokenholder Representative with regard to the CROWDLITOKEN, ISIN LI0432942626 is the law firm König Rebholz Zechberger, Attorneys at Law, resp. Dr. Helene Rebholz.

### II. Tasks and Competences

2. According to the Prospectus, the Tokenholder Representative has the following tasks and competences:

#### a. Reduction or Suspension of Fixed Interest Payments

3. If the sum of the Net Profits from all Investment Properties, calculated on the basis of the most recent audited yearly accounts for each Investment Property, is less than the sum of Fixed Interests paid in that period, the Issuer informs the Tokenholder Representative that payment of Fixed Interests is temporarily reduced or suspended so as to match Net Profits from all Investment Properties of the previous twelve months.

Payment of Fixed Interests shall be resumed in full as soon as the sum of Net Profits from all Investment Properties is equal or higher than the sum of Fixed Interest to be paid. The Issuer will however not make any supplementary payments for periods during which payment of Fixed Interests had been reduced or suspended.

4. The Issuer will, at least each twelve months, inform the Tokenholder Representative whether the prerequisites for a reduction or suspension of Fixed Interest Payments are still met and will also inform the Tokenholder Representative as soon as it becomes obvious to the Issuer that full payments will be resumed.
5. The Tokenholder Representative will request the Issuer to inform Tokenholders accordingly by publishing appropriate notices on the CROWDLITOKEN platform.

#### b. Contingent Write Down

6. If
  - (i) the accumulated net loss in the Issuer's audited financial statement is equal or higher than 50% of the Issuer's capital (including statutory reserves under article 309 PGR); or
  - (ii) the Issuer's auditor makes a qualification in an audit report regarding the viability of the Issuer as a going concern which would trigger a valuation of the Issuers assets on a gone-concern basis;

the Issuer informs the Tokenholder Representative accordingly and declares that, in accordance with the terms of the Prospectus, the claims of Tokenholders against the Issuer to receive payment of the Minimum Repayment Amount on any Maturity Date shall be reduced by the relevant Write-down Amount, and the Tokenholders shall no longer have any rights whatsoever (including, but not limited to, any right to receive interest payments) against the Issuer with respect to the relevant Write-down Amount.

7. The Tokenholder Representative will request the Issuer to inform Tokenholders accordingly by publishing appropriate notices on the CROWDLITOKEN platform.

c. Event of Default

8. If the Tokenholder Representative receives, within a period of three months after a due date, notice from Tokenholders representing, all together, at least 10% of the issued Tokens, that the Issuer has failed to have made, when due, payments under the Tokens to the Tokenholders, it will send an appropriate notice to the Issuer demanding payment or explanation (Notice of failure to pay).

Following such Notice of failure to pay, the Tokenholder Representative is entitled to receive, upon request, any and all information it considers useful and to be of interest for the Tokenholders in such situation. The Tokenholder Representative may submit such information to the Tokenholders.

The Tokenholder Representative is further entitled to request that the Issuer produces a plan for a restructuring of its debt. The Tokenholder Representative may submit the restructuring plan to the Tokenholders for approval.

The Tokenholder Representative may also demand to get access to the books of the company or to have an expert of its choice review the books of the company or the restructuring plan and do submit such expert report to the Tokenholders for information purposes.

9. If the Tokenholder Representative receives, within a period of three months after a due date, notice from Tokenholders representing, all together, at least 10% of the issued Tokens, that the Issuer has failed to perform, when due, any other material obligation under the Prospectus, the Tokenholder Representative will send an appropriate notice to the Issuer demanding performance or explanation.
10. In case of an Event of Default as just described, the Tokenholder Representative has the right but not the obligation to participate in meetings of the General Assembly, the Board of Directors and the auditors of the Issuer. The Issuer is obliged to invite the Tokenholder Representative to such meetings and to provide any and all information available to the Board of Directors and concerning the financial situation and business operations of the Issuer to the Tokenholder Representative.

The Tokenholder Representative is obliged to treat information received confidential. This confidentiality obligation does not apply to the extent the Tokenholder Representative has to provide information to the Assembly of Tokenholders in order to enable the Tokenholders to pass resolutions in such Assembly.

11. If an Event of Default as just described above occurs, the Tokenholder Representative has the right but not the obligation to serve a written Default Notice to the Issuer. Such notice of default has the effect that the Bonds shall become immediately due and payable at the Minimum Repayment Amount plus accrued interest, if any, on the day the Default Notice is served.

The Tokenholder Representative will inform the Tokenholders of (i) its intention to serve such Default Notice or of (ii) the reasons the Tokenholder Representative sees not to send such Default Notice and (iii) the potential, and reasonably likely consequences of sending or not sending such Default Notice.

The Tokenholder Representative will present a reasoned suggestion to the Tokenholders and put the decision whether to send a Default Notice or not to them to vote.

The Tokenholder Representative will act as decided by the majority of votes (calculated on the basis of the nominal value of participating or represented Tokens) cast.

d. Assembly of Tokenholders

12. The Tokenholder Representative is further, on the basis of legal provisions, entitled and obliged to demand that the Issuer convenes an Assembly of the Tokenholders, if Tokenholders representing at least 5 % of the Tokens issued and stating reasons for and the purpose of such an Assembly, so require.

e. Substitution of Issuer

13. If the Issuer wishes to substitute itself in respect of all rights and obligations arising under or in connection with the Tokens with any legal entity of which all shares carrying voting rights are directly or indirectly held by the Issuer (the "New Issuer"), it will confirm and proof to the Tokenholders Representative that:  
  
the New Issuer is in a position to fulfill all payment obligations arising from or in connection with the Tokens; and  
  
the Issuer has issued, on a subordinated basis as set out in Condition 10 of the Terms and Conditions of the Prospectus, an irrevocable and unconditional guarantee in respect of the obligations of the New Issuer under the Tokens in form and content satisfactory to the Tokenholders' Representative.
14. If the Tokenholder Representative is convinced that the prerequisites as set forth above are met, it will confirm this to the Issuer. The Tokenholder Representative is however neither obliged nor entitled to approve or consent to the substitution, which the Issuer may arrange for without the consent of the Tokenholders or the Tokenholder Representative.

f. Modifications

15. The Tokenholder Representative may consent to an amendment of the Terms of the Tokens if, in its sole opinion, such amendment is of a formal, minor or technical nature, is made to correct a manifest error and is not prejudicial to the interests of the Tokenholders.

III. Assembly of Tokenholders, Votings and Communication

16. Communications from the Tokenholder Representative to the Tokenholders will exclusively occur by publishing notices on the Issuers website or in the CROWDLITOKEN ecosystem. Such publications will be arranged for by the Issuer upon request of the Tokenholder Representative.

The Tokenholder Representative is not liable for any consequences whatsoever in case the Issuer refuses or is not able to publish notices as requested by the Tokenholder Representative.

17. Tokenholders can forward notices and communication to the Tokenholder Representative to the address stated above or by email to [tokenholderrepresentative@crowdlitoken.com](mailto:tokenholderrepresentative@crowdlitoken.com). The Tokenholder Representative will not and is not obliged to directly communicate with each and every single Tokenholder but will, if so provided herein, act on behalf of all Tokenholders and request that the Issuer publishes notices of the Tokenholder Representative to all Tokenholders through the CROWDLITOKEN eco system.

18. The Tokenholder Representative will, if so required herein or by law, in any event whenever votes need to be cast by Tokenholders, request that the Issuer convenes an Assembly of the Tokenholders.

Invitations to an Assembly of Tokenholders will be published on the CROWDLITOKEN ecosystem at least 10 working days before the date of the Assembly. Invitations will state an agenda and will provide a link to information material, if any, Tokenholders may require in order to be able to make an informed decision when voting in the Assembly of Tokenholders.

19. Assemblys of Tokenholders will, if and to the extent possible on the basis of applicable laws, not be physical meetings at a specific venue but will exclusively take place on the CROWDLITOKEN eco system or by comparable technical means to be arranged for by the Issuer, which will allow Tokenholders to vote.

Results will be published on the CROWDLITOKEN eco system.

20. If not provided otherwise herein or in the Prospectus, resolutions passed by the Assembly of Tokenholders require, in order to be considered adopted, the affirmative vote of Tokenholders holding not less than 50% of the Token participating or being represented in the vote. Tokenholders acknowledge and accept that such votes are effective and binding upon all Tokenholders, including Tokenholders who abstained from voting, voted against the proposed resolution or are Non-Registered Tokenholders.

21. In order for Resolutions of the Assembly of Tokenholders to be valid, binding and effective, certain formalities are required as of today or may be required in future.

The Tokenholder Representative will, if and to the extent possible and feasible and if and to the extent required by applicable law at the point in time where a resolution of the Assembly of Tokenholders will be passed, undertake best efforts in order to make sure that a resolution complies with such formalities. This may e.g. require that Tokenholders give proxies or provide further documentation to the Tokenholder Representative.

If and to the extent, on the basis of applicable law in force when a resolution is passed, certain formalities are no longer required or if there are exemptions and / or reliefs from compliance with such formalities, irrelevant of technologies applied, Tokenholders acknowledge that it shall always be the least burdensome method or formality that applies on resolutions of the Assembly of Tokenholders. To the extent possible, any and all formalities, be that with regard to the convocation of Assemblies, the manner of casting votes or other features, are waived.

#### IV. Issuers Obligations

22. The Issuer is obliged and covenants to regularly, at least every twelve months, inform the Tokenholder Representative of its business undertakings and financial situation.
23. The Issuer grants the Tokenholder Representative access to the CROWDLITOKEN ecosystem and covenants and obliges itself to (i) allow the Tokenholder Representative at any time to post notices to the Tokenholders or (ii) to publish such notices upon request of the Tokenholder Representative.
24. The Issuer obliges itself and covenants to, at any time, support the Tokenholder Representative in order to allow her to properly perform her obligations.

#### V. Fees

25. The Issuer pays an annual flat fee of CHF 20'000.- (plus VAT, if any) to the Tokenholder Representative. The flat fee is understood as consideration and fee for the Tokenholder Representative accepting such task and includes 10 effective working hours.

The fee is payable in advance for one year by no later than January 31 of each year. For the first year (2019) a pro-rata fee of CHF 15'000 is due and payable by no later than 30 June 2019.

26. For services exceeding 10 hours per calendar year and therefore not covered by the flat fee, the Tokenholder Representative charges on the basis of hourly rates of CHF 500.00.
27. Fees will be adjusted every three years to reflect the development of the Swiss Consumer Price Index.

## VI. Termination

28. The Tokenholder Representative may resign from its office at any time and without the need to state reasons but respecting a notice period of 3 months.

The Tokenholder Representative will endeavor to suggest a successor to the Issuer.

29. In case of resignation of the Tokenholder Representative or if the Tokenholder Representative becomes, for whatever reasons, unable to act, the Issuer is entitled to appoint a new Tokenholder Representative with the same tasks and competences as stated in the Prospectus and in this Agreement.
30. The Assembly of Tokenholders may, at any time and without the need to state reasons but with a majority of Tokenholders representing 75 % of the nominal value of Tokens issued decide to terminate the office of the Tokenholder Representative or to limit its tasks and competences; and / or to appoint an additional Tokenholder Representative and to define its tasks and competences.
31. In case of resignation or termination, the Tokenholder Representative is not obliged to reimburse the Flat Fee already received on a pro-rata basis.

Additional fees based on hourly rates are due and payable as invoiced and can not be set off e.g. against an unused portion of the Flat Fee.

## VII. Competences, Liability & Indemnity

32. The Tokenholder Representative's duties and competences are exhaustively described in the Prospectus and this Agreement. The Tokenholder Representative is neither entitled nor obliged to assume any other duties or competences or to take or consider any actions on behalf of or for the benefit of the Tokenholders or one of them other than those or going beyond the scope of the duties and competences as explicitly described in the Prospectus or this Agreement.

Tokenholders are free to raise claims or otherwise pursue their rights individually, all or some of them together with regard to all matters not referred to the Tokenholder Representative in the Prospectus or this Agreement.

33. The Tokenholder Representative is not liable to the Tokenholders or the Issuer for any acts or failure to act and for any damage caused due to such act or failure to act except in case of gross negligence or willful intent.

The Tokenholder Representative is specifically not obliged to act if it does not receive the necessary support from the Issuer specifically with regard to the CROWDLITOKEN ecosystem. The Tokenholder Representative is specifically not obliged to act and is not liable if it does not act if



- the Issuer does not or no longer publish notices upon request of the Tokenholders Representative;
- the Issuer does not or no longer arrange for technical possibilities to hold assemblies or to vote on the CROWDLITOKEN ecosystem; or
- if the CROWDLITOKEN ecosystem is not or no longer operative.

34. The Issuer is obliged to indemnify and hold the Tokenholder Representative and any of its partners and employees harmless in case of and against claims (including costs such as court charges, lawyers costs, cash expenses etc.) Tokenholders or third parties raise against the Tokenholder Representative as a consequence of the Tokenholder Representative holding such office, acting or omitting to act as Tokenholder Representative.

The Tokenholder Representative may at any time request that the Issuer provides securities or guarantees (e.g. bank guarantees) to the Tokenholder Representative in a form and with regard to an amount considered appropriate by the Tokenholder Representative. The Tokenholder Representative is not obliged to act and / or to perform any of its duties under this agreement if securities or guarantees requested by the Tokenholder Representative are not provided in due time and, if so, is entitled to terminate this agreement without notice.

#### VIII. Miscellaneous

35. If at any time one or more of the provisions of this Agreement is or becomes unlawful, invalid, illegal or unenforceable in any respect under any law, the validity, legality and enforceability of the remaining provisions shall not be in any way affected or impaired thereby.
36. This Agreement is subject to the laws of Liechtenstein. Any and all claims arising out of or in context with this agreement are subject to the exclusive jurisdiction of the courts of the Principality of Liechtenstein.

Place, Date

\_\_\_\_\_  
Crowdlitoken AG  
Represented by:

\_\_\_\_\_  
Dr. Helene Rebholz

# ANNEXE



## SCHEDULES FOR THIRD COUNTRIES