Prospectus for the offer to the public of up to 3,351,100 participation certificates by

ella media ag

ella media ag

(incorporated in Switzerland with limited liability, registration number CHE-370.592.352)
Offering of up to 3,351,100 Participation Certificates, with a nominal value of CHF 0.01 each of the corporation ella media ag

This EU Growth prospectus (the “Prospectus” or “Growth Prospectus”) has been prepared for the purpose of offering (the “Offering”) up to 3,351,100 registered Participation Certificates in the Participation Capital of the corporation ella media ag (the “Issuer” or the “Company”), each with a nominal value of CHF 0.01 (the “Offer Securities” or “Participation Certificates”).

Once the capital increase of the Company is registered with the Commercial Register of the Canton of Zug (the “Commercial Register”), the Offer Securities and respective new owners of Participation Certificates will be registered in the participation certificate register of the Issuer.

The Offer Securities are being offered and this offering consists of: (i) public Offering to Retail Investors and Institutional Investors in Luxembourg, Germany, Austria, the Netherlands and/or (ii) private placement(s) (offering(s)) to certain determined Institutional Investors and Retail Investors in other Member States of the EEA (providing them with individual invitations in this respect) in each case pursuant to an exemption under Article 1 of the Prospectus Regulation.

The above private placement(s) (offering(s)) is (are) not public and will be conducted in reliance on the appropriate exemptions in those jurisdictions where they will be conducted. The Offer Securities are not offered publicly in any countries other than in Luxembourg, Germany, Austria, and the Netherlands.

This Prospectus does not constitute an offer to any person to buy, or the solicitation of an offer to buy, the Offer Securities in any jurisdiction in which it is unlawful to make any offer to such person. The Offer Securities have not been and will not be registered under the United States Securities Act of 1933, as amended, or under any securities laws of any state or other jurisdiction of the United States and are not being offered or sold within the United States or to, or for the account or benefit of, U.S. persons other than to Qualified Institutional Buyers (QIBs) as defined in, and in reliance on, Rule 144A, and outside the United States in offshore transactions in reliance on Regulation S (for more information please see Section 1.2 *Notice to prospective Investors*).

The terms and conditions of this Offering, as specified in this Prospectus, are subject to possible modification, and/or cancellation.

This Prospectus has been prepared by the Company in accordance with Regulation (EU) 2017/1129 of the European Parliament and of the Council, as may be amended from time to time (the “Prospectus Regulation”), and Commission Delegated Regulation (EU) 2019/980, as may be amended from time to time (the “Delegated Regulation”). The Financial Market Supervisory Authority in Luxembourg (in French: *Commission de Surveillance du Secteur Financier of Luxembourg (CSSF)*) in its capacity as the competent authority in Luxembourg under the Prospectus Regulation at the choice of the Issuer (as established in Article 2(m)(iii) of the Prospectus Regulation) on 15 October 2021 has approved this document as a Growth Prospectus and has notified the approval of the Prospectus to the Federal Financial Supervisory Authority of the Federal Republic of Germany (in German: *Bundesanstalt für Finanzdienstleistungsaufsicht (BaFin)*), to the Financial Market Authority of the Republic of Austria (in German: *Österreichische Finanzmarktaufsicht (FMA)*), and to the Dutch Authority for the Financial Markets (in Dutch: *Autoriteit Financiële Markten (AFM)*).

The approval by the CSSF of this Prospectus only means that it is meeting the standards of completeness, comprehensibility and consistency imposed by the Prospectus Regulation. Such approval should not be considered an endorsement of the quality of the Offer Securities that are the subject of this Prospectus. The CSSF gives no undertaking as to the economic and financial soundness of the transaction or the quality or solvency of the Issuer. The Investors have to make their own assessment as to the suitability of investing in the Offer Securities.

The Prospectus has been drawn up as a Growth Prospectus in accordance with Article 15 (1) (a) of the Prospectus Regulation.

This Prospectus is valid for a period of 12 months from the date of approval, being until 15 October 2022. The Issuer shall have no obligation to supplement this Prospectus in the event of significant new factors, material mistakes or material inaccuracies after the end of its 12-month validity period.

The information contained herein is current as of the date of this Prospectus. Neither the delivery of this Prospectus, nor the offer, sale or delivery of the Offer Securities shall, under any circumstances, create any implication that no adverse changes have occurred nor events have happened, which may or could result in an adverse effect on the Company's business, financial condition or results of operations and/or the market price of the Offer Securities. Nothing contained in this Prospectus constitutes, or shall be relied upon as, a promise or representation by the Issuer or its advisors as to the future.

Although the whole text of this document should be read, the attention of persons receiving this document is drawn, in particular, to the Section headed Risk factors contained in Section 4 of this document. All statements regarding the Company's business, financial position and prospects as well as the Offering should be viewed in light of the risk factors set out in Section 4 of this document.

No securities issued by the Company are admitted to trading on any regulated market or SME growth market. In connection with the Offering and the issuance of Offer Securities, based on this Prospectus the Company does not intend to list the Offer Securities on any regulated or SME growth market.

Settlement of the Offering is implemented on a step-by-step basis at the discretion and as resolved by the Board of Directors of the Issuer; however, in no case later than 21 calendar days after the end of each Offer Period. The Offering will be realised through four separate Offer Periods covering the period from 15 October 2021 to 30 August 2022.

The First Offer Period will commence on 15 October 2021 and end on 30 November 2021 during which period 1,000,000 Participation Certificates of the Issuer are being offered. The Offer Price per Offer Security during the First Offer Period amounts to EUR 5.00.

The Subsequent Offer Periods will be the Second Offer Period from 1 December 2021 until 30 January 2022; the Third Offer Period from 1 February 2022 until 30 April 2022; and the Fourth Offer Period from 1 May 2022 until 30 August 2022. During such Subsequent Offer periods Participation Certificates will be offered at a maximum Offer Price per Offer Security of EUR10.00.

The Management Board will announce after the First Offer Period and each subsequent Offer Period (i) the number of Participation Certificates subscribed during the lapsed Offer Period and (ii) the Offer Price per Offer Security for the subsequent Offer Period (if applicable). Such announcements will be made on the following website of the Issuer: https://www.ella.ag/public-offering.

In total up to 3,351,100 Participation Certificates may be offered under this Prospectus. The total number of the Offer Securities subscribed during the Offer Periods will be announced in accordance with applicable regulations and on the following website of the Issuer: https://www.ella.ag/public-offering and filed with the CSSF in accordance with article 17(2) of the Prospectus Regulation.

All the shares of the Company are ordinary registered shares (the "Shares") and are registered with the Commercial Register. The ISIN of the Shares is CH1107980141. The Offer Securities are Participation Certificates which have the same rights as the Shares, but without the voting rights. The ISIN of the Offer Securities is CH1107675402 as provided by SIX Financial Information AG, Switzerland. Shareholders and owners of Participation Certificates in the Issuer are registered in the respective registers of the Issuer and the shareholders and owners of Participation Certificates receive a confirmation of their registration in these registers. The Board of Directors of the Issuer is responsible for these registrations and maintenance of these registers. Such registers must be kept in such a manner that they can be accessed at any time in Switzerland. Owners of Participation Certificates may ask to inspect their own entry in the register by using one of the contact options mentioned on the website of the Issuer (www.ella.ag) or by sending a postal request to the domicile of the Issuer as registered in the Commercial Register of the Canton of Zug. Entry in such registers requires documentary proof that a Share or Participation Certificate was acquired for ownership, or proof of the reasons for the usufruct thereof. In relation to the Issuer the Shareholder, holder of Participation Certificates or usufructuary is the person entered in the Share or Participation Certificate register. The Issuer is not issuing any certificates regarding the Shares or Participation Certificates and is not registering the shares or Participation Certificates with a depository since this is not required from a Swiss legal perspective.

The date of this Growth Prospectus is 15 October 2021

TABLE OF CONTENTS

01. SPECIFIC SUMMARY FOR THE GROWTH PROSPECTUS 6

Introduction 6
Key information on the Issuer 6
Key information on the Offer Securities 8
Key information on offer of Offer Securities to public........ 9

02. IMPORTANT INFORMATION 12

Responsibility for this Prospectus 12
Notice to prospective Investors 13
Presentation of financial and other information........ 15
Forward-looking statements 15
Definitions used in the Prospectus 16

03. STRATEGY, PERFORMANCE AND BUSINESS ENVIRONMENT 21

Information about the Issuer........ 21
Material changes in borrowing and funding structure 21
Expected financing of the Issuer's activities 22
Business overview........ 22
Organisational structure 29
Investments 29
Trend information 29
Profit forecasts or estimates 30

04. RISK FACTORS 31

Risks specific to the Issuer 31
Risks specific to the Offer Securities 34

05. TERMS AND CONDITIONS OF THE OFFER SECURITIES 36

06. CORPORATE GOVERNANCE 41

Administrative, management, and supervisory bodies and senior management 41
Remuneration and benefits 44
Shareholdings and stock options........ 44

07. DETAILS OF OFFERING 45

Terms and conditions of the Offering of Offer Securities to public 45
Details of the Offering........ 46
Place of Subscription and Subscription procedure 47
Expected timetable of the Offering 48
Procedure and dates for payment for the Offer Securities 49
Plan of distribution and allotment........ 49
Process for notifying applicants (Investors) 50
Cancellation, suspension or postponement of the Offering Pricing........ 50
Pricing 51
Placing and underwriting 51
Admission to trading and dealing arrangements........ 51
Change of terms of the Offering 51
Selling securities holders 52
Dilution 52

08. FINANCIAL INFORMATION AND KEY PERFORMANCE INDICATORS (KPIs) 53

Historical audited financial information 53
Interim and other financial information.......... 53
Key Performance Indicators (KPIs) 55
Significant change in financial position 56
Dividend policy 56
Pro forma financial information.......... 57

09. SHAREHOLDER AND SECURITY HOLDER INFORMATION..........58

Shareholders 58
Legal and arbitration proceedings 58
Conflicts of interest.......... 58
Related party transactions.......... 58
Share Capital, Participation Capital and issued
Dividend Rights Certificates by the Issuer 58
Articles of Association 60
Material contracts 60

10. DOCUMENTS AVAILABLE 61

Annexes to this Prospectus 61

ANNEX 1 (INTERIM FINANCIAL STATEMENTS) A1-1
ANNEX 2 (ARTICLES OF ASSOCIATION) A2-1

1. SPECIFIC SUMMARY FOR THE GROWTH PROSPECTUS

The abbreviations used in this Summary shall have the same meanings as in the Prospectus, unless in this Summary they are described otherwise.

1.1. Introduction

1.1.1. **Offer Securities offered under this EU Growth Prospectus:** Participation Certificates (in German: *Partizipationsscheine*, hereinafter also the "Offer Securities") of ella media ag (ISIN code CH1107675402, nominal value CHF 0.01 per Participation Certificate) during the First Offer Period from 15 October 2021 until 30 November 2021 up to 1,000,000 Offer Securities at an offer price of EUR 5.00 per Offer Security, thereafter during Subsequent Offer Periods starting from 1 December 2021 and until 30 August 2022 additional Offer Securities at a maximum Offer Price per Offer Security of EUR 10.00 (in total 3,351,100 Offer Securities, details of the Offering of Subsequent Offer Periods, such as offer prices and number of Offer Securities per Offer Period to be announced on the following website of the Issuer: https://www.ella.ag/public-offering).

1.1.2. **The Issuer of the Offer Securities:** ella media ag (hereinafter the "Issuer" or the "Company"), incorporated on 2 December 2020 and registered with the Commercial Register under the registration number CHE-370.592.352 (LEI: 5067006925MG82XNCD61).

1.1.3. The Commission de Surveillance du Secteur Financier (CSSF) in its capacity as the competent authority in Luxembourg under the Prospectus Regulation approved the Growth Prospectus on 15 October 2021 and has notified the Federal Financial Supervisory Authority of the Federal Republic of Germany (in German: *Bundesanstalt für Finanzdienstleistungsaufsicht (BaFin)*), the Financial Market Authority of the Republic of Austria (in German: *Österreichische Finanzmarktaufsicht (FMA)*), and the Dutch Authority for the Financial Markets (in Dutch: *Autoriteit Financiële Markten (AFM)*) of the approval of the Prospectus. The contact details of the CSSF are the following: address 283, route d'Arlon, 1150 Luxembourg, Luxembourg, phone +352 26 25 11, e-mail direction@cssf.lu.

1.1.4. **Warnings by the Issuer:** This specific Summary should be read as an introduction to this Growth Prospectus and any decision by an Investor to invest in the Offer Securities should be based on a consideration of this Growth Prospectus as a whole.

An Investor investing in the Offer Securities could lose all or part of the invested capital.

Where a claim relating to the information contained in this Growth Prospectus is brought before a court, the plaintiff Investor may, under national law, have to bear the costs of translating this Growth Prospectus before the legal proceedings are initiated.

Civil liability attaches only to those persons who have tabled this Summary including any translation hereof, but only where this Summary is misleading, inaccurate or inconsistent when read together with the other parts of this Growth Prospectus, or where it does not provide, when read together with the other parts of this Growth Prospectus, key information in order to aid Investors when considering whether to invest in the Offer Securities.

1.2. Key information on the Issuer

The Issuer of the Offer Securities is ella media ag, address Gotthardstrasse 28, 6300 Zug, Switzerland, incorporated on 2 December 2020 and registered with the Commercial Register under the registration number CHE-370.592.352 (LEI: 5067006925MG82XNCD61).

1.2.1. Information about the Issuer

The Issuer's legal form is a corporation (in German: *Aktiengesellschaft*). It operates under the law of Switzerland, which is also its country of incorporation.

As its principal activities, the Issuer develops and commercialises software for the production of industry-specific and consumer-centric content in form of texts, audio, images and videos based on artificial intelligence. The media industry is facing disruption from increasingly digitally consumed media through an increasing number of different digital platforms, while at the same time income generated in traditional ways (for example by advertisements on TV or in newspapers) is decreasing. For this reason the Issuer is developing software (through an independent third party) that should – by inputting just a few keywords or facts – create content such as fictional or non-fictional texts, audio, images and videos within a few seconds based on artificial intelligence. Such content is created in a way that it may be automatically processed by various digital platforms in order to reduce (to the maximum extent possible) manual amendments or input. Such content creation and subsequent automation should dramatically lower production costs and time. Since the software developed applies the concepts of artificial intelligence it should improve and learn from manual edits of the content created (for example by an editor) and improve its skills and the quality of the content delivered over time.

The Shareholders with control of the Issuer are:

- Rheinfall Beteiligungen GmbH, Alfred-Keller-Str. 54, 53721 Siegburg, Germany, fully owned by Mr. Michael Keusgen, resident at Alfred-Keller-Str. 54, 53721 Siegburg, Germany (in Switzerland at Mühleweg 8, 6331 Hünenberg) (37.25%);
- Mr. Daniel Hoffmann, Maikammer 55 A, 42489 Wülfrath (20.48%);
- Ms. Anja Bornemann, resident at Widdiger Str. 40, 50968 Cologne, Germany (20.48%);
- Mr. Mark Rau, Steinzeugstrasse 34, 50266 Frechen, Germany (10.97%);
- Mr. Peter Steiner, resident at Aeschiweg 5, 3067 Boll, Switzerland (5.82%);
- Mr. Michael Kramer, resident at Edithsteinstr. 15, 63150 Heusenstamm, Germany (5%).

Currently, the Board of Directors of the Issuer (hereinafter also the "Management Board" or "Board of Directors") has two members, Mr. Michael Keusgen and Mr. Peter Steiner, both with single signature authority. Mr. Keusgen is also the Managing Director of the Issuer.

By resolution dated 15 May 2021 of the Management Board, the Issuer has established an internal advisory board to support and advise the Management Board upon request regarding business strategy and research and development matters. The current members of the advisory board are Mr. Stefan Kürten, Dr. Dr. Christoph Schwerdtfeger and Mr. Erik Rodner ("Advisory Board").

1.2.2. Key financial information on the Issuer

The Issuer was incorporated on 2 December 2020, and there are no annual financial statements available yet. For the purpose of this Prospectus, the Issuer has prepared Interim Financial Statements as per 28 February 2021 in accordance with the International Financial Reporting Standards (IFRS) as adopted by the European Union.

As per 28 February 2021, the total equity of the Issuer amounted to EUR 2,286,526 which included the nominal Share Capital of EUR 120,119, the nominal Participation Capital of EUR 11,381, capital reserves of EUR 2,470,619 and accumulated losses from 2 December 2020 to 28 February 2021 of EUR 833,593.

As per 28 February 2021, the current assets of the Issuer (including bank deposits and short-term receivables) amounted to EUR 593,590. Non-current assets amounted to EUR 1,750,000 which includes the purchase price paid to ella Germany for the Software as at the development date of 21 January 2021.

Due to its limited operating history, the Issuer has not yet generated any sales or revenues. From its incorporation on 2 December 2020 until 31 December 2020, the expenses incurred by the Issuer relate only to general and administrative expenses of EUR 117,560 and net financial expenses of EUR 739 which leads to a loss for the period until 31 December 2020 of EUR 118,299.

For the period from 1 January 2021 to 28 February 2021, the Issuer generated a loss of EUR 715,294 due to (still) zero income while incurring expenses for research and development of EUR 298,000, general and administrative expenses of EUR 414,285 and net financial expenses of EUR 3,009.

On 21 February 2021, the Issuer purchased the last available state of the core artificial intelligence technology from a startup company in Germany called ella media ag domiciled at Schanzenstrasse 35, 51063 Cologne, Germany ("ella Germany"), for a total consideration of EUR 1.75 million.

In a first private placement round for early-stage Investors in the network of the Shareholders and members of the Advisory Board, 3,148,900 Participation Certificates (1,648,900 issued after balance sheet date as per 28 February 2021 of the Interim Financial Statements) have been issued against contributions in cash to early-stage investors increasing the equity of the Issuer by EUR 8,261,150. It should be noted that, as a consequence of such subscriptions during the first private placement round, the total liabilities ("equity") of the Issuer and the total assets ("cash and cash equivalents") of the Issuer have both increased by EUR 5,261,150 after the balance sheet date as per 28 February 2021 of the Interim Financial Statements.

As at the date of this Prospectus, the Issuer has issued 13 million Shares, 3,148,900 Participation Certificates and 23,692 units of Dividend Rights Certificates outstanding conferring rights to participate in future dividend distributions as eight million Participation Certificates.

1.2.3. Key risks specific to the Issuer

Risks related to the Issuer's business activities and industry

1) The Issuer is a start-up company incorporated in December 2020 and, thus, it has a very limited operating history, and no financial statements covering a full business year are yet available.
2) The Issuer's business strategy will require substantial expenditure and it should be expected that additional issuances of Participation Certificates even after successful sale of all Participation Certificates offered under the current Prospectus will be made.

3) The actual market for the services of the Software of the Issuer could be significantly smaller than estimated.
4) The performance of the Software developed by the Issuer is not yet clear and could be subject to much longer development efforts and development expenses than currently expected.
5) The development of software that applies the concepts of artificial intelligence depends on the availability of highly skilled and experienced software programmers who are very rare in the market, and difficult to recruit and maintain.
6) Nowadays, technology is outdated within a short period of time due to worldwide competition and innovation in hardware and software, and the Issuer cannot exclude the risk that the Software may become outdated in the future.
7) Despite the Issuer using its best efforts to obtain patents and/or other copyrights for the Software, there is a general risk relating to Software that despite such protection it can be copied and modified, and protection obtained for such intellectual property cannot be defended.

Legal and regulatory risks

8) Confidentiality agreements with employees and others may not adequately prevent disclosure of trade secrets and other proprietary information.
9) There may be a dependence on business partners regarding non-disclosure and exclusivity agreements regarding the development of the Software.
10) Despite the best efforts of the Issuer, the Software may generate output that is potentially infringing intellectual property rights of third parties.
11) The products generated by the Software, such as texts, audio, images, videos or combinations thereof may constitute criminal law violations or offences.
12) There is a risk that the Issuer is unable to comply with the measures and requirements set out in data protection regulation and such non-compliance could lead to significant administrative fines which could have a material negative impact on the Issuer's financial position.
13) The rights of Swiss company shareholders may differ from the rights of the shareholders of other countries' companies and the legislation, interpretation and application of legal acts may be different in Switzerland from that in other countries.

1.3. Key information on the Offer Securities

1.3.1. Main features of the Offer Securities

Type and class: Participation Certificates (in German: *Partizipationsscheine*), to be issued as uncertificated (non-material) securities (in German: *Wertrechte*) in the meaning of Art. 973c of the Swiss CO.

Participation Certificates are non-voting shares, which confer pecuniary rights, but no voting or other membership rights. They are offered publicly for sale in the same structure and denomination and placed with more than 20 investors, are freely negotiable and, thus, suitable for mass standardised trading under Swiss law (cf. art. 2 para. 1 of the Swiss Federal Ordinance on Financial Market Infrastructures and Market Conduct in Securities and Derivatives Trading, SR 958.11).

Currency and denomination: nominal value of the Offer Securities is CHF 0.01 per Participation Certificate.

Number and term: During the First Offer Period (from 15 October 2021 to 30 November 2021) 1,000,000 Participation Certificates will be offered. 2,351,100 Participation Certificates may be offered additionally during the Subsequent Offer Periods. The total number of the Offer Securities subscribed during the Offer Periods will be announced in accordance with applicable regulations and on the following website of the Issuer: https://www.ella.ag/public-offering. All Participation Certificates are issued without term.

Attached Rights: The Offer Securities have the same dividend rights as the ordinary Shares of the Issuer. The dividend rights do not lapse. According to the Articles of Association, transferability of the Offer Securities is not subject to restrictions. The Issuer may refuse entry in the Share or Participation Certificate register only where the acquirer fails to declare expressly that they have acquired the Shares or Participation Certificates in their own name and for their own account.

Under the applicable law the holders of Participation Certificates have no right to participate in the General Meeting (of shareholders), however, they must be notified about the convening of any General Meeting together with the items on the agenda and any motions (proposals). Furthermore, the holders of Participation Certificates are entitled to inspect each resolution of the General Meeting (which shall be made available without delay at the registered office of the Issuer). They shall be informed accordingly in the notification on convocation of the General Meeting. In addition, on the occasion of the annual General Meeting, just like the shareholders, each holder of Participation Certificates may request that a copy of the annual and audit reports be sent to him/her/it.

No seniority: There is no seniority of Shares or Participation Certificates, including the Offer Securities, in the Issuer's capital structure in the event of insolvency under Swiss law. All the Shares and Participation Certificates, incl. the Offer Securities, will be treated the same in the event of an insolvency of the issuer.

Dividend Policy: The Issuer does not have a fixed dividend distribution policy. There are no fixed dividend distribution dates. Dividend distributions and the respective dates (if any) will be resolved by the General Meeting that is held each year within the first six months of the business year or during a business year, if requested by the Board of Directors. There are no dividend restrictions or special procedures for non-residents. There is no fixed rate or other specific method of calculation of the dividends. All dividends will be paid out in CHF. If paid out to an account of an owner of Participation Certificates in a currency other than CHF, the expenses for currency exchange will be borne by the respective owner.

1.3.2. As of the date of this Prospectus, there are no plans to apply for admission to trade the Offer Securities and/or Shares on a multilateral trading facility, including a stock exchange or a SME growth market in the near future.

1.3.3. There is no guarantee attached to the Offer Securities.

1.3.4. Key risks specific to Offer Securities

Risks relating to the financial and political rights inherent to the Offer Securities

1) The Offer Securities offered under this Prospectus are non-voting Participation Certificates. Holders of the Offer Securities will have none of the rights generally associated with voting rights under Swiss corporate law.
2) No assurance can be given that the Issuer will pay dividends.

General risks relating to the Offer Securities

3) The ownership percentages in the Issuer may be diluted in the future because of equity issuances.
4) The Offer Securities will be traded off-exchange exclusively, which results in a lower liquidity of the Participation Certificates and less options to sell.
5) The Issuer may decide to delay, suspend or cancel the Offering. Consequently, the Investors may be unable to successfully subscribe for the Offer Securities, and payments made by Investors during the Offering, if any, will be returned without any compensation

1.4. Key information on offer of Offer Securities to the public

1.4.1. Conditions and timetable for investing in Offer Securities

General terms and conditions

During the First Offer Period between 15 October and 30 November 2021, the Issuer is offering up to 1,000,000 Offer Securities at EUR 5.00 per Offer Security.

The Subsequent Offer Periods will be the Second Offer Period from 1 December 2021 to 30 January 2022; the Third Offer Period from 1 February 2022 to 30 April 2022; and the Fourth Offer Period from 1 May 2022 to 30 August 2022. During such Subsequent Offer periods Participation Certificates will be offered at a maximum Offer Price per Offer Security of EUR 10.00.

The Management Board will announce after the First Offer Period and each subsequent Offer Period (i) the number of Participation Certificates subscribed during the lapsed Offer Period and (ii) the Offer Price per Offer Security for the subsequent Offer Period (if applicable). Such announcements will be made on the following website of the Issuer: https://www.ella.ag/public-offering.

In total up to 3,351,100 Participation Certificates may be offered under this Prospectus. The total number of Offer Securities subscribed during the Offer Periods will be announced in accordance with applicable regulations and on the following website of the Issuer: https://www.ella.ag/public-offering.

The Issuer reserves the right to allocate in total fewer than 3,351,100 Offer Securities. This may happen, for instance, as a result of insufficient demand. In such case, the number of Offer Securities to be allotted to the Investors may be reduced.

The Offering consists of: (i) public Offering to Retail Investors and Institutional Investors in Luxembourg, Germany, Austria and the Netherlands and/or (ii) private placement(s) (offering(s)) to certain determined Institutional Investors and Retail Investors in other Member States of the EEA (providing them with individual invitations in this respect) in each case pursuant to an exemption under Article 1 of the Prospectus Regulation.

To subscribe for the Participation Certificates, each Investor should first register on the investor portal of the Issuer, which can be accessed through a link published on https://www.ella.ag/public-offering. After completing the registration process, each Investor receives all relevant subscription documents (including a Subscription Form, Payment Contract and copy of the Prospectus) by e-mail. A copy of the signed Subscription Form and Payment Contract should be sent by e-mail to the following e-mail address of the Issuer: verwaltung@ella.ag.

Expected timetable of the Offer Periods

The timetable below lists expected key dates relating to events regarding the Offer Periods of the Offering. The Issuer reserves the right to change the timetable of the Offering.

From 15 October 2021 (from 5 p.m. Swiss time) to 30 November 2021 (5 p.m. Swiss time; the latest time of receipt for the acceptance of Subscriptions)	Accepting Subscriptions from the Investors and payment for the Offer Securities at the Offer Price for the First Offer Period
on or about 1 December 2021	Determination and announcement of (i) the number of Participation Certificates subscribed during the First Offer Period and (ii) the Offer Price per Offer Security for the Second Offer Period
no later than 21 December 2021	Registration of the Offer Securities with the Commercial Register and registering Investors in the Participation Certificate register of the Issuer with notification of registration to be provided to each Investor
From 1 December 2021 (from 9 a.m. Swiss time) to 30 January 2022 (5 p.m. Swiss time; the latest time of receipt for the acceptance of Subscriptions)	Accepting Subscriptions from the Investors and payment for the Offer Securities at the Offer Price for the Second Offer Period
on or about 1 February 2022	Determination and announcement of (i) the number of Participation Certificates subscribed during the Second Offer Period and (ii) the Offer Price per Offer Security for the Third Offer Period
no later than 21 February 2022	Registration of the Offer Securities with the Commercial Register and registering Investors in the Participation Certificate register of the Issuer with notification of registration to be provided to each Investor
From 1 February 2022 (from 9 a.m. Swiss time) to 30 April 2022 (5 p.m. Swiss time; the latest time of receipt for the acceptance of Subscriptions)	Accepting Subscriptions from the Investors and payment for the Offer Securities at the Offer Price for the Third Offer Period
on or about 1 May 2022	Determination and announcement of (i) the number of Participation Certificates subscribed during the Third Offer Period and (ii) the Offer Price per Offer Security for the Fourth Offer Period
no later than 21 May 2022	Registration of the Offer Securities with the Commercial Register and registering Investors in the Participation Certificate register of the Issuer with notification of registration to be provided to each Investor

From 1 May 2022 (from 9 a.m. Swiss time) to 30 August 2022 (5 p.m. Swiss time; the latest time of receipt for the acceptance of Subscriptions)	Accepting Subscriptions from the Investors and payment for the Offer Securities at the Offer Price for the Fourth Offer Period
on or about 1 September 2022	Determination and announcement of the number of Participation Certificates subscribed during the Fourth Offer Period
on or about 21 September 2022	Registration of the Offer Securities with the Commercial Register and registering Investors in the Participation Certificate register of the Issuer with notification of registration to be provided to each Investor

During the Offer Periods, the Management Board may decide to make capital increases of the Issuer earlier than after the close of each Offer Period for part of the Offer Securities, the funds for subscription of which have already been received. There are no limitations of such possible capital increases until all the Offer Securities have been subscribed by the Investors and distributed to them.

Distribution and allocation plan

The Offer Securities shall be served according to the time priority principle ("first come-first served"), i.e. the first Investors, which have submitted their Subscription Forms (and also fulfilled their payment obligation within seven Business Days after submitting a Subscription Form) shall be allotted the Offer Securities first up to the time and amount, when the Subscriptions for all the Offer Securities of the aggregate principal amount for the First Offer Period or a Subsequent Offer Period shall be provided.

The Issuer will not be obliged to allocate any Offer Securities to any Investors participating in the Offering. Furthermore, there will be no target minimum or maximum individual allotment to the Investors.

The subscribed Offer Securities shall be issued within seven calendar days after the Management Board will have resolved on the implementation of certain instalments of the Participation Capital increase and in any case no later than 21 calendar days after the end of the relevant Offer Period.

Dilution

The table below provides information on the Issuer's Share Capital and Participation Capital structure as well as the issued Dividend Rights Certificates existing as of the date of this Prospectus and the capital structure expected after the completion of the Offering (assuming that all the Offer Securities will be subscribed, fully paid and allocated to the Investors).

Type of security	Capital participation		Dilution %	Dividend participation		Dilution %
	before	after		before	after	
Shares (13,000,000 units)	80.50%	66.67%	13.83%	53.83%	47.27%	6.56%
Participation Certificates (3,148,900 units)	19.50%	16.15%	3.35%	13.04%	11.45%	1.59%
Dividend Rights Certificates (23,692 units corresponding to distribution participation rights of 8,000,000 units	0.00%	0.00%	0.00%	33.13%	29.09%	4.04%
Offer Securities (new Participation Certificates, 3,351,100 units)	-	12.19%	-	-	12.19%	-

Estimated expenses

The Participation Capital increase is subject to a 1% one-time capital duty that is borne by the Issuer (i.e. no reduction of subscribed Participation Certificates by 1% or similar). Additional bank transfer fees may be applied towards the Investors, depending on the bank used by the respective Investor. The Issuer estimates its expenses related to this offering at approximately 15% of the gross subscription proceeds of the Offer Securities. Besides advisory, audit and legal fees, such expenses will predominantly consist in fees and commissions to be granted to any third parties (either professionals or individuals) who introduce potential investors to the Issuer. Since the Issuer is a start-up company not having generated any turnover yet with an innovative business model and selling proposition, substantial efforts might be required from an investor presentation perspective, which is reflected in the amount of commissions (compared to traditional IPOs) the Issuer agrees to pay to third parties for the provision of subscribers that are willing to invest in the Issuer. The Issuer estimates that approximately 20 to 30 third parties may introduce potential investors to the Issuer. Such third parties have a financial interest in the Offering through the commissions they receive.

1.4.2. Reasons for producing the Prospectus

The Issuer aims to develop software for the production of industry-specific and consumer-centric content in the form of texts, audio, images and videos based on artificial intelligence. The funds raised from the Offering will be used for salaries, research and development, sales and marketing and investments and expenses to build up the required IT infrastructure until (according to the business plan of the Issuer) break-even during the fourth quarter of 2022 should be reached.

The Issuer has already obtained funding from previous issuances of Participation Certificates in the amount of EUR 8,261,150. From these funds, the Issuer has purchased the core artificial intelligence technology (including all rights, source codes, documentations, analysis and any related information and documents) according to the state of development as per 21 January 2021 for a total consideration of EUR 1.75 million and financed the operating and non-operating expenses, including the costs to prepare for the Offering, since its incorporation on 2 December 2020.

Source: the Issuer

According to the business plan of the Issuer, break-even should be reached in the fourth quarter of 2022. Until then, the total costs of the Issuer for the development of the various software tools, including the necessary server capacities, will amount to approximately EUR 23 - 24 million. The main costs will be incurred in connection with the development of the Software, at around EUR 16 - 17 million, and with the preparation of sales and server capacities of around EUR 6 - 7 million. According to its current development plans, the first parts of the Software (i.e. so-called “News Assistant”) will be ready for commercialisation in the course of 2021. Additional software tools will be launched on a step-by-step basis over the following months. Until break-even is reached in the fourth quarter of 2022, revenues of approximately EUR 8.9 million should be generated by the Issuer.

Considering payment periods granted to customers (from provision of the services until collection of payment, up to four months’ delay), reserves for potential unexpected expenses or required investments, and the expenses relating to this Offering, the Issuer expects that funding of a total EUR 20 - 23 million is required. Together with the already obtained funding of EUR 8,261,150 from previous issuances of Participation Certificates and the expected funding received from the Offering, the Issuer should have sufficient funding to finance the required expenses and investments until break-even in the fourth quarter of 2022 and positive cash flows from business operations may be reached.

1.4.3. The offeror under the Prospectus is the Issuer, ella media ag

2. IMPORTANT INFORMATION

Growth Prospectus: This Growth Prospectus has been prepared by the Company in connection with the Offering, solely for the purpose of enabling any prospective Investor to consider an investment in the Offer Securities. This Prospectus is a prospectus in the form of a single document within the meaning of the Prospectus Regulation and the Delegated Regulation. Given that the Issuer is a small enterprise, which has only five employees, no turnover yet with a total balance sheet as at 28 February 2021 of EUR 2,343,590, it has decided to draft a Growth Prospectus under Article 15 of the Prospectus Regulation and Articles 28 and 30 of the Delegated Regulation and in accordance with Annex 23 (Specific summary for the EU Growth prospectus), Annex 24 (EU Growth registration document for equity securities) and Annex 26 (EU Growth securities note for equity securities) of the Delegated Regulation.

This Prospectus has been approved by the Commission de Surveillance du Secteur Financier of Luxembourg (CSSF), as competent authority under the Prospectus Regulation at the choice of the Issuer (as established in Article 2(m)(iii) of the Prospectus Regulation). The CSSF approves this Prospectus only as meeting the standards of completeness, comprehensibility and consistency imposed by the Prospectus Regulation. Such approval should not be considered as an endorsement of quality of the Offer Securities that are the subject of this Prospectus. The CSSF gives no undertaking as to the economic and financial soundness of the transaction or the quality or solvency of the Issuer.

This Prospectus should be read and construed together with any supplement hereto (if any) and with any other documents attached herein.

Taking into consideration that this Prospectus contains several hyperlinks to websites, it is also noted that the information on such websites does not form part of the Prospectus and has not been scrutinised or approved by the CSSF.

2.1. Responsibility for this Prospectus

Person responsible: The person responsible for the information provided in this Prospectus is ella media ag, registration number CHE-370.592.352, with the registered office at Gotthardstrasse 28, 6300 Zug, Switzerland. To the best of the knowledge of the Company and its member of the Board of Directors and Managing Director, Mr. Michael Keusgen, the information contained in this Prospectus is in accordance with the facts, and the Prospectus makes no omission likely to affect its import.

Michael Keusgen
Member of the Board of Directors and
Managing Director

Limitations of liability: Without prejudice to the above, no responsibility is accepted by the person responsible for the information given in this Prospectus solely on the basis of the summary of this Prospectus, as indicated and subject to the provisions, indicated in Section 1.1.4 of the Prospectus.

Furthermore, the legal advisors to the Company expressly disclaim any liability based on the information contained in this Prospectus, the summary of this Prospectus or individual parts hereof and will not accept any responsibility for the correctness, completeness or import of such information. No information contained in this Prospectus or disseminated by the Company in connection with the Offering may be construed to constitute a warranty or representation, whether express or implied, made by the legal advisors to the Company.

Neither the Company nor the legal advisors to the Company will accept any responsibility for the information pertaining to the Offering, the Company or its operations, where such information is disseminated or otherwise made public by third parties either in connection with this Offering or otherwise.

By participating in the Offering, Investors agree that they are relying on their own examination and analysis of this Prospectus (including the financial statements of the Company which form an indispensable part of this Prospectus) and any information on the Company which is available in the public domain. Investors must also acknowledge the risk factors that may affect the outcome of such investment decision (as presented in Section 4 *Risk factors*).

Any persons in possession of this Prospectus should not assume that the information in this Prospectus is accurate as of any other date than the date of this Prospectus, if not expressly indicated otherwise. The delivery of this Prospectus at any time after the conclusion of it will not, under any circumstances, create any implication that there has been no change in the Company's affairs since the date hereof or that the information set forth in this Prospectus is correct as of any time since its date. The Issuer does not undertake to update this Prospectus unless pursuant to Article 23 of the Prospectus Regulation. In the event of significant new factors, material mistakes or material inaccuracies (insofar as required under the Prospectus Regulation) until the term of validity of this Prospectus or until finalisation of the Offering (depending on which of these events will happen earlier), they will be reflected in supplements to the Prospectus, which will be subject to an approval by the Commission de Surveillance du Secteur Financier of Luxembourg (CSSF) and notified to the Federal Financial Supervisory Authority of the Federal Republic of Germany (in German: *Bundesanstalt für Finanzdienstleistungsaufsicht (BaFin)),* the Financial Market Authority of the Republic of Austria (in German*: Österreichische Finanzmarktaufsicht (FMA)*) and to the Dutch Authority for the Financial Markets (in Dutch: *Autoriteit Financiële Markten (AFM*)).

2.2. Notice to prospective Investors

The distribution of this Prospectus and the Offering of the Offer Securities in certain jurisdictions may be restricted by law. Any person residing outside of Luxembourg, Germany, Austria, and the Netherlands may receive this Prospectus only within limits of applicable special provisions or restrictions.

The Issuer requires persons into whose possession this Prospectus comes to inform themselves of and observe all such restrictions. This Prospectus may not be distributed or published in such countries or jurisdictions or otherwise in such circumstances in which it would be unlawful or require measures other than those required under Luxembourg laws, including the United States of America, Australia, Canada, Hong Kong and Japan. This Prospectus does not constitute an offer to sell or a solicitation of an offer to buy the Offer Securities in any jurisdiction to any person to whom it is unlawful to make such an offer or solicitation in such jurisdiction.

The Issuer or its representatives and/or legal advisors do not accept any legal responsibility whatsoever for any such violations, whether or not a prospective Investor is aware of such restrictions.

In addition to that this Prospectus may not be used for, or in connection with, and does not constitute, any offer to sell, or an invitation to purchase, any of the Offer Securities offered hereby in any jurisdiction in which such offer or invitation would be unlawful. Persons in possession of this Prospectus are required to inform themselves about and to observe any such restrictions, including those set out in this Section. Any failure to comply with these restrictions may constitute a violation of the securities laws of any such jurisdiction.

As a condition for the subscription/purchase of any Offer Securities in the Offering, each subscriber/purchaser will be deemed to have made, or in some cases be required to make, certain representations and warranties, which will be relied upon by the Company. The Company reserves the right, at its sole and absolute discretion, to reject any subscription/purchase of Offer Securities that the Company or any of its agents (if any) believe may give rise to a breach or a violation of any law, rule or regulation.

The Offer Securities have not been approved or disapproved by the U.S. 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 passed upon or endorsed the merits of the Offering or the accuracy or adequacy of this Prospectus. Any representation to the contrary is a criminal offence in the United States.

The Offer Securities have not been and will not be registered in accordance with the U.S. Securities Act of 1933 (the "Securities Act") or under the securities laws of any state of the United States of America and accordingly, they may not be offered, sold, resold, granted, delivered, allotted, taken up, transferred or renounced, directly or indirectly, in or into the United States of America, except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act and any securities laws of any state of the United States of America.

Unless specifically otherwise stated in this Prospectus, the Offer Securities may not be, directly or indirectly, offered, sold, resold, transferred or delivered in such countries or jurisdictions or otherwise in such circumstances in which it would be unlawful or require measures other than those required under Luxembourg laws including the United States of America, except for the exceptions to registration obligation allowed by the securities laws of the United States of America and its states, Australia, Canada, Hong Kong and Japan. The Issuer requires persons into whose possession this Prospectus comes to inform them of and observe all such restrictions.

This Prospectus constitutes a prospectus within the meaning of the Prospectus Regulation, for the purpose of giving the information with regard to the Company and the Offer Securities it intends to offer pursuant to this Prospectus, which is necessary to enable prospective Investors to make an informed assessment of the assets and liabilities, financial position, profit and losses and prospects of the Company. This Prospectus has been prepared by the Company for use in connection with the Offering in Luxembourg, Germany, Austria, and the Netherlands only. The Company reserves the right to reject any offer to purchase/subscribe the Offer Securities, in whole or in part, for any reason.

This Prospectus constitutes a Prospectus in the form of a single document within the meaning of Article 8(6) of the Prospectus Regulation. This Prospectus has been filed with, and was approved by the Commission de Surveillance du Secteur Financier of Luxembourg (CSSF), which is the competent authority in Luxembourg to approve this document as a Prospectus. However, in relation to each member state of the EEA (except Luxembourg, Germany, Austria, and the Netherlands), the Issuer has represented and agreed that it has not made and will not make any public offer of Offer Securities in that Relevant Member State prior to that Relevant Member State's competent authority receiving a certificate of approval of the CSSF attesting that the Prospectus has been drawn up in accordance with the Prospectus Regulation together with a copy of the Prospectus, and the due publication of the Prospectus in accordance with that Relevant Member State's applicable rules.

Accordingly, any person making or intending to make an offer within the EEA of Offer Securities (other than the offer of Offer Securities in Luxembourg, Germany, Austria, and the Netherlands) may do so only in circumstances in which no obligation arises for the Issuer to publish a prospectus pursuant to Article 3 of the Prospectus Regulation or supplement a prospectus pursuant to Article 23 of the Prospectus Regulation, in each case, in relation to such offer.

No investment advice: This Prospectus is not and does not purport to be investment advice. The Issuer is not acting as an investment advisor, not providing advice of any other nature, nor assuming any fiduciary obligation to any Investor in the securities.

Independent evaluation: Nothing set forth or referred to in this Prospectus is intended to provide the basis of any credit or other evaluation or should be considered as a recommendation by the Issuer to any recipient of this Prospectus (or any document referred to herein) to purchase any securities.

An Investor should not purchase the Offer Securities unless he/she/it understands the extent of his/her/its exposure to potential loss. Given the nature, complexity and risks inherent in the Offer Securities, they may be unsuitable for an Investor's investment objectives in the light of his/her/its financial circumstances. Investors should consider seeking independent advice to assist them in determining whether the Offer Securities are a suitable investment for them or to assist them in evaluating the information contained in this Prospectus.

Each prospective Investor has sole responsibility for the management of his/her/its tax and legal affairs including making any applicable filings and payments and complying with any applicable laws and regulations. Neither the Issuer nor any of its affiliates or advisors will provide them with tax or legal advice and they have to obtain their own independent tax and legal advice tailored to their individual circumstances. The tax treatment of structured products, such as Offer Securities, may be complex; the tax treatment applied to an individual depends on their circumstances. The level and basis of taxation may alter during the term of any product.

2.3. Presentation of financial and other information

Financial information: This Prospectus contains financial statements of, and financial information relating to, the Company (attached as annex 1 hereof).

As the Issuer was registered with the Commercial Register on 2 December 2020, and there are no annual financial statements available yet, the Issuer has prepared audited interim financial statements as per 28 February 2021 in accordance with the International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB") and adopted by the European Union (the "Interim Financial Statements").

The presentation of financial information in accordance with IFRS requires the Issuer to make various estimates and assumptions which may impact the values shown in the financial statements and notes thereto.

The Interim Financial Statements were audited by AbaFin Treuhand AG, registered at the address: Baarerstrasse 82, 6302 Zug, Switzerland (see Section 7.2 *Interim and other financial information*).

Approximation of numbers: Numerical and quantitative values in this Prospectus (e.g. monetary values, percentage values, etc.) are presented with such precision as the Company deems sufficient in order to convey adequate and appropriate information on the relevant matter. From time to time, quantitative values have been rounded up to the nearest reasonable decimal or whole value in order to avoid excessive levels of detail. As a result, certain values presented as percentages do not necessarily add up to 100% due to the effects of approximation. Exact numbers may be derived from the financial statements of the Company, to the extent that the relevant information is reflected therein.

Dating of information: This Prospectus is drawn up based on information which was valid on 15 October 2021. Where not expressly indicated otherwise, all information presented in this Prospectus (including the financial information of the Company, the facts concerning its operations and any information on the markets in which it operates) must be understood to refer to the state of affairs as at the aforementioned date. Where information is presented as at a date other than 15 October 2021, this is identified by either specifying the relevant date or by the use of expressions as "the date of this Prospectus", "to date", "until the date hereof" and other similar expressions, which must all be construed to mean the date of this Prospectus (15 October 2021).

Currencies: In this Prospectus, financial information is presented in euro (EUR), i.e. the official currency of the EU Member States participating in the Economic and Monetary Union, including Luxembourg. Amounts originally available in other currencies have been converted to euro as of the date for which such information is expressed to be valid.

Updates: The Company will update the information contained in this Prospectus only by approving and announcing the Supplements to the Prospectus, as is mandatory under applicable law. The Company is under no obligation to update or modify forward-looking statements included in this Prospectus.

Third-party information and market information: The information contained in the Prospectus has been provided by the Issuer and/or received from other sources identified herein. Thus, with respect to certain portions of this Prospectus, some information may have been sourced from third parties. Such information has been accurately reproduced and, as far as the Company is aware and is able to ascertain from information published by such other third parties, no facts have been omitted that would render the reproduced information inaccurate or misleading. Certain information with respect to the markets in which the Company is operating is based on the best assessment made by the Issuer. With respect to the industry in which the Company is or intends to be active, and certain jurisdictions, in which its operations are being or will be conducted, reliable market information might be unavailable or incomplete. While every reasonable care was taken to provide the best possible estimate of the relevant market situation and the information on the relevant industry, such information may not be relied upon as final and conclusive. Investors are encouraged to conduct their own investigation into the relevant markets or seek professional advice. Information on estimated market shares within certain industries and/or sectors represents the Issuer's views, unless specifically indicated otherwise.

Calculations and determinations: Unless otherwise specified in this Prospectus, all calculations and determinations in respect of the Offer Securities shall be made by the Issuer.

2.4. Forward-looking statements

This Prospectus includes forward-looking statements. Such forward-looking statements are based on current expectations and intentions about future events, which are in turn made on the basis of the best judgment of the

Issuer. Certain statements are based on the belief of the Issuer as well as assumptions made by and information currently available to the Issuer as at the date of this Prospectus. Any forward-looking statements included in this Prospectus are subject to risks, uncertainties and assumptions about the future operations of the Company, the macroeconomic environment and other similar factors.

In particular, such forward-looking statements may be identified by use of words such as strategy, expect, forecast, plan, anticipate, believe, will, continue, estimate, intend, project, goals, targets and other words and expressions of similar meaning. Forward-looking statements can also be identified by the fact that they do not relate strictly to historical or current facts. As with any projection or forecast, they are inherently susceptible to uncertainty and changes in circumstances, and the Company is under no obligation to, and expressly disclaims any obligation to, update or alter its forward-looking statements contained in this Prospectus whether as a result of such changes, new information, subsequent events or otherwise.

The operations of the Company can be affected by among others changes in domestic and foreign laws and regulations, taxes, developments in competition, economic, strategic, political and social conditions and other factors. The Company's actual results may differ materially from the Issuer's expectations because of the changes in such factors. Other factors and risks could adversely affect the operations, business or financial results of the Company (please see Section 4 *Risk factors* for a discussion of the risks which are identifiable and deemed material at the date hereof).

2.5. Definitions used in the Prospectus

In this Prospectus, the definitions will have the meaning indicated below, unless the context of the Prospectus requires otherwise. Definitions are listed in alphabetical order and the list is limited to the definitions which are considered to be of most importance. Other definitions may be used elsewhere in the Prospectus.

"Advisory Board"	By resolution dated 15 May 2021 of the Management Board, the Issuer has established an internal advisory board to support and advise the Management Board upon request regarding business strategy and research and development matters (without authority to decide on behalf of the Issuer or to sign or bind the Issuer, competences regulated by internal regulations). The current members of the advisory board are Mr. Stefan Kürten, Dr. Dr. Christoph Schwerdtfeger and Mr. Erik Rodner.
"Articles of Association"	Articles of Association of the Company effective as at the date of this Prospectus.
"Artificial intelligence"	The theory and development of computer systems able to perform tasks normally requiring human intelligence, such as visual perception, speech recognition, decision-making, and translation between languages.
"CSSF"	The responsible financial market supervisory authority in Luxembourg (in French: *Commission de Surveillance du Secteur Financier (CSSF)*) with its registered office in 283, route d'Arlon, 1150 Luxembourg, Luxembourg.
"Business Day"	A day on which banks in Switzerland are open for general business.
"CHF"	Swiss Franc, being the official currency of Switzerland.
"Commercial Register"	Commercial register of the Canton of Zug.

"Company" or "Issuer"	ella media ag – a corporation (in German: *Aktiengesellschaft*) organised and existing under the laws of Switzerland, registration number CHE-370.592.352, registered at the address Gotthardstrasse 28, 6300 Zug, Switzerland. The Company's data is collected and stored with the Commercial Register.
"Delegated Regulation"	Commission Delegated Regulation (EU) 2019/980 of 14 March 2019 supplementing Regulation (EU) 2017/1129 of the European Parliament and of the Council as regards the format, content, scrutiny and approval of the prospectus to be published when securities are offered to the public or admitted to trading on a regulated market, and repealing Commission Regulation (EC) No 809/2004.
"EEA"	European Economic Area.
"EU"	European Union.
"EUR", €, "euro"	The lawful currency of the European Union Member States that have adopted the single currency, including Luxembourg.
"Fiction"	Literature in the form of prose, especially novels, that describes imaginary events and people.
"General Meeting"	General Meeting of Shareholders of the Company, the supreme body of the Company.
"IFRS"	International Financial Reporting Standards as adopted by the EU.
"First Offer Period"	From 15 October 2021 to 30 November 2021, up to 1,000,000 Participation Certificates of the Issuer, with a nominal value of CHF 0.01 will be offered at EUR 5.00 per Offer Security, to be issued by the Company as uncertificated (non-material) securities within the meaning of Article 973c of the Swiss CO. Based on the respective resolution of the founder's meeting dated 27 November 2020, and based on the decision of the Board of Directors, dated 12 July 2021 and offered to the Investors under the terms and conditions of this Prospectus.

"Fourth Offer Period"	From 1 May 2022 to 30 August 2022, the then remaining Participation Certificates of the Issuer (in total 3,351,100 are available for all Offer Periods), with a nominal value of CHF 0.01 each and a maximum Offer Price of EUR 10.00 per Offer Security will be offered as uncertificated (non-material) securities within the meaning of Article 973c of the Swiss CO. Based on the respective resolution of the founder's meeting dated 27 November 2020, and based on the decision of the Board of Directors, dated 12 July 2021 and offered to the Investors under the terms and conditions of this Prospectus.
"Institutional Investors"	Qualified Investors as defined in Article 2(e) of the Prospectus Regulation.
"Interim Financial Statements"	Audited interim financial statements as per 28 February 2021, prepared in accordance with the IFRS as issued by the IASB and adopted by the EU.
"Investors"	Individuals, corporate entities (legal persons) and non-corporate entities, being either Retail Investors or Institutional Investors, who intend to subscribe/purchase the Offer Securities in the Offering.
"Issue Date"	The issue date of the Offer Securities.
"Issue Price", "Offer Price", or "Subscription Amount"	The issue price of the Offer Securities, being EUR 5.00 per Offer Security for the First Offer Period and a maximum Offer Price of EUR 10.00 per Offer Security for the Subsequent Offer Periods (the final Offer Price for the Subsequent Offer Periods being announced in respective notices on https://www.ella.ag/public-offering).
"Management Board" or "Board of Directors"	Management Board of the Company.
"Managing Director" or "CEO"	Managing Director of the Company.
"Market Abuse Regulation"	Regulation (EU) No 596/2014 of the European Parliament and of the Council of 16 April 2014 on market abuse.
"Member State"	A Member State of the European Economic Area.
"Non-fiction"	Literature or texts that describe real events, facts and people.
"Offering"	The offering of the Offer Securities based on this Prospectus.

"Offer Periods"	The First Offer Period and the Subsequent Offer Periods.
"Offer Securities" or "Participation Certificates"	Participation Certificates of the Issuer, with a nominal value of CHF 0.01 each, to be issued by the Company as uncertificated (non-material) securities within the meaning of Article 973c of the Swiss CO. Based on the respective resolution of the founder's meeting dated 27 November 2020, and based on the decision of the Board of Directors, dated 12 July 2021 and offered to the Investors during the Offering under the terms and conditions of this Prospectus.
"Participation Capital"	Aggregate nominal amount raised by the Company by issuing Participation Certificates with a par value of CHF 0.01 each.
"Prospectus" or "Growth Prospectus"	This document, prepared for the purpose of the Offering, including its annexes and supplements, if any.
"Prospectus Regulation"	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.
"Regulation S"	Regulation S under the U.S. Securities Act.
"Related Parties"	As defined in International Accounting Standard, 24 Related Party Disclosures.
"Retail Investors"	Individuals, corporate entities (legal persons) and non-corporate entities, not being the Institutional Investors, who intend to subscribe/purchase the Offer Securities in the Offering.
"SaaS"	Software as a Service (delivery of centrally hosted applications over the internet as a service).
"Second Offer Period"	From 1 December 2021 to 30 January 2022, the then remaining Participation Certificates of the Issuer (in total 3,351,100 are available for all Offer Periods), with a nominal value of CHF 0.01 each and a maximum Offer Price of EUR 10.00 per Offer Security will be offered as uncertificated (non-material) securities within the meaning of Article 973c of the Swiss CO. Based on the respective resolution of the founder's meeting dated 27 November 2020, and based on the decision of the Board of Directors, dated 12 July 2021 and offered to the Investors under the terms and conditions of this Prospectus.
"Section"	A section of this Prospectus.

"Shares"	Any ordinary registered shares of the Company with a par value of CHF 0.01 each issued and outstanding at any time issued as uncertificated (non-material) security (in German: *Wertrechte*) within the meaning of Article 973c of the Swiss CO.
"Share Capital"	Aggregate nominal amount raised by the Company by issuing Shares with a par value of CHF 0.01 each.
"Software"	Software developed by the Issuer or third parties contracted by the Issuer for the production of industry-specific and consumer-centric content in the form of texts, audio, images and videos based on artificial intelligence.
"Subsequent Offer Periods"	The Second Offer Period from 1 December 2021 to 30 January 2022, the Third Offer Period from 1 February 2022 to 30 April 2022, and the Fourth Offer Period from 1 May 2022 to 30 August 2022.
"Subscription Orders", "Subscription Forms" or "Subscriptions"	Orders of the Investors to subscribe and acquire the Offer Securities.
"Summary"	The summary of this Prospectus.
"Swiss CO"	Swiss Code of Obligations of 30 March 1911 (status as of 1 April 2020).
"Third Offer Period"	From 1 February 2022 to 30 April 2022, the then remaining Participation Certificates of the Issuer (in total 3,351,100 are available for all Offer Periods), with a nominal value of CHF 0.01 each and a maximum Offer Price of EUR 10.00 per Offer Security will be offered as uncertificated (non-material) securities within the meaning of Article 973c of the Swiss CO. Based on the respective resolution of the founder's meeting dated 27 November 2020, and based on the decision of the Board of Directors, dated 12 July 2021 and offered to the Investors under the terms and conditions of this Prospectus.
"U.S. Securities Act"	The United States Securities Act of 1933, as amended.
"VAT"	The value added tax applicable in Switzerland.

3. STRATEGY, PERFORMANCE AND BUSINESS ENVIRONMENT

3.1. Information about the Issuer

Legal and commercial name of the Issuer	ella media ag
Legal form	Corporation (in German: *Aktiengesellschaft*)
Head office (place of registration)	Gotthardstrasse 28, 6300 Zug, Switzerland
Registration number	CHE-370.592.352
Country of registration	Switzerland
LEI	5067006925MG82XNCD61
Legislation under which it operates	The laws of Switzerland
Date of registration of the Issuer with the Commercial Register	2 December 2020
Operating period	Indefinite
Phone number	+41 78 219 22 30
E-mail	administration@ella.ag
Website	https://www.ella.ag/ The information on the website does not form part of the Prospectus.

Source: the Issuer

3.2. Material changes in borrowing and funding structure

The Issuer was incorporated on 2 December 2020 with a Share Capital of CHF 130,000 (approximately EUR 120,119).

In a first private placement round for early-stage Investors in the network of the Shareholders and members of the Advisory Board, the following Participation Certificates have been issued:

- On 12 January 2021, the first 574,500 Participation Certificates were issued increasing the equity of the Issuer by EUR 1,149,000;
- On 29 January 2021, the second 666,500 Participation Certificates were issued increasing the equity of the Issuer by another EUR 1,333,000;
- On 26 February 2021, the third 259,000 Participation Certificates were issued increasing the equity of the Issuer by another EUR 518,000;
- On 15 April 2021, the fourth 340,000 Participation Certificates were issued increasing the equity of the Issuer by another EUR 680,000;
- On 26 May 2021, the fifth 330,300 Participation Certificates were issued increasing the equity of the Issuer by another EUR 1,156,050;

- On 8 July 2021, the sixth 978,600 Participation Certificates were issued increasing the equity of the Issuer by another EUR 3,425,100.

Apart from this, the Issuer has not made any Share or Participation Capital increases, entered into any other possible funding or entered into any borrowings. Consequently, there have been no material changes in the Issuer's borrowing and funding structure since the end of the incorporation of the Issuer and since the conclusion of the Interim Financial Statements.

3.3. Expected financing of the Issuer's activities

The Issuer expects to finance its planned activities (as indicated in Section 3.4 *Business overview* below) by increasing the existing Participation Capital by up to CHF 65,000 by issuing up to 6,500,000 registered Participation Certificates with a nominal value of CHF 0.01 each.

In the first six rounds, which were concluded by the date of approval of this Prospectus, 3,148,900 Participation Certificates were subscribed against contributions in cash by private individuals in the network of the Shareholders and members of the Advisory Board and by Institutional Investors who were willing to support the Issuer as early-stage investors to finance the purchase of the latest available state of the Software as per 21 January 2021 (total purchase price EUR 1.75 million) and the operating and non-operating expenses, including the expenses to prepare the current Offering, until the current Offering should commence.

The First Offer Period will commence on 15 October 2021 and end on 30 November 2021 during which period 1,000,000 Participation Certificates of the Issuer are being offered. The Offer Price per Offer Security during the First Offer Period amounts to EUR 5.00. The Subsequent Offer Periods will be the Second Offer Period from 1 December 2021 to 30 January 2022; the Third Offer Period from 1 February 2022 to 30 April 2022; and the Fourth Offer Period from 1 May 2022 to 30 August 2022. During such Subsequent Offer periods Participation Certificates will be offered at a maximum Offer Price per Offer Security of EUR10.00.

In total up to 3,351,100 Participation Certificates may be offered during the Offer Periods. The total number of the Offer Securities subscribed during the Offer Periods will be announced in accordance with applicable regulations and on the following website of the Issuer: https://www.ella.ag/public-offering.

If all the Offer Securities are sold, the Issuer will have raised funding of around EUR 20 - 23 million, which should be sufficient to make the planned investments and to bear the initial operating and non-operating expenses until break-even and positive cash flows from business operations in the fourth quarter of 2022 may be generated (for more information please see Section 3.4 *Business overview*).

3.4. Business overview

The Issuer develops various software tools for the automatic generation of texts in the field of "fiction" and "non-fiction" using concepts of artificial intelligence. In individual cases, the tools are based on freely accessible software from third-party companies such as Open AI, but also on the Issuer's own developments. The products of the Issuer are not dependent on third-party software tools.

Business Concept

The Issuer offers its customers, who are almost exclusively business customers, various software tools that generate new and individual content in the form of texts, images, audio, videos or combinations thereof. For the customers, this saves time, as the content is generated virtually at the push of a button. This leads to a high level of cost savings, as most of the content had previously to be produced manually. The business model is a hybrid model and assumes that payments by the major customers are not only based on fixed licence fees, but on the number of actual readings or impressions of the content. Therefore, the major customers pay only if the content has added real value, i.e. is read or used frequently. The combination of the time advantage (fast and automated creation of content) and the innovative pricing model makes this a unique service that is currently not offered anywhere in this World in this form. Other (smaller) customers pay a fixed monthly licence fee to use the software.

According to the business plan, the so-called "news assistant" should be the first software tool that comes to market (still in 2021). The first preliminary contracts with major customers who wish to use this software tool have already been concluded. Until the end of 2023 all of the currently planned software tools should come to market. The biggest challenge is to launch these products within the planned timeframe and with the necessary quality.

According to the business plan of the Issuer, break-even should be reached in the fourth quarter of 2022. Until break-even is reached, revenues of approximately EUR 8.9 million should be generated and costs for the development of the various software tools, including the necessary server capacities, of approximately EUR 23 - 24 million are expected to be incurred by the Issuer.

The main costs will be incurred in connection with the development of the Software, around EUR 16 - 17 million. This can be broken down as follows (in order of priority): For 2021, the personnel costs are expected to amount to approximately 60% of the total development costs. From the remaining development costs, approximately 45% is expected to be incurred in connection with hardware and software (such as for personal computers, servers and cloud resources), around 13% for rental costs, and around 23% for external consulting by specialised freelancers. The remainder includes various marginal items, such as expenses for personnel recruitment, training, or travel. For 2022, the personnel costs should increase to approximately 70% of the total development costs. The other development costs change only marginally and are expected to include approximately 45% for hardware and software, 15% for rental costs and approximately 16% for external consulting services. The remainder includes again various marginal items, such as expenses for personnel recruitment, training, or travel.

The second main expenses are expected to comprise sales and server capacities of around EUR 6 - 7 million. These costs are mainly calculated based on the expected turnover and include technical costs for the operation of the Software (approximately 48%), staff for sales and support (38%, including commissions) and the rest for digital marketing and various marginal items.

According to its current development plans, the first parts of the Software (i.e. so-called "News Assistant") will be ready for commercialisation in the course of 2021. The following software tools are expected to be launched on a step-by-step basis as follows: News Assistant until Q4 2021, E-Commerce Text Assistant until Q1 2022, E-Commerce Blog Assistant until Q2 2022, E-Commerce Avatar until Q2 2022, Content Marketing Assistant until Q3 2022, Doc Assistant until Q1 2023 and Law Assistant until Q1 2024 (for a detailed description of the planned products see below).

The business plan of the Issuer was drawn up with the following assumptions and reflects a moderate approach:

- Rapid diversification of the product portfolio (different products, target groups, markets);
- Aimed market share of approximately 1% for each product category and market;
- High focus on the mass market, i.e. many individual customers and a few large customers with corresponding turnover.

If, against expectations, the sales turnover is not achieved to the extent estimated in the present business plan, measures to lower several of the costs for development, sales and services as mentioned above are possible.

Sensitivity analysis

The business plan of the Issuer provides sales targets in a total of eleven product areas for the years 2022 to 2025. These are:

a) Eserials to read
b) Eserials to listen
c) streaming read&listen
d) content as a service
e) News Assistant
f) eCommerce Text Assistant
g) eCommerce Blog Assistant
h) eCommerce Avatar
i) Content marketing
j) Doc Assistant
k) Law Assistant

Products e) and f) are discussed in further detail below, as most of the turnover in the first three years is expected from these products. Products a) to d) are to be rolled out only thereafter.

The business models for products e) to k) can be divided into two categories. The pay-per-view model and the licensing model.

- pay-per-view model (product e))
- licensing model (products f) to k))

All products are based on the same core software that has been researched and developed over the past few years. The development of high-quality software, which provides added value to the user and is compliant with data legislation, requires a strong team. Therefore, the Issuer intends to significantly increase the number of employees who will develop and operate the software solutions in the coming years. In addition, a significant investment in technical infrastructure is planned to enable training in machine learning and the operation of SaaS solutions.

In the following, the sensitivity parameters for the product “News Assistant CPM” are described as an example and their sensitivity in relation to the revenue planning is detailed. This product is expected to generate 67% of the anticipated revenue in 2022.

Product: News Assistant (CPM model)

The revenue planning of the software-as-a-service solution News Assistant (CPM model) is based on the pay-per-view model. All texts generated by the News Assistant that are published are charged per thousand impressions. A price per thousand impressions (CPM) of EUR 0.25 is used as the basis for the concrete sales figures. In practice, the average CPM in the German Internet landscape is around EUR 3.00. For the automated text creation service, the Issuer has set a CPM of only EUR 0.25, as mentioned above. This low rate is intended to increase the customers’ motivation to use the SaaS product. In this respect, the assumed CPM should be classified as conservative and should be considered with a maximum deviation of 10% for a normal/worst case scenario.

For the further basis of calculation, a total of 51 large-paying customers are expected internationally during the final month of the 2025 planning period. In the first month of the first year, the Issuer will start with two large customers. The first discussions are already under way with potential customers. For the international market, the assumption of 51 customers at the end of 2025 and a growth of one new large customer per month is also conservative. For the normal/worst case scenario, a maximum deviation of minus 25% and plus 50% can be expected.

The other assumptions relate to the fact that 1,000 texts per customer are created and published per day by the SaaS solution News Assistant. This assumption is based on empirical values of the management and information from the first pilot customers, who determined and defined in detail corresponding texts for the automated text creation. These include potential major customers with internet portals that have between 1.6 and three billion page impressions per month and produce a total of about 50,000 texts per month themselves or through service providers. In this respect, the assumed number of texts required daily per customer can be considered realistic. However, since fluctuations per customer are possible, a normal/worst-case scenario of a maximum of 25% higher and 50% lower should be assumed at this point.

The page impressions of the generated texts are another parameter. These are critical for the pay-per-view model. In the planning, it is expected that the auto-generated texts will create 10,000 page impressions per client each month on average. No page impressions are projected throughout the planning process. Once generated, texts are counted in terms of page impressions within the month in which they were created. However, a 50% variance from the normal/worst-case scenario is to be assumed here, when determining the amount of plain texts per portal. Nevertheless, a deviation of 50% from the normal/worst-case scenario is to be expected, as establishing the number of plain texts per portal and the effects on the Google rankings of the auto-generated texts on the page impression is difficult to estimate and there are no empirical values in the industry on this subject.

This is based on two main parameters:

- the anticipated number of page impressions (PI) per generated text for 10,000 users and
- the expected cost per thousand impressions (CPM).

Based on the defined sensitivity parameters, the following formula is used for calculating the projected turnover:

Number of customers x number of texts x expected PI’s x CPM = turnover

The calculation of the following scenario for the News Assistant product (CPM model) takes into account the flat-rate percentage projection of the product. It is assumed that the positive or negative evolution of the CPM and PIs is at most 30%:

Normal CPM-Case (2022):

		PI/Monthly for 10k Users/Text						
		-30%	-20%	-10%	34,770,000,000	10%	20%	30%
	-30%	739,662,50 €	1,043,900.00	1,348,137.50	1,652,375.00	1,956,612.50	2,260,850.00	2,565,087.50
	-20%	1,043,900.00 €	1,391,600.00	1,739,300.00	2,087,000.00	2,434,700.00	2,782,400.00	3,130,100.00
	-10%	1,348,137.50 €	1,739,300.00	2,130,462.50	2,521,625.00	2,912,787.50	3,303,950.00	3,695,112.50
CPM	0,25 €	1,652,375€	2,087,000.00	2,521,625.00	2,956,250.00	3,390,875.00	3,825,500.00	4,260,125.00
	10%	1,956,612.50 €	2,434,700.00	2,912,787.50	3,390,875.00	3,868,962.50	4,347,050.00	4,825,137.50
	20%	2,260,850.00 €	2,782,400.00	3,303,950.00	3,825,500.00	4,347,050.00	4,868,600.00	5,390,150.00
	30%	2,565,087.50 €	3,130,100.00	3,695,112.50	4,260,125.00	4,825,137.50	5,390,150.00	5,955,162.50

The business plan estimates a PI of 34.8 billion for the year 2022. With a CPM of EUR 0.25 the company generates revenues of EUR 8,699,000. Assuming variable costs of 20% and development costs and fixed costs of EUR 3,998,000 the expected EBITDA for the product is EUR 2,956,000. If CPM and PI are reduced by 30% each, EBITDA is 75% lower and amounts to – EUR 739,662.

Worst CPM-Case (2022):

	PI/Monthly for 10k Users/Text							
		-30%	**-20%**	**-10%**	**17,385,000,000**	**10%**	**20%**	**30%**
CPM	**-30%**	-2,975,512.00 €	-2,829,478.00	-2,683,444.00	-2,537,410.00	-2,391,376.00	-2,245,342.00	-2,099,308.00
	-20%	-2,829,478.00 €	-2,662,582.00	-2,495,686.00	-2,328,790.00	-2,161,894.00	-1,994,998.00	-1,828,102.00
	-10%	-2,683,444.00 €	-2,495,686.00	-2,307,928.00	-2,120,170.00	-1,932,412.00	-1,744,654.00	-1,556,896.00
	0,13 €	-2,537,410.00 €	-2,328,790.00	-2,120,170.00	-1,911,550.00	-1,702,930.00	-1,494,310.00	-1,285,690.00
	10%	-2,391,376.00 €	-2,161,894.00	-1,932,412.00	-1,702,930.00	-1,473,448.00	-1,243,966.00	-1,014,484.00
	20%	-2,245,342.00 €	-1,994,998.00	-1,744,654.00	-1,494,310.00	-1,243,966.00	-993,622.00	-743,278.00
	30%	-2,099,308.00 €	-1,828,102.00	-1,556,896.00	-1,285,690.00	-1,014,484,00	-743,278.00	-472,072.00

If we assume the worst case scenario described above and reduce the PI and CPM by 50% each, the product generates an EBITDA of − EUR 1,912,000. If the PI and CPM are reduced by a further 30%, the loss increases to – EUR 2,975,000.

The results of the above sensitivity analysis show that all of the above variables (the number of users, the price of licences, the page impressions of the generated texts, the number of texts required and the cost per thousand impressions) play a role in the Issuer's long-term profit margin. Therefore, the main objective is to increase the number of users/licensees through sales and marketing activities, while keeping the SaaS platform competitive and running efficiently in order to maintain and increase added value for the user. At the same time, users must be coached and receive training so that they can raise their average usage and recognise the added value for their own work. Only through positive user behaviour (e.g. employees of publishing houses, web portal companies or other editorial offices) can the SaaS solution be integrated into the standard working day in the long term and establish itself as a lasting productivity tool in the daily workflow. The costs for sales, marketing and support are calculated as a percentage and do not represent a risk, as the activities and costs are linked to the number of customers.

Finally, it should be noted that this planning is a conservative forecast in the international context and that higher and more significant sales are realistic if the parameters develop more positively. Additionally, the overall risks, as described in the section on overall risks, must also be taken into account when considering these detailed parameters.

Strategy and objectives

Text is the origin of all communication and interaction between humans worldwide. Text is the basis for the creation of entertainment, information and communication products in all types of industries. Real estate brokers need descriptions of objects, car manufacturers need instructions for use, film and TV producers need scripts, etc. These texts are currently being produced by authors, journalists and editors. This is time-consuming, expensive and usually takes place in only one language. Techniques that are based on databases and text modules and which are intended to make the creator's work easier are currently just being used in rare cases. In addition. the media industry is facing disruption by increasingly digitally consumed media through an increasing number of different digital platforms, while at the same time income generated in traditional ways (for example by advertisements on TV or in newspapers) is decreasing.

The Software developed by the Issuer should generate texts, audio, images, video and combinations thereof (such as texts illustrated with images or videos or videos of journalists reading texts generated by the Software) based on data processed by artificial intelligence and requiring only minimal manual input or edits.

The Software should become the standard software solution worldwide for the production of texts of all kinds in the most commonly spoken or written languages as well as for audio, images and videos (including integrated solutions of combinations of texts and audio and/or videos).

Principal activities

As its principal activities, the Issuer develops and commercialises software for the production of industry-specific and consumer-centric content in form of texts, audio, images and video based on artificial intelligence. For this reason the Issuer is developing software (through an independent third party) that should – by inputting just a few keywords or facts – create content such as fictional or non-fictional texts, audio, images and video within a few seconds based on artificial intelligence. Such content is created in a way that it may be automatically processed by various digital platforms in order to reduce (to the maximum extent possible) manual amendments or input. Such content creation and subsequent automation should dramatically lower production costs and time. Since the software developed is applying the concepts of artificial intelligence it should improve on and learn from manual edits of the content created (for example by an editor) and improve its skills and the quality of the content delivered over time.

The Issuer has purchased the state of the Software as per 21 February 2021 which includes the core artificial intelligence technology. Based thereon, the Issuer will further develop the core artificial intelligence technology so that it can process larger data sets and generate high-quality content within a few seconds and improve its output from manual amendments. In a first step, a prototype should be developed that should demonstrate the abilities of the Software, in particular the capabilities of the artificial intelligence. Thereafter, the product-focused development should commence to amend the Software in a way to generate commercially marketable products.

The Issuer is performing research and development mainly by contracting independent third parties who are experts in software development and have the necessary skills and experience to perform such highly complex tasks. One of the current main contractors of the Issuer for the development of the software is frogs42 – Gesellschaft für künstliche Intelligenz mbH in Berlin, Germany (independent third party). Whereas the research and development activities are mainly outsourced, the Issuer will focus with its own staff on the following:

- product design and development;
- marketing and sales;
- distribution and user experience;
- building and maintaining a suitable IT infrastructure;
- procurement of data and cooperation with data providers;
- IP protection and administration;
- Customer support services.

As soon as the development of the Software (or parts thereof) has reached a stage where it can be commercialised, the Software (or parts thereof) should be distributed to business customers (B2B) based on a "Software as a Service" model (hosted centrally by the Issuer giving customers network-based access to the application) and in 2023 to retail customers (B2C) by selling text and audio products for reading and listening (for example weather and sports reports) through an online platform of the Issuer or online platforms of third parties. Besides, the Issuer is planning to offer its services to its major customers based on an innovative pricing model so that such major customers pay for the services according to only the number of actual readings or impressions by their customers.

The Issuer will launch the following products on the market in the coming months/years, initially just in Germany, Austria and Switzerland, then a few months later in the USA and UK and again a few months later in other relevant countries:

News Assistant

The News Assistant is an AI software that supports editors and journalists in their daily work. Relevant topics are easily researched and texts are automatically generated at the push of a button.

The editorial tool facilitates research through a comprehensive dashboard, which displays the news of the day or the current trend topics, for example. This makes it possible to quickly determine which articles are relevant.

With the text tool, the AI writes a completely new text on a selected topic at the touch of a button. The new article is of high quality, unique and is optimised for search engines. With the News Assistant, the editor saves 50% of his/her working time and can work even more effectively and devote more time to new, exciting topics.

In the automated section for major customers, the AI rewrites news from major news agencies (DPA, Reuters, AFP, AP, etc.) daily in real time and optimises the articles for search engines. Effective SEO-relevant pages are produced from so-called duplicated content that the large portals currently publish on their websites, which are evaluated and found in Google.

The following is a statistic over the resources usually reviewed by an editor when he/she creates content (highlighted in red the resources reviewed by the Software of the Issuer):

Personal conversation	92.88%
Media release	89.70%

Classic Media (newspaper, radio, TV)	87.93%
Research on site	83.28%
Search engines	82.04%
Telephone interview	80.19%
Own research	73.07%
Media conferences	72.76%
Social Media	63.16%
Newsletter	60.99%
Company website	59.44%
News agency	58.51%
Swiss media database	37.77%
Blogs	37.46%
Multimedia database (Keystone, Picture Alliance, Audio-/Video database)	29.72%
Press portals (portals with media releases from different senders)	27.55%

Data source: Online survey of freelance and permanent editors and bloggers in German-speaking Switzerland, 323 respondents, from 1 October 2015 to 30 October 2015.

E-commerce Text Assistant

The E-Commerce Text Assistant takes existing texts and completely rewrites them – creating new SEO-effective content at the touch of a button. In order for the product to become visible and stand up to the competition, it is important that its descriptions in the shops differ from those of the manufacturer or other shops.

The text assistant therefore generates unique content for the respective product from the given text. Through the new and relevant product descriptions, the turnover of the online shop increases within a very short time.

E-commerce Blog Assistant

The Blog Assistant automatically writes blog posts for a website of an e-commerce shop operator. New and unique reports can be written daily, which the shop's visitors like to read, e.g. to find out about the products or the benefits. The regular publication of new content increases the relevance of the page in Google and sales are increased.

E-commerce avatar

The avatar transforms a shop website into a virtual sales television by independently presenting products and selling them to the customer. The shop operator merely specifies which products he/she wants to offer his/her customers and what the message behind them should be. The avatar does not need any additional staff, no film studio, no cameras etc. for this. Only the software and five minutes of his/her time per day; everything else is taken over by the avatar.

Content Marketing Assistant

The Content Marketing Assistant writes stories about products to be promoted. The brand or the product is perfectly integrated into a story that can be told in different episodes if desired and is tailored to the respective profile of the user. The stories are made available completely autonomously for social media and blog areas of websites.

Doc Assistant

Medical doctors spend up to 40% of their time writing reports for health insurance companies and doctors' files. This time is not available for patient care. The Doc Assistant supports the physician in writing the reports, he/she only selects the clinical picture and the patient and the required content is automatically generated and provided for him/her. Thus, he/she gains valuable time for his/her patients.

Law Assistant

Many lawyers have to write the same reports over and over again. The basics are similar or the same and only need to be rephrased to fit the particular case. The Law Assistant takes the facts from the current case and writes a new report on them, so standard cases can be processed much faster than before.

These products will be gradually introduced to the corresponding markets from autumn 2021. The products will be distributed mainly digitally, with only a few major customers being served by key account managers. Otherwise, the products will be distributed via various platforms in the relevant markets and countries. There is no dependence on individual platforms or excessive market power of individual platforms in this area.

Principal markets

In the first step, the Issuer is targeting the content marketing sector and international entertainment industry in German-speaking markets. According to the statistics of the German Audit Bureau of Circulation (IVW), there are around 1,300 potential customers (whereof 250 should be considered as major customers) in Germany just for the product "News-Assistant" that is currently in development by the Issuer. Page impressions of editorial products that could also be generated by this product amount to approximately 25 billion per month in Germany. Assuming a cost per 1,000 impressions of EUR 0.25, this would lead to a market size for editorial products of the News-Assistant of around EUR 6.8 million per month in Germany.

According to Statista, the worldwide media market regarding TV, videos, music, games, newspapers and books is considered to amount to EUR 950 billion per year. This market is shifting more and more into digitally provided products and services, in particular with the increasing adoption of online shopping, digital newspapers, books and music. One of the main markets of the Issuer will be e-commerce, where the Software can be used to create avatars to present an unlimited number of products to customers. In 2019, the German e-commerce market grew to EUR 59.2 billion (Net turnover figures: without turnover tax). Due to increasing digitalisation in e-commerce, the logical consequence is the application of artificial intelligence. This is precisely where the issuer comes in with his/her shopping avatar software.

In the long run, the Software should be able to produce content for an indefinite number of markets, applications and industries that use specific types of texts, audio, images or videos in an unlimited number of languages.

Competitors

Direct competitors, i.e. companies that offer software that writes stories word for word, are currently not known to the Issuer. There are a number of companies on the market that already offer texts similar to those of the Issuer, but these are offered as ready-made text modules on specific topics. These texts do not have the high degree of individuality that the Issuer offers. The Issuer is not dependent on other software providers for the programming of its own software tools, nor is it dependent on individual providers in other areas. In the area of data storage and server capacities, which is important for the Issuer, there are sufficient and exchangeable providers worldwide.

Dependence on key individuals

The ability of the Issuer to achieve its objectives depends to a high degree on the managerial experience, knowledge and network of Mr. Michael Keusgen, who is the President and Delegate of the Board responsible for the management of the Issuer. The dependence is particularly relevant in connection with Mr. Keusgen's network of highly qualified software developers and experts in the field of artificial intelligence from which the Issuer benefits regarding the development of its Software. Should such key personnel become unavailable due, for example, to death or incapacity, as well as due to resignation, it would take time for the Issuer to transition to suitable alternative personnel which ultimately might not be successful The impact on the capability of the Issuer such a key individual's departure cannot be determined. In a best case scenario – and if suitable alternative personnel can be recruited – it may result in only a postponement of reaching certain objectives or milestones; however, if no replacement could be found it could ultimately lead to an inability of the Issuer to reach its objectives and goals at all.

Dependence on certain customers and suppliers

The Issuer has selected frogs42 – Gesellschaft für künstliche Intelligenz mbH in Berlin, Germany, as one of the main contractors to develop the Software. frogs42 – Gesellschaft für künstliche Intelligenz mbH has highly skilled software developers within its teams (either as employees or external contractors) that have the necessary knowledge and experience to support the development of the Software with its artificial intelligence modules. Such experts are rare and difficult to find in the market. Thus, should the cooperation with frogs42 – Gesellschaft für künstliche Intelligenz mbH be terminated earlier than expected or should the services provided by frogs42 – Gesellschaft für künstliche Intelligenz mbH not meet the expectations of the Issuer, it would cause delays in the development of the Software which would lead to a postponement of the marketing of products and reduce the turnover that should be generated according to the business plan of the Issuer.

3.5. Organisational structure

As of the date of this Prospectus, the Issuer is not part of a consolidation group. The Issuer has no subsidiaries.

3.6. Investments

As shown in the Interim Financial Statements as per 28 February 2021, the Issuer has purchased the core artificial intelligence software (including all rights, source codes, documentations, analysis and any related information and documents) according to the state of development as per 21 January 2021 for a total purchase price of EUR 1.75 million from ella media ag, the previous German startup company that will be liquidated and the respective activities performed by the Issuer.

The Issuer has already obtained funding from previous issuances of Participation Certificates in the amount of EUR 8,261,150. From these funds, the Issuer has purchased the core artificial intelligence technology (including all rights, source codes, documentations, analysis and any related information and documents) according to the state of development as per 21 January 2021 for a total consideration of EUR 1.75 million and financed the operating and non-operating expenses, including the costs to prepare for the Offering, since its incorporation on 2 December 2020.

According to the business plan of the Issuer, break-even should be reached in the fourth quarter of 2022. Until then, the total costs to the Issuer for the development of the various software tools, including the necessary server capacities, will amount to approximately EUR 23 - 24 million. The main costs will be incurred in connection with the development of the Software, at around EUR 16 - 17 million, and the costs for the preparation of sales and server capacities will be around EUR 6 - 7 million.

According to its current development plans, the first parts of the Software (i.e. so-called “News Assistant”) will be ready for commercialisation in the course of 2021. Additional software tools will be launched on a step-by-step basis over the following months. Until break-even is reached in the fourth quarter of 2022, revenues of approximately EUR 8.9 million should be generated by the Issuer.

Considering payment periods granted to customers (from provision of the services until collection of payment, up to four months’ delay), reserves for potential unexpected expenses or required investments, and the expenses relating to this Offering, the Issuer expects that funding of a total EUR 20 - 23 million is required. Together with the already obtained funding of EUR 8,261,150 from previous issuances of Participation Certificates and the expected funding received from the Offering, the Issuer should have sufficient funding to finance the required expenses and investments until break-even in the fourth quarter of 2022, and positive cash flows from business operations may be reached.

3.7. Trend information

The media industry is facing a disruption by increasingly digitally consumed media through an increasing number of different digital platforms while at the same time income generated in traditional ways (for example by subscriptions, and advertisements on TV or in newspapers) is decreasing. So media producers and distributors are facing two challenges: (1) Preparing and presenting content on and through an increasing number of different distribution channels (online and offline) using different technologies and (2) dealing with a decreasing amount of income from subscriptions and advertising. Therefore, media producers and distributors are looking for new and advanced technologies that can automate processes, provide content in multiple forms so that it can be processed by different distribution channels and generate content in a more cost-efficient manner. The Software of the Issuer is able to provide such a solution. It will be able to create content based on artificial intelligence connected to data and processing manual inputs, and the content created will be provided automatically in digital forms suitable for further processing by the most commonly used online and offline distribution channels. The application of this Software will significantly reduce the time required by editors to write texts or illustrate texts with suitable audio, images or videos and all the content is ready for further automated processing by distribution channels.

There is currently no software on the market or known to the Issuer that is comparable to the functionality of the Software currently being developed by the Issuer that applies the concepts of artificial intelligence to automate the content creation regarding texts, audio, images or video, or any combinations thereof.

There was no:

(i) material adverse change in the prospects of the Issuer since the date of its last published financial statements;

(ii) significant change in the financial performance of the Issuer since the end of the last financial period for which financial information has been published to the date of the Prospectus;

(iii) known trend, uncertainty, demand, commitment or event that was reasonably likely to have a material effect on the Issuer's prospects for at least the current financial year, except that the future perspective of activities of the Issuer depends, among other things, on the money raised during the Offering under this Prospectus, as well as conclusion of agreements, needed for commencement of activities of the Issuer.

3.8. Profit forecasts or estimates

No profit forecast or estimate has been published or is currently being presented by the Issuer in the Prospectus.

4. RISK FACTORS

Before investing in the Offer Securities, prospective Investors should carefully consider the risk factors presented below and other information contained in this Prospectus. If one or more of the risks described below actually materialises, it could have, individually or in combination with other circumstances, a significant, unfavourable impact on the Issuer's operations, in particular on its cash flow, financial position, results of operations and outlook, or the price of the Offer Securities. Before purchasing the Offer Securities, prospective Investors should be aware that making such an investment involves significant risks, including, but not limited to, the risks described below and elsewhere in this Prospectus, such as those set forth under the Section 2.4 *Forward-looking statements*. Prospective Investors should consider carefully the factors described below in addition to the rest of this Prospectus before purchasing the Offer Securities. This Prospectus also contains forward-looking statements that involve risks and uncertainties. The Issuer's actual results may differ materially from those anticipated in the forward-looking statements as a result of various factors, including but not limited to the risks described below and elsewhere in this Prospectus.

All of these factors are contingencies which may or may not occur. The Issuer believes that the factors described below represent the principal risks inherent in investing in the Offer Securities, presented in the order of their materiality and possibility of their occurrence as currently seen by the Issuer, based on the information available to it to date and its reasonable opinion. However, other risk factors may exist which currently may not be considered significant risks by the Issuer based on information currently available to it or which it may not currently be able to anticipate or which currently, even if potentially possible to anticipate, do not seem material to the Issuer. Prospective Investors should also read the detailed information set out elsewhere in this Prospectus and reach their own views prior to making any investment decision.

It cannot be excluded that over time the list of the risks specified below will no longer be complete or comprehensive. Consequently, these risks cannot be considered as the only risks to which the Issuer is exposed as at the date of the Prospectus. The Issuer may be exposed to additional risks and adverse factors of which the Issuer is unaware or which are believed to be immaterial as at the date of the Prospectus. The occurrence of events described as risks may result in a decline in the price of the Offer Securities and, consequently, Investors who purchase the Offer Securities could lose a part or all of their investments.

4.1. Risks specific to the Issuer

Risks related to the Issuer's business activities and industry

1) **Limited operating history:** The Issuer is a start-up company incorporated in December 2020 and, thus has a very limited operating history, and no financial statements covering a full business year are yet available. Consistent with many other early-stage companies, its activities have principally involved the development of innovative sales concepts, and there is a risk that the planned activities will not generate the anticipated returns or will not be successful at all. Due to these circumstances, it is difficult to make an evaluation of the Issuer's business or its prospects. The Issuer deems the significance of this risk factor to be high.

2) **Additional funding:** The Issuer's business strategy will require substantial expenditure and in total the Issuer may issue up to 6,500,000 Participation Certificates out of the authorised Participation Capital (of which 3,148,900 Participation Certificates have already been issued and 3,351,100 Participation Certificates are offered under the current Prospectus). Thus, it should be expected that additional issuances of Participation Certificates, even after successful sale of all Participation Certificates offered under the current Prospectus, will be made. In addition, the financial information provided in this Prospectus regarding the expected investments and expenses is based on current expectations according to the current market environments and could be subject to change. Also, in the case of lack of interest in the current Offering or lack of interest of individuals in the products, further funding may be required, which could – in the case of Share or Participation Capital increases – dilute the participation of Investors in the capital and earnings of the Issuer (provided pre-emptive rights are not exercised). The Issuer deems the significance of this risk factor to be high.

3) **Less market potential:** The actual market for the services of the Software of the Issuer could be significantly smaller than estimated, and if customer demand for the respective services does not meet expectations, the ability to generate revenue and meet financial targets by the Issuer could be adversely affected. While the Issuer expects strong growth for its services once the Software can be commercialized, it is possible that the growth in some or all of these markets may not meet expectations, or materialise at all. The methodology on which the estimates of the total potential market opportunity is based includes several key assumptions based on the current industry knowledge and customer experience of the Issuer.

If any of these assumptions prove to be inaccurate, then the actual market for the services provided by the Software of the Issuer could be significantly smaller than estimated. In addition, the Issuer has no experience with customer adoption of its services, as the Software is still in development. If the customer demand for the services or the adoption rate in the target markets of the Issuer does not meet expectations, the ability of the Issuer to generate revenues and meet financial targets could be adversely affected. The Issuer deems the significance of this risk factor to be high.

4) **Outcome of development of products of the Issuer unclear:** The performance of the Software developed by the Issuer, in particular the quality of the output of the artificial intelligence module that should generate text, audio and visual products and learn and improve itself over time, is not yet clear and could be subject to much longer development efforts and development expenses than currently expected. The development of such Software that includes artificial intelligence is very challenging, and reaching development targets is in many cases difficult to predict. In the upcoming months or years, the Issuer may even conclude that, based on the currently available knowledge around artificial intelligence or available hardware and software certain functionalities cannot be implemented as planned. Thus, longer development periods due to higher complexity of the software and its artificial intelligence module may occur, which will negatively impact the profitability of the business of the Issuer, since it will lead to reduced, delayed or even zero income from sales, or will lead to a reduced ability to successfully market and sell the products. The Issuer deems the significance of this risk factor to be high.

5) **Dependence on highly qualified and experienced software programmers:** The development of software that should apply the concepts of artificial intelligence depends on the availability of highly-skilled and experienced software programmers, who are very hard to find on the market and difficult to recruit and maintain. The Issuer is working with third-party contractors for the development of the Software. However, these third-party contractors are dependent on such highly qualified and experienced software programmers in order to reach the development goals agreed with the Issuer. It cannot be excluded that the third-party contractors may not achieve to recruit or maintain a sufficient number of specialised software developers. This could result in delays or postponement of development goals or delays of the commercialisation of the Software by the Issuer which will result in a loss or delay of earnings. Unnecessary or increased fluctuation of such specialised software programmers or contractors would also lead to increased expenses for research and development, since it requires time to introduce new software programmers to an already programed state of the Software which will negatively impact the profitability of the Issuer in the future, and it may result in much higher expenses for research and development than expected. The Issuer deems the significance of this risk factor to be high.

6) **Competition and outdated software:** Nowadays, technology is outdated within a short period of time due to worldwide competition and innovation regarding hardware and software. The future success of the Issuer will also depend on its ability to adapt quickly to rapidly changing technologies, to adapt its services and products to evolving industry standards, and to improve the performance and reliability of its services and products. To achieve market acceptance for the services, the Issuer must effectively anticipate and offer products that meet changing customer demands. Despite ongoing research and development, the Issuer cannot exclude that the Software may be outdated in the future or that new hardware or software will come to market that may perform the same tasks with less effort due to generally increased knowledge around the concepts of artificial intelligence and ways to programme software based on such concepts of artificial intelligence. In addition, already established software development companies may start developing their own software solutions with comparable functionalities to the Software and may have much more funding available to propel development and catch up on development goals already realised by the Issuer. Both hardware and software that may come to market in the future and that may be more suitable or even designed to programme software based on concepts of artificial intelligence or increased competition would lower the profitability of the Issuer or its ability to sell its products on the market. The Issuer deems the significance of this risk factor to be high.

7) **Copy of Software:** Although the Issuer will use its best efforts to obtain patents and/or other copyrights for the Software, there is a general risk relating to Software that, despite such protection, it can be copied and modified, which could make obtained protection of such intellectual property indefensible. In addition, the options to defend and enforce intellectual property rights against potential infringements are limited in certain countries that have not developed a strong legal basis or frameworks for the protection of intellectual property. Thus, it cannot be excluded that, despite the efforts of the Issuer to obtain protection of its intellectual property (i.e. the Software developed), it could still be copied or modified, and legal actions may be limited or unsuccessful. This could result in a rise of competitors who may offer similar services as the Issuer for lower prices, which would make it more difficult for the Issuer to sell its products and would result in a loss or reduction of earnings. The Issuer deems the significance of this risk factor to be medium.

Legal and regulatory risks

8) **Confidentiality agreements with employees and others may not adequately prevent disclosure of trade secrets and other proprietary information:** The Issuer has devoted substantial resources to the development of its technology, business operations and business plans. In order to protect its trade secrets and proprietary information, the Issuer relies in significant part on confidentiality agreements with its employees and future licensees and customers. These agreements may not be effective to prevent disclosure of confidential information, including trade secrets, and may not provide an adequate remedy in the event of unauthorised disclosure of confidential information. In addition, others may independently discover trade secrets and proprietary information, and in such cases the Issuer would not be able to assert trade secret rights against such parties. To the extent that employees of the Issuer and others with whom the Issuer is doing business use intellectual property owned by others in their work for the Issuer, disputes may arise as to the rights in related or resulting know-how and inventions. Laws regarding trade secret rights in certain markets in which the Issuer operates may afford little or no protection to trade secrets of the Issuer. The loss of trade secret protection could make it easier for third parties to compete with services of the Issuer by copying functionality. In addition, any changes in, or unexpected interpretations of, the trade secret and other intellectual property laws in any country in which the Issuer operates may compromise its ability to enforce its trade secrets and intellectual property rights. Costly and time-consuming litigation could be necessary to enforce and determine the scope of the proprietary rights, and failure to obtain or maintain trade secret protection could adversely affect the competitive business position of the Issuer. The Issuer deems the significance of this risk factor to be medium.

9) **Dependence on business partners regarding non-disclosure and exclusivity agreements regarding the development of the Software:** The Issuer has outsourced the development of the Software to independent third-party contractors who are offering specialised software development services in the field of artificial intelligence and other software modules that will be required to develop the complete Software as planned by the Issuer. The contractors that are currently working on the artificial intelligence module of the Software have entered into strict non-disclosure and exclusivity obligations so that any comparable services regarding software that is providing comparable services as the Software of the Issuer could not be offered to third parties. Despite the efforts of the Issuer, it cannot be excluded that such independent third parties may not adhere to their non-disclosure and exclusivity obligations and potentially leak information about the Software or offer development services for comparable software of third parties. This could result in: (1) expenses for litigation to enforce the respective contractual obligations and claims for damages against the respective contractors; and (2) in higher competition from third parties that may have obtained information about the Software or that may have obtained services from contractors for the development of comparable software as offered by the Issuer. This would result in higher expenses of the Issuer and potentially less revenues from sales in the future. The Issuer deems the significance of this risk factor to be medium.

10) **Infringement of intellectual property rights of third parties:** The Software is processing data from publicly available sources and from data sets purchased or licensed by the Issuer. The core artificial intelligence technology is developed on training data, and technical measures are implemented to ensure that texts, audio or images are not infringing intellectual property rights of third parties. For example, the Software is designed to generate texts on a word-by-word basis and not by copying or just modifying whole sentences or paragraphs of texts found in databases. In addition, technical measures will be implemented to ensure an ongoing monitoring of outputs of the Software in view of potential intellectual property right infringements. Nevertheless, it can never be fully excluded that, despite the efforts of the Issuer, the Software is generating output that is potentially infringing intellectual property rights of third parties. This could lead to claims for compensation or penalties against the Issuer which would negatively affect the profitability of the Issuer. The Issuer deems the significance of this risk factor to be medium.

11) **Criminal law violations or offenses:** The products generated by the Software, such as texts, audio, images, videos or combinations thereof may constitute criminal law violations or offenses. The Issuer will implement technical measures to prevent the Software from producing any content that may impose such criminal law violations or offenses and to review any content generated by the Software before submission to customers. Such criminal law violations or offenses may lead to claims for indemnification against the Issuer or even a prohibition of certain products offered by the Issuer in some countries which would negatively affect the ability of the Issuer to sell its products and would result in lower revenues or increased expenses. The Issuer deems the significance of this risk factor to be medium.

12) **Processing of personal data:** The Issuer handles and processes personal data in the ordinary course of business and in respect of its employees. The Issuer has implemented its data protection policy and

programmes in order to comply with the General Data Protection Regulation (Regulation (EU) 2016/679) ("**GDPR**") and Swiss data protection regulation. Since the GDPR was relatively recently adopted and several questions have still to be clarified, there is a risk that the Issuer's processing of personal data may be non-compliant with the requirements set out in the GDPR or that measures taken to comply with the GDPR may be insufficient, which may lead to, for example, data braches, disputes, damaged reputation, fines and increased supervision. The fines for a violation of the GDPR may be severe (up to EUR20 million or 4% of the annual turnover). Thus, there is a risk that the Issuer is unable to comply with the measures and requirements set out in the GDPR and such non-compliance could lead to significant administrative fines which could have a material negative impact on the Issuer's financial position. The Issuer deems the significance of this risk factor to be medium.

13) **The rights of Swiss company shareholders may differ from the rights of the shareholders of other countries' companies and the legislation, interpretation and application of legal acts may be different in Switzerland from that in other countries:** The Company is organised and exists under the laws of Switzerland. Accordingly, the Company's corporate structure as well as rights and obligations of the shareholders may be different from the rights and obligations of shareholders in companies registered in other countries. The exercise of certain shareholders' rights for non-Swiss Investors in a Swiss company may be more difficult and costly than the exercise of rights in an alternative country. For example, an action with view to declaring a resolution invalid must be filed with, and will be reviewed by, a Swiss court, in accordance with Swiss law. In addition, Swiss regulations may provide shareholders with particular rights and privileges which might not exist in other countries and, vice versa, certain rights and privileges that shareholders may benefit from in other countries may not be guaranteed under the applicable Swiss laws. In order to fully understand the legislation, related to shareholders' rights, duly implement them and/or safeguard them in Swiss court or otherwise, certain expenses may be incurred by the holders of Securities, which may be significant.

4.2. Risks specific to Offer Securities

Risks relating to the financial and political rights inherent to the Offer Securities

1) **No voting rights by the Offer Securities:** The Offer Securities offered under this Prospectus are non-voting Participation Certificates. Upon completion of the Offering, holders of the Offer Securities (Investors) will not be able to exert significant influence over the election of the Company's directors or independent auditors, or the appropriation of the Company's earnings (and, in particular, the distribution of dividends). Holders of the Offer Securities will have none of the rights generally associated with voting rights under Swiss corporate law, such as the right to request the holding of a General Meeting, the placement of items of the agenda of a General Meeting or the right to ask questions or to make proposals on the occasion of such meeting. Under Article 4(3) of the Articles of Association, unless otherwise provided by law or the Articles of Association, the provisions of the law and the Articles of Association regarding the shareholder shall also apply with respect to the holder of Participation Certificates. Accordingly, with respect to the convening of meetings of holders of Participation Certificates, the respective provisions in the Articles of Association on the General Meetings apply. In principle this means that a meeting may be convened by, among others, the Management Board by written notice stating the agenda and proposals thereto. At the meeting each Participation Certificate confers one vote, and resolutions are taken with the absolute majority of votes represented. However, the holders of the Company's voting Shares will continue to be able to exert voting control and will be able to elect all of the Company directors, to determine the outcome of any matter being voted upon by shareholders, including the declaration of dividends, amendments to the Articles of Association, capital increases or decreases, the conversion of voting shares into non-voting shares, mergers and other important matters. The Issuer deems the significance of this risk factor to be high.

2) **No assurances regarding future dividend payments:** No assurance can be given that the Issuer will pay dividends. In particular, it should be considered that the Issuer is a "startup company" and, if successful, it may take several business years until the business becomes profitable and any profits may be distributed to the shareholders and holders of Participation Certificates. Moreover, if additional funding is required and additional Shares or Participation Certificates have to be issued, the participation in profit distributions of holders of Participation Certificates offered under this Prospectus may be diluted in the future. The Management Board may, at its discretion, recommend the payment of dividends in respect of a given fiscal year or during a fiscal year (interim dividend). However, the declaration, timing, and amount of any dividends to be paid by the Issuer will be subject to the approval of the simple majority of the shareholders of the Issuer present at the relevant General Meeting. The determination of the Management Board as to whether to recommend paying dividends and the approval of any such proposal by the General

Meeting will depend upon many factors, including the Issuer's financial condition, earnings, corporate strategy, capital requirements of it and its operating subsidiaries (if any), covenants, legal requirements and other factors deemed relevant by the Management Board and the General Meeting. The Issuer deems the significance of this risk factor regarding future dividend payments to be high.

General risks relating to the Offer Securities

3) **Potential future dilution:** The ownership percentages in the Issuer may be diluted in the future because of equity issuances in connection with acquisitions, capital markets transactions or otherwise, including equity awards that the Issuer may grant to its directors, officers and employees in the future, and the authorised capital the Issuer may hold for the purposes of possible employee participation plans. In addition to that, the Issuer's capital consists of Shares and Participation Certificates. They all have the same dividend rights. However, Participation Certificates (different to Shares) do not carry voting rights. Thus, in the case of an increase of either the Share Capital or the Participation Capital, the dividend quota of the former shareholders or Participation Certificate holders would be diluted (if they do not subscribe for more Shares or Participation Certificates) and the voting power of the ordinary Shares would be diluted as well, except for the Participation Certificates, as they do not have voting rights. The Issuer deems the significance of this risk factor to be medium.

4) **No listing of the Offer Securities:** The Issuer has not yet requested and does not intend to request the listing or admission to trading of its voting shares or of the Offer Securities offered under this Prospectus on any stock exchange or multilateral trading facility. Therefore, the Offer Securities offered under this Prospectus will currently be traded off-exchange exclusively, which results in a lower liquidity of the Participation Certificates and less options to sell thereof. In addition, the Swiss regulations that apply to Issuers that have equity securities listed on a stock exchange in Switzerland will not apply to the Offer Securities. In particular, the provisions of the Swiss Financial Market Infrastructure Act ("FMIA") regarding the mandatory disclosure of large interests in listed companies (Article 120 et seq. FMIA) or public takeovers (Article 125 et seq. FMIA) will not apply. This means, among other things, that: (i) the beneficial owners of large interests in the Company will not be under any duty to make public the nature of their interest in the Company; (ii) the provisions of the FMIA designed to guarantee equal treatment and undistorted choice of shareholders in the event of a public takeover offer will not apply if a public takeover offer is made for the shares of the Issuer; and (iii) the provisions of the FMIA that require any person who acquires more than one third of the voting rights of a company to make a cash offer at a minimum price for all the listed shares of the company will not apply. In addition, the provisions of the FMIA prohibiting insider trading and market manipulation will not apply to the trading of the Offer Securities. Swiss authorities will therefore have less legal means to sanction market abuses relating to the Offer Securities than they would have had had the securities been listed on a stock exchange in Switzerland. The Issuer deems the significance of this risk factor to be medium.

5) **The Offering may be delayed, suspended or cancelled:** Public offerings are subject to various circumstances independent from the Issuer. In particular, the demand for the Offer Securities is shaped by, among others, Investors' sentiment towards the sector, and legal and financial conditions of the Offering. In the case such circumstances would have an adverse impact on the results of the Offering, the Issuer may decide to delay, suspend or cancel the Offering (for further details please see the Section 9.8 Cancellation, suspension or postponement of the Offering). Consequently, the Investors may be unable to successfully subscribe for the Offer Securities, and payments made by Investors during the Offering, if any, will be returned without any compensation. In addition to that, if any of the above circumstances arise, the Issuer may be unable to realise its goals related to the development of its business (for more information please see Section 3 Strategy, performance and business environment). Furthermore, the CSSF, when performing its functions has the right to: (i) suspend the public offering of the securities for the term of up to ten Business Days when it has reasonable suspicions that the indicated actions are executed not in conformity with the applicable legal requirements or the terms and conditions foreseen in the Prospectus; or (ii) suspend the promotional activities and establish the term of up to ten Business Days for removal of the breaches and for execution of other relevant actions (if these breaches are not removed or other actions not executed within the indicated term, the CSSF has a right to prohibit the promotional activities). If any of these circumstances do arise, the Offering as such may be unsuccessful or its results could be weaker compared to the Offering without these negative circumstances. The Issuer deems the significance of this risk factor to be low.

5. TERMS AND CONDITIONS OF THE OFFER SECURITIES

Working capital statement

In the opinion of the Issuer, the working capital of the Issuer is sufficient for its present requirements. As it is planned to proceed with the development of the Software or software tools of higher complexity respectively and to make the planned investments in IT systems, the Issuer will require additional funding. For this purpose, an initial fundraising round for early-stage investors was undertaken (3,148,900 Participation Certificates sold) and the Offering of 3,351,100 Participation Certificates is being made under this Prospectus.

Type, class, amount, denomination and issue price of the Offer Securities

A maximum of up to 3,351,100 new registered Participation Certificates with a nominal value of CHF 0.01 per Participation Certificate, ISIN CH1107675402, will be offered publicly under this Prospectus ("Offer Securities"). During the First Offer Period from 15 October 2021 to 30 November 2021, the issue price amounts to EUR5.00 per Participation Certificate. Regarding the Subsequent Offer Periods starting from or after 1 December 2021 to 30 August 2022 (the latest), the issue price will increase up to EUR10.00 and be announced by a notice before each Offer Period published on the following website of the Issuer: https://www.ella.ag/public-offering.

Participation Certificates are generally referred to as "non-voting shares", which confer pecuniary rights, but no voting or other membership rights (cf. *Attached Rights* below). They are offered publicly for sale in the same structure and denomination and placed with more than 20 investors, are freely negotiable and, thus, suitable for mass standardised trading under Swiss law (cf. art. 2 para. 1 of the Swiss Federal Ordinance on Financial Market Infrastructures and Market Conduct in Securities and Derivatives Trading, SR 958.11). These Participation Certificates also qualify as:

- "securities" according to art. 2 lit (a) and (o) and art. 3 (1) of Regulation (EU) 2017/1129;
- "transferable securities" according to art. 4 (1) no. 44 of Directive 2014/65/EU; and
- "negotiable on the capital markets" according to art. 4 (1) no. 44 of Directive 2014/65/EU.

Registration

The Participation Certificates will be created under the Swiss CO and issued as uncertificated (non-material) securities (in German: *Wertrechte*) within the meaning of Article 973c of the Swiss CO. In accordance with Article 973c of the Swiss CO, the Issuer (ella media ag, address Gotthardstrasse 28, 6300 Zug, Switzerland) will maintain a register of the Offer Securities (in German: *Wertrechtebuch*). Under the Swiss CO, any disposition of uncertificated shares such as the Offer Securities (including any transfer of title or the creation of a usufruct or a pledge) must be effected by way of a written declaration of the assignment and requires, as a condition for its validity, notice to be given to the Company, for which the Company may prescribe the use of applicable forms. According to the Articles of Association, transferability of the Offer Securities is not subject to restrictions. The Issuer may only refuse entry in the Share or Participation Certificate register where the acquirer fails to declare expressly that he/she/it has acquired the Shares or Participation Certificates in his/her/its own name and for his/her/its own account.

Currency of the Offer Securities issue

Euro (EUR), nominal value of the Offer Securities Swiss Franc (CHF).

Attached rights

The Offer Securities have the same dividend rights as the Shares, Participation Certificates and Dividend Rights Certificates of the Issuer. The dividend rights do not lapse. There are no dividend restrictions or special procedures for non-residents. There is no fixed rate or any other specific method of calculation of the dividends. All dividends are split equally among all Shareholders, holders of Participation Certificates and of Dividend Rights Certificates (the latter according to which their corresponding number of Participation Certificates relate). For example, if all Participation Certificates offered under this Prospectus are sold to the Investors (3,351,100), a dividend will be split between 27.5 million equal units (13 million Shares, 6.5 million Participation Certificates issued and 23,692 Dividend Rights Certificates which confer distribution participation rights which are the same as 8 million Participation Certificates). There are no fixed dividend distribution dates.

Dividend distributions and the respective dates (if any) will be resolved by the annual General Meeting which is held each year within the first six months of the business year. Under the Swiss CO, the Company may only pay dividends out of balance sheet profits, out of reserves created for this purpose or out of free reserves. In any event, under the Swiss CO, while the Management Board may propose that a dividend be paid, the Company may only pay dividends upon the approval of the General Meeting (required quorum: simple majority of votes present at the General Meeting). The dividends to the holders of Shares, Participation Certificates and Dividend Rights Certificates become due on the date of the General Meeting or a different date if decided by the General Meeting. Eligible to receive a dividend are owners of Shares, Participation Certificates and of Dividend Rights Certificates at the date of the General Meeting or a different date as decided by the General Meeting (record date). In addition, the Swiss CO requires that, among other things, at least 5% of the annual profit be retained as general reserves, so long as these reserves amount to less than 20% of the registered Share Capital. Swiss law and the Articles of Association permit the Issuer to accrue additional reserves.

No voting rights are attached to the Offer Securities. According to Art. 656a of the Swiss CO and as indicated in the Articles of Association, the pre-emption rights for new offers for subscription of Shares or Participation Certificates are foreseen (of the same class if ordinary Share Capital and Participation Capital is raised by the same quota) in order to avoid dilution of participation quotas. According to Art. 652b of the Swiss CO (mandatory), the pre-emption right may only be restricted for important reasons (such as an acquisition of another company) and it requires the approval of two thirds of the shareholder votes and absolute majority of the Share Capital present at the respective General Meeting (Art. 704 of the Swiss CO). There are no redemption and conversion provisions.

According to the Articles of Association, transferability of the Offer Securities is not subject to restrictions. The Issuer may only refuse entry into the Share or Participation Certificate register where the acquirer fails to declare expressly that they have acquired the Shares or Participation Certificates in their own name and for their own account.

Under the Swiss CO, any surplus arising out of a liquidation of the Issuer (i.e. after the settlement of all claims of all creditors) would be distributed to the shareholders and holders of Participation Certificates in proportion to the paid in nominal value of their Shares or Participation Certificates (Offer Securities) respectively and to the holders of Dividend Rights Certificates corresponding to the number of Participation Certificates their Dividend Rights Certificates relate to. There are no redemption and conversion provisions.

Under the applicable law, the holders of Participation Certificates must be notified about the convening of any General Meeting (of shareholders) together with the items on the agenda and any motions (proposals). The holders of Participation Certificates are entitled to inspect each resolution of the General Meeting (which shall be made available without delay at the registered office of the Issuer). They shall be informed accordingly in the notification on convocation of the General Meeting. In addition, on the occasion of the annual General Meeting, just like the shareholders, each holder of Participation Certificates may ask that a copy of the annual and audit reports be sent to him/her/it.

Further features of the Offer Securities

Under the applicable law, the holders of Participation Certificates have no right to participate in the General Meeting (of shareholders), but they must be notified about the convening of any General Meeting together with the items on the agenda and any motions (proposals). Furthermore, the holders of Participation Certificates are entitled to inspect each resolution of the General Meeting (which shall be made available without delay at the registered office of the Issuer). They shall be informed accordingly in the notification on convocation of the General Meeting. In addition, on the occasion of the annual General Meeting, just like the shareholders, each holder of Participation Certificates may ask that a copy of the annual and audit reports be sent to him/her/it.

Article 4 and Article 4a of the Articles of Association include provisions on the Participation Capital, the Participation Certificates and the holders of Participation Certificates. The holders of the Participation Certificates may also hold a special general meeting. Under Article 4(3) of the Articles of Association, unless otherwise provided by law or the Articles of Association, the provisions of the law and the Articles of Association regarding the shareholder shall also apply with respect to the holders of Participation Certificates. Accordingly, with respect to the convening of meetings of holders of Participation Certificates, the respective provisions in the Articles of Association on General Meetings apply. This means in principle that a meeting may be convened by, among others, the Management Board (if deemed necessary) by written notice stating the agenda and proposals. At the meeting each Participation Certificate confers one vote, and resolutions are taken with the absolute majority of votes represented. As the holders of Participation Certificates have no voting right, such meetings are by law relevant when the privileges and participation rights of holders of Participant Certificates pursuant to the Articles of Association shall be limited or cancelled (however, there are currently no privileges (such as privileged rights to dividends) or participation rights (such as rights to make motions)). Accordingly, at such meeting of holders of Participant Certificates the only subject would be the approval or denial of the cancellation of the privileges or participation rights of the holders of Participation Certificates. Such approval or denial further requires the approval of the General Meeting.

The Participation Certificates may only be converted to voting shares if the Articles of Association provide for such possibility (which can be introduced by a resolution of the General Meeting). As such conversion results in the exclusion of the subscription rights of the shareholders, the conversion requires the approval of a qualified two thirds majority of the General Meeting (unless all shareholders waive their subscription rights). The consent of the holders of Participant Certificates is not required, since no rights are withdrawn from them (on the contrary, they receive additional rights).

No seniority

There is no seniority of Shares or Participation Certificates, including the Offer Securities, in the Issuer's capital structure in the event of insolvency under Swiss law. All of the Issuer's Shares and Participation Certificates, including the Offer Securities, would be treated the same in the event of an insolvency of the Issuer.

Resolutions, authorisations and approvals for creating and/or issuing the Offer Securities:

- at the founder's meeting held on 27 November 2020, the Management Board was authorised to increase the Share capital of the Issuer by issuing up to 6,500,000 Participation Certificates with a nominal value of CHF 0.01 each;
- on 12 January 2021, the Management Board resolved the first issuance of Participation Certificates out of the authorised Participation Capital with a nominal value of CHF 5,745.00 (= 574,500 Participation Certificates with a nominal value of CHF 0.01 each);
- on 29 January 2021, the Management Board resolved the second issuance of Participation Certificates out of the authorised Participation Capital with a nominal value of CHF 6,666.50 (= 666,500 Participation Certificates with a nominal value of CHF 0.01 each);
- on 26 February 2021, the Management Board resolved the third issuance of Participation Certificates out of the authorised Participation Capital with a nominal value of CHF 2,590 (= 259,000 Participation Certificates with a nominal value of CHF 0.01 each);
- on 15 April 2021, the Management Board resolved the fourth issuance of Participation Certificates out of the authorised Participation Capital with a nominal value of CHF 3,400 (= 340,000 Participation Certificates with a nominal value of CHF 0.01 each);
- on 26 May 2021, the Management Board resolved the fifth issuance of Participation Certificates out of the authorised Participation Capital with a nominal value of CHF 3,303 (= 330,300 Participation Certificates with a nominal value of CHF 0.01 each);
- on 8 July 2021, the Management Board resolved the sixth issuance of Participation Certificates out of the authorised Participation Capital with a nominal value of CHF 9,786 (= 978,600 Participation Certificates with a nominal value of CHF 0.01 each).

Offer Securities will further be issued under the same order indicated above following adoption of the respective decision of the Management Board (for more information please see Section 9.2 *Details of the Offering*).

The expected issue date of the Offer Securities: The Offer Securities will be issued on a step-by-step basis as determined by the Management Board, but in no case later than 21 calendar days after the end of the First Offer Period on 30 November 2021 or in no case later than 21 calendar days after the end of any Subsequent Offer Period as determined by the Management Board and announced by notices. (For more information please see Section 7.4 *Expected timetable of the Offering*).

Impact of tax legislation

Please be aware that the tax legislation of the Issuer's country of incorporation and the Investor's country of residence may have an impact on the income received from the Offer Securities. Please find below a short overview of the taxation treatment applicable to the securities under Swiss law. The following is only a general summary of certain tax considerations of the Swiss law in relation to the Offer Securities. It is not exhaustive and does not purport to be a complete analysis of all tax consequences relating to the Offer Securities, and it does not take into account or discuss the tax implications of any country other than Switzerland. The information provided in this Section is not to be treated as legal or tax advice; and prospective Investors are advised to consult their own tax advisors as to the tax consequences of the subscription, ownership and disposal of the Offer Securities applicable to their particular circumstances.

This summary is based on the laws of Switzerland as in force on the date of this Prospectus and is subject to any change in law that may take effect after such date, provided that such changes could apply also retroactively.

Withholding tax on dividends

Dividends and any similar cash or in-kind distributions to a holder of Offer Securities (including distributions of liquidation proceeds in excess of the nominal value, stock dividends and, under certain circumstances, proceeds from repurchases of the Offer Securities by the Issuer in excess of the nominal value) are generally subject to a Swiss federal withholding tax (the "**Withholding Tax''**) at a current rate of 35%. Under certain circumstances, distributions out of capital contribution reserves are exempt from the Withholding Tax. The Issuer is required to withhold this Withholding Tax from the gross distribution and to pay the Withholding Tax to the Swiss Federal Tax Administration. The Withholding Tax is refundable in full to Swiss residents who are the beneficial owners of the taxable distribution at the time it is resolved and duly report the gross distribution received on their personal tax return or in their financial statements for tax purposes, as the case may be. Holders of the Offer Securities not resident in Switzerland may be entitled to a partial refund of the Withholding Tax if the country in which they reside has entered into a bilateral treaty for the avoidance of double taxation with Switzerland. Such non-resident holders should be aware that the procedures for claiming treaty refunds (and the time frame required for obtaining a refund) may differ from country to country and they should consult their own tax advisors regarding the receipt, ownership, purchase, sale or other dispositions of the Offer Securities and the procedures for claiming a refund of the Withholding Tax.

Swiss issuance stamp duty

Switzerland levies a one-time Issuance Stamp Duty (in German*: Emissionsabgabe*) on the issuance of corporate equity capital (including the Offer Securities) by Swiss companies. A 1% Swiss Issuance Stamp Duty applies to capital contributions received for the issuance of corporate shares, non-voting shares, participation rights, as well as informal capital contributions in cash or in kind for no consideration.

Swiss transfer stamp duty upon transfer of Offer Securities

The sale of the Offer Securities, whether by Swiss residents or foreigners, may be subject to Swiss transfer stamp duty (in German: *Umsatzabgabe*) of 0.15%, calculated on the gross sale proceeds, if the sale occurs through or with a Swiss bank or other Swiss securities' dealer (in German: *Effektenhändler*), as defined in the Swiss Federal Stamp Duty Act. The Transfer Stamp Duty has to be paid by the securities dealer and may be charged to the parties in a taxable transaction who are not securities dealers.

Income tax on dividends

A Swiss resident who holds the Offer Securities as private assets is required to report the receipt of dividends and similar distributions (including stock dividends and liquidation surplus) in its individual income tax returns and is subject to Swiss federal, cantonal and communal income tax on any net taxable income for the relevant tax period.

In the case the Offer Securities are held as business assets by a Swiss resident (e.g. individual or legal entity), it is required to recognise dividends and similar distributions (including stock dividends and liquidation surplus) on the Offer Securities in the income statement for the relevant taxation period. The respective income is subject to Swiss federal, cantonal and communal individual or corporate income tax. Corporate taxpayers may be eligible for a participation deduction (in German: *Beteiligungsabzug*) in respect of dividends if the Participation Certificates held by them as part of a Swiss business have an aggregate market value of at least CHF 1 million.

Recipients of dividends and similar distributions on the Offer Securities who are neither residents of Switzerland for tax purposes nor holding the Offer Securities as part of business conducted through a permanent establishment situated in Switzerland ("**Non-resident Holders**") are not subject to Swiss income taxes in respect of such distributions. Moreover, any gains realised by such recipients upon the disposal of the Offer Securities are not subject to Swiss income tax.

Non-resident holders of the Offer Securities are, however, subject to the Withholding Tax on dividends and similar distributions mentioned above and under certain circumstances to the Transfer Stamp Duty described above. Non-resident holders are recommended to consult their own tax advisors regarding the receipt, ownership, purchase, sale or other dispositions of the Offer Securities and the procedures for claiming a refund of the Withholding Tax. However, a Non-resident holder of the Offer Securities will not be liable for any Swiss taxes other than the Withholding Tax described above and, if the transfer occurs through or with a Swiss bank or other Swiss securities dealer, the Transfer Stamp Duty described above. If, however, the Offer Securities of Non-resident holders can be attributed to a permanent establishment or a fixed place of business maintained by such person within Switzerland during the relevant tax year, the Offer Securities may be subject to Swiss income taxes in respect of income and gains realised on the Offer Securities and such person may qualify for a full refund of the Withholding Tax based on Swiss tax law.

Taxes upon disposition of the Offer Securities

Capital gains realised on the sale or other disposal of the Participation Certificates held as private assets by an individual resident in Switzerland are generally not subject to any federal, cantonal or communal income taxation. Capital gains realised on Participation Certificates held as business assets are, in general, included in the taxable income of the respective person.

Offeror

The offeror under the Prospectus is the Issuer, ella media ag, i.e. no lead managers or offering brokers are engaged by the Issuer for the purposes of arranging this Offering.

Takeovers

The Issuer is not a listed company and, thus, the mandatory disclosure and public takeover rules according to the Swiss Financial Market Infrastructure Act (cf. Art. 125 and following) are not applicable to it. Furthermore, the Articles of Association do not include any transfer restrictions regarding the Shares or Offer Securities in the meaning of the Swiss CO (cf. Art. 685a and 685b) that would allow the Issuer to deny the registration of a shareholder in the register in the case of certain important reasons. The Issuer may only refuse entry in the share register where the acquirer fails to declare expressly that they have acquired the Shares (including the Offer Securities) in their own name and for their own account.

For a non-listed company, which is the case of the Issuer, there are no mandatory takeover bid requirements under Swiss law. There is a squeeze-out option for listed companies (yet again, it is not applicable for the Issuer) and one for both listed and private companies (Art. 8 para. 2 of the Swiss Merger Act). The latter squeeze-out option may be executed with a voting majority of 90% of the shareholders of the transferring company (ordinary quorum for the absorbing company sufficient). The consideration needs to be stipulated in the merger agreement, substantiated in the merger report, and its adequacy reviewed by a qualified auditor. It may include cash, shares of a company other than the absorbing company or any other tradable assets. The consideration must correspond to the market value of the shares that are subject to the squeeze-out procedure. The law does not define a specific valuation method, but potential inappropriate considerations may be challenged by filing a claim. In this case, a court will review the offered compensation (if corresponding to a market or fair value) and – to the extent necessary – adjust the compensation. The absorbing company is required to have distributable reserves in the amount of the total consideration available in order to protect interests of the creditors of the absorbing company. The shareholders of the transferring and absorbing company are granted at least 30 days to review the merger documents until a general meeting of shareholders is held to approve the merger. The resolution regarding the approval of the merger agreement must be in the form of a public deed. Thereafter, the Management Board of the merging companies register the merger with the respective commercial registry. There have been no public takeover bids by third parties in respect of the Issuer's equity.

There is no potential impact on the investment in the event of resolution under Directive 2014/59/EU.

6. CORPORATE GOVERNANCE

6.1. Administrative, management, and supervisory bodies and senior management

The Board of Directors is responsible for the strategic direction and supervision of the Issuer.

Board of Directors: Organisation

Pursuant to Art. 707 of the Swiss CO and Art. 16 of the Articles of Association the Board of Directors consists of one or more members. The Board of Directors is elected by the General Meeting with a simple majority of the voting Shares represented at the meeting (Art. 15 in connection with Art. 17 of the Articles of Association).

Members of the Board of Directors are usually appointed for a term of one year but may be re-elected unlimited times. Pursuant to Swiss law the General Meeting may determine a term for which a member of the Management Board shall be elected, but a single term may not be longer than six years. Whereas according to Art. 710 of the Swiss CO the principle term is three years, the Articles of Association may foresee a different term. In the case of the Articles of Association (art. 17) no period is foreseen and the General Meeting is authorised to decide on the term of the members of the Management Board. Consequently, the General Meeting may decide freely within the indicated time limits of a maximum of six years for one term (with unlimited re-election being possible). The General Meeting may dismiss any member of the Board of Directors at anytime. Only natural persons may act a member of the Board of Directors (Art. 707 of the Swiss CO).

Pursuant to Art. 712 of the Swiss CO and Art. 18 of the Articles of Association, the Board of Directors shall organise itself. In the case the Board of Directors consists of multiple individuals, it shall appoint its Chairman and, as the case may be, a secretary who does not need to be a member of the Board of Directors. The Board of Directors may appoint committees from among its own members and assign to them, or to individual members, the preparation and implementation of its decisions, the supervision of business activities as well as accompanying special tasks.

The Board of Directors of the Issuer has currently the following two members:

- Mr. Michael Keusgen with single signature authority binding the Issuer and who is acting as the chairman of the Board of Directors and also as delegate of the Board of Directors responsible for the ultimate management of the Issuer; and
- Mr. Peter Steiner with single signature authority binding the Issuer.

Mr. Michael Keusgen, born in 1966, is an experienced TV, media and content producer. After graduating in Chinese and Geography from the School of Oriental and African Studies in London, Mr. Keusgen worked at the BBC, WTN and ABC News in UK. From 2003 to 2007, he was responsible for reforming and holding the Eurovision. From 2007 to 2012, Mr. Keusgen worked for the German Football Association, and from 2012 to 2014 for Constantin Medien AG. In 2003, Mr. Keusgen also founded Siegfried GmbH, which produced award-winning TV documentaries and reports for various TV channels, such as the German public broadcasting service ZDF.

Mr. Peter Steiner, born in 1954, is a highly experienced manager and sales expert in the field of consumer goods. He served many years as Product and Managing Director of well-known multinational companies in Switzerland, Germany and the Netherlands (e.g. Swatch SA, Wasa GmbH, Wander AG). From 1990 to 1994, he acted as Vice-President of Sales International for Swatch SA in Switzerland. Thereafter, Mr. Steiner worked as an independent consultant for marketing, sales and distribution optimization for various international companies (e.g. swiss-coffee-concept AG, Cendre & Metaux SA, HERO AG). He is a graduate of the University of Applied Sciences in Business Administration, Olten (Switzerland) and completed postgraduate management studies at the IMD business school for management and leadership in Lausanne, Switzerland.

There is no information to be disclosed in relation to Mr. Michael Keusgen or Mr. Peter Steiner regarding the following:

- any convictions in relation to fraudulent offences;
- any official public incrimination and/or sanctions by statutory or regulatory authorities (including designated professional bodies) or disqualification by a court from acting as a member of the administrative, management or supervisory bodies of a company or from acting in the management or conducting the affairs of a company.

The business address of each member of the Board of Directors is at Gotthardstrasse 28, 6300 Zug, Switzerland.

According to Swiss law, the Board of Directors is responsible for the ultimate direction and executive management of the Issuer. Some or part of the executive management of the Issuer may be delegated to one or more of its members or to third parties as set forth in the organisational regulations (Art. 716b of the Swiss

CO and Art. 21 Articles of Association). At least one member of the Board of Directors shall be authorised to represent the Company.

Swiss law requires, however, that certain so-called "non-transferable duties" be assumed by the Board of Directors itself, and not be delegated to other persons. Pursuant to Article 716a of the Swiss CO, these non-transferable duties include, in particular: (i) the ultimate direction of the Company and the power for issuing the necessary directives; (ii) determining the organization of the Issuer; (iii) the overall structure of the accounting system, financial control and financial planning; (iv) the appointment and dismissal of the executive management and of the persons authorised to represent the Issuer; (v) the ultimate supervision of the persons entrusted with the management of the Issuer, particularly with respect to their compliance with the law, the Articles of Association as well as the internal regulations and directives; (vi) the preparation of the annual reports and the General Meetings, as well as the implementation of the resolutions adopted by the General Meetings; and (vii) the notification of a judge in the case of insolvency, etc. The Swiss CO and other Swiss federal laws foresee other non-transferable duties, such as the implementation of General Meeting's resolutions to issue new shares or the approval of statutory mergers.

By resolution dated 15 May 2021, the Board of Directors issued organisational and business regulations, which, in particular, include provisions on the determination of the organisational structures of the Board of Directors and the advisory board, the areas of responsibility and competences, and the description of the interaction of the various levels (i.e. Board of Directors, delegate, advisory board), namely with respect to reporting.

The responsibilities of Mr. Michael Keusgen as the chairman of the Management Board are as follows:

- ultimate management of the Issuer;
- determining and structuring of the organisation of the Issuer;
- responsibility for accounting, financial controlling and financial planning;
- responsibility for appointing and dismissing other members of the management and staff;
- ensuring compliance of the Issuer with applicable laws, statutes, and regulations;
- responsibility for the preparation of the annual financial reporting, the preparation of the annual General Meeting and the implementation of its resolutions; and
- notifying the court if the Issuer becomes over-indebted or insolvent.

In accordance with the organisational and business regulations, Mr. Michael Keusgen also assumed the office of delegate of the Management Board (§ 2 (c)). As a delegate of the Board of Directors, Mr. Michael Keusgen manages operational business of the Issuer. His further responsibilities are as follows (see § 5 of the organisational and business regulations):

- to manage the day-to-day business of the Issuer in a (market- and result-oriented) manner
- to ensure the proper organisation of business operations (subject to any contrary provisions of the law, the articles of association or the organisational and business regulations);
- to prepare all business of the Board of Directors;
- to arrange for and monitor the execution of/compliance with the resolutions of the Board of Directors and its own decisions;
- all personnel matters (unless it falls within the competence of the Board of Directors);
- to submit (unsolicited) proposals to the Board of Directors concerning transactions which require the approval of the Board of Directors pursuant to the organisational and business regulations;
- to prepare the annual report and to forward it to the Board of Directors for resolution; and
- to prepare the annual budget, including an investment and liquidity plan, to monitor compliance with the budget and to contact the Board of Directors immediately if the budget is exceeded.

Pursuant to § 5 (d) of the organisational and business regulations, the delegate is authorised to delegate tasks and competences (in writing), insofar as these are not actual management functions, to employees of the Issuer and/or third parties.

The delegate reports to the Board of Directors, among others, on the course of business, the financial situation, and any important business transactions. He shall further inform the Board of Directors of any legal or regulatory requirements that have a material impact on the Issuer, including any measures taken to comply with such requirements (§ 6 of the organisational and business regulations).

Board of Directors: decision making

Pursuant to Art. 22 of the Articles of Association, the Board of Directors shall meet as often as required by business, upon notice of the chairman (including the agenda items) or upon written request by a member addressed to the chairman stating the reason therefore. Pursuant to § 7 (a) of the organisational and business regulations, the Board of Directors shall meet at least quarterly. Resolutions of the Board of Directors shall not be passed unless the majority of its members are participating at such meeting (by way of personal appearance, via telephone or video or otherwise via electronic means), except that no such attendance quorum is required for resolutions regarding subsequent payments of contributions on shares not fully paid-in and the ascertainment of capital increases as well as the related amendments of the Articles of Association. Pursuant to § 8 (d) of the organisational and business regulations, any changes to such regulations require the participation of all members of the Board of Directors at respective meetings. The Board of Directors adopts its resolutions with the majority of the votes of the members participating. Each member of the Board of Directors has one vote. The Chairman shall also vote and shall have the casting vote. The deliberations and resolutions shall be recorded in minutes. In accordance with Art. 713 para. 2 of the Swiss Code and Art. 23 of the Articles of Association, resolutions of the Board of Directors may also be passed by written consent to a proposal, unless a member of the Board of Directors requests oral deliberation. Such resolutions require the consent of the simple majority of the members of the Board of Directors who validly cast their votes. In order to duly perform their duties, Art. 715a of the Swiss Code and Art. 24 of the Articles of Association provided that each member of the Board of Directors is entitled to ask for information concerning all affairs of the Company.

Advisory Board

Pursuant to the § 11 of the organisational and business regulations the Board of Directors may elect an internal Advisory Board. The internal Advisory Board shall consist of experts in the area of artificial intelligence, software development and media industry who shall support and advise the Management Board upon request regarding business strategy and research and development matters. The Advisory Board consists of three to five members elected by the Management Board for a term of no longer than three years. The Advisory Board has merely an advisory function. It is not a corporate body of the Issuer and, thus, has no rights or obligations whatsoever vis-à-vis the Issuer, the Management Board or other persons. The Advisory Board has neither rights to information or similar nor decision-making or representative authority in business matters. The members of the Advisory Board are Mr. Stefan Kürten (current), Dr. Dr. Christoph Schwerdtfeger (current) and Mr. Erik Rodner (will be joining in a few months).

- Stefan Kürten, born in 1959, worked for more than 25 years as international Sports & Media Executive Director in internationally operating organisations (European Broadcasting Union, Eurovision, ZDF) with an excellent reputation and strategic vision to develop and optimize the commercial and operational performance of organisations in sports and media industry. He has been a guest speaker at multiple media conferences in Europe, Asia and the U.S., at various universities, national parliaments, sports ministers' conferences and European institutions. Stefan graduated at the University of Freiburg (Law) and London School of Economics.
- Christoph Schwerdtfeger, PhD, born in 1988, is an expert in Machine Learning, Deep Learning and Artificial Intelligence. For the last four years he has been cofounder and Head of AI of Signatrix, a Berlin-based deep tech startup that is bringing AI and Computer Vision to retail stores with thousands of installations at one of the five largest retailers in the world. Before that, he has worked on a successful project in cooperation with IZA Bonn on predicting unemployment outcomes with Machine Learning for the Swiss unemployment agency. He has extensive knowledge of bleeding edge algorithms, combined with experience in bridging the gap from prototype to rollout for AI systems. Christoph has studied mathematics and philosophy in Freiburg, Berlin, Oxford and Bonn up to the doctoral level with a focus on language, logic and set theory. He also has a postgraduate degree in Economics from Bonn.
- Erik Rodner is also an expert in Machine Learning and he will be joining the Advisory Board in a few months. After studying computer science and earning his doctorate in Machine Learning, Mr. Rodner worked as a PostDoc, scientific project and team leader at both the University of Jena and UC Berkeley in California. Thereafter, he worked first as a senior scientist and later as head of Machine Learning at ZEISS Group where he was able to bring a wide variety of innovations to certain applications (for example, regarding process control, ophthalmology, digital pathology, or precision agriculture). Since 2020, Mr. Rodner has been a professor of Machine Learning and Data Science at the Berlin University of Applied Sciences (HTW Berlin). His research focuses on Active Learning and Learning under Data Scarcity, as well as numerous application- oriented image processing problems.

The business address of each member of the Advisory Board is at Gotthardstrasse 28, 6300 Zug, Switzerland.

6.2. Remuneration and benefits

Mr. Michael Keusgen receives a cash remuneration of CHF 21,500 (= approximately EUR19,500) per month (gross). In addition, Mr. Michael Keusgen receives an allowance to pay for an apartment in Switzerland of up to CHF 5,000 (= approximately EUR4,500) per month (also subject to Swiss social security and pension scheme contributions) until his family has moved to Switzerland.

Peter Steiner receives a cash remuneration of CHF 2,000 (= approximately EUR1,818) per month (gross) plus a compensation of CHF 250 (= approximately EUR227) (gross) per hour worked. Apart from that, there are no other contingent or deferred compensations, financial, in kind or fringe benefits paid, set aside or accrued by the Issuer (including to provide pension, retirement or similar benefits).

The members of the Advisory Board receive only a cash remuneration of CHF 200 – 250 (= approximately EUR181 – EUR227) per hour worked. Apart from that, there are no other contingent or deferred compensations, financial, in kind or fringe benefits paid, set aside or accrued by the Issuer (including to provide pension, retirement or similar benefits).

6.3. Shareholdings and stock options

As of the date of this Prospectus Mr. Michael Keusgen owns 37.25% (rounded) of the ordinary Shares of the Issuer, i.e. 4,842,400 Shares with a par value of CHF 0.01 each, carrying 100% votes at the General Meeting. As of the date of this Prospectus Mr. Peter Steiner owns 5.82% (rounded) of the ordinary Shares of the Issuer, i.e. 756,800 Shares with a par value of CHF 0.01 each, carrying 100% votes at the General Meeting.

7. DETAILS OF OFFERING

7.1. Terms and conditions of the Offering of Offer Securities to public

Interest of natural and legal persons involved in the Offering

According to the knowledge of the Issuer, apart from the Issuer itself there are no other interests, including conflicts of interest that are material to the Offering.

Reasons for the Offering, use of proceeds

The Issuer aims to develop software for the production of industry-specific and consumer-centric content in form of texts, audio, images and videos based on artificial intelligence. The funds raised from the Offering will be used for salaries, research and development, sales and marketing and investments and expenses to build up the required IT infrastructure until (according to the business plan of the Issuer) break-even during the fourth quarter of 2022 should be reached.

The Issuer has already obtained funding from previous issuances of Participation Certificates in the amount of EUR8,261,150. From these funds, the Issuer has purchased the core artificial intelligence technology (including all rights, source codes, documentations, analysis and any related information and documents) according to the state of development as per 21 January 2021 for a total consideration of EUR1.75 million and financed the operating and non-operating expenses, including the costs to prepare for the Offering, since its incorporation on 2 December 2020.

According to the business plan of the Issuer, break-even should be reached in the fourth quarter of 2022. Until break-even is reached, revenues of approximately EUR8.9 million should be generated and costs for the development of the various software tools, including the necessary server capacities, of approximately EUR 23-24 million are expected to be incurred by the Issuer.

The main costs will incur in connection with the development of the Software of around EUR 16-17 million. This can be broken down as follows (in order of priority). For 2021, the personnel costs are expected to amount to approximately 60% of the total development costs. From the remaining development costs, approximately 45% are expected to be incurred in connection with hardware and software (such as for personal computers, servers and cloud resources), around 13% for rental costs and around 23% for external consulting by specialised freelancers. The remainder includes various marginal items, such as expenses for personnel recruitment, training, or travel. For 2022, the personnel costs should increase to approximately 70% of the total development costs. The other development costs change only marginally and are expected to include approximately 45% for hardware and software, 15% for rental costs and approximately 16% for external consulting services. The remainder includes various marginal items, such as expenses for personnel recruitment, training, or travel.

The second main expenses are expected to incur regarding sales and server capacities of around EUR 6-7 million. These costs are mainly calculated based on expected turnover and include technical costs for the operation of the Software (approximately 48%), staff for sales and support (38%, including commissions) and the rest for digital marketing and various marginal items.

According to its current development plans, the first parts of the Software (i.e. the so-called "News Assistant") will be ready for commercialisation in the course of 2021. Additional software tools will be launched on a step-by-step basis over the following months.

Considering payment periods granted to customers (from provision of the services until collection of payment up to four months' delay), reserves for potential unexpected expenses or required investments, and the expenses relating to this Offering, the Issuer expects that funding of total EUR 20-23 million is required. Together with the funding of EUR8,261,150 already obtained from previous issuances of Participation Certificates and the expected funding received from the Offering, the Issuer should have sufficient funding to finance the required expenses and investments until break-even in the fourth quarter of 2022, and positive cash flows from business operations may be reached.

According to the knowledge of the Issuer, apart from the Issuer itself there are no other interests, including conflicts of interest, that is material to the Offering. In particular, all contractors who will be engaged in connection with the development of the Software will be independent third parties, such as frogs42 – Gesellschaft für künstliche Intelligenz mbH in Berlin, Germany who will be one of the main contractors for the development of the Software.

Expenses of the Offering

The Participation Capital increase is subject to a 1% one-time capital duty that is borne by the Issuer (i.e. no reduction of subscribed Participation Certificates by 1% or similar). Additional bank transfer fees may be applied to the Investors, depending on the bank, used by the respective Investor. The Issuer estimates its expenses related to this offering at approximately 15% of the gross subscription proceeds of the Offer Securities. Besides advisory, audit and legal fees, such expenses will predominantly consist of fees and commissions to be granted to any third parties (either professionals or individuals) who introduce potential investors to the Issuer. Since the Issuer is a start-up company that has not yet generated any turnover with an innovative business model and selling proposition, substantial efforts might be required from an investor presentation perspective, which is reflected in the amount of commissions (compared to traditional IPOs) the Issuer agrees to pay to third parties for the provision of subscribers that are willing to invest in the Issuer. The Issuer estimates that approximately 20 to 30 third parties may introduce potential investors to the Issuer. Such third parties have a financial interest in the Offering through the commissions they receive.

7.2. Details of the Offering

The Issuer is offering up to 3,351,100 Offer Securities during the four Offer Periods.

The First Offer Period will commence on 15 October 2021 and end on 30 November 2021, during which period 1,000,000 Participation Certificates of the Issuer are being offered. The Offer Price per Offer Security during the First Offer Period amounts to EUR5.00.

The Subsequent Offer Periods will be the Second Offer Period from 1 December 2021 to 30 January 2022; the Third Offer Period from 1 February 2022 to 30 April 2022; and the Fourth Offer Period from 1 May 2022 to 30 August 2022. During such Subsequent Offer periods, Participation Certificates will be offered at a maximum Offer Price per Offer Security of EUR10.00.

The Management Board will announce after the First Offer Period and each subsequent Offer Period: (i) the amount of Participation Certificates subscribed during the lapsed Offer Period; and (ii) the Offer Price per Offer Security for the subsequent Offer Period (if applicable). Such announcements will be made on the following website of the Issuer: https://www.ella.ag/public-offering.

The total number of the Offer Securities subscribed during the Offer Periods will be announced in accordance with applicable regulations and on the following website of the Issuer: https://www.ella.ag/public-offering.

The Offer Securities are being offered and this offering consists of: (i) public Offering to Retail Investors and Institutional Investors in Luxembourg, Germany, Austria and the Netherlands; and/or (ii) private placement(s) (offering(s)) to certain determined Institutional Investors and Retail Investors in other Member States of the EEA (providing them with individual invitations with this respect) in each case pursuant to an exemption under Article 1 of the Prospectus Regulation. The above private placement(s) (offering(s)) is not public and will be conducted in reliance on the appropriate exemptions in those jurisdictions where they will be conducted. The Offer Securities are not offered publicly in any countries other than in Luxembourg, Germany, Austria and the Netherlands.

As at the date of this Prospectus, there is no restriction and/or initial calculations on the amount of Offer Securities that will be allocated to each category of Investors.

Notices

Any notices relating to the final results of the Offering will be filed with the CSSF in accordance with article 17(2) of the Prospectus Regulation and will be published on the website of the Issuer (https://www.ella.ag/public-offering), i.e. on the same website where the Prospectus will be published. In addition, any notices relating to the approval of the Prospectus and its supplements (if any) which have to be published by the CSSF in accordance with Luxembourg law will be published on its website: https://www.ella.ag/public-offering.

The number of Participation Certificates issued as a result of the Offering under this Prospectus shall be published in the Commercial Register (available at https://zg.chregister.ch/cr-portal/auszug/auszug.xhtml?uid=CHE-370.592.352) within seven calendar days after the Management Board has resolved the implementation of a capital increase (no later than 14 calendar days after the end of the relevant Offer Period) (this also relates to situations in which the Management Board decides to issue the Offer Securities and register the capital increase during the period when the respective Offer Period is not over, as indicated in this Section below).

Corporate resolutions and general structure of the Offering

On 27 November 2020, the founder's Meeting adopted, *inter alia*, the following decisions: (i) to create an authorised Participation Capital of the Issuer in a maximum amount of CHF 65,000; and (ii) to authorize the Management Board to determine the final conditions of the issues of the Participation Certificates (including the

Offering under this Prospectus) and to take corresponding actions to implement the corresponding capital increase(s) up to the maximum amount of CHF 65,000 until 31 October 2022 at the latest. For more information regarding these decisions, please see Section 5 *Resolutions, authorisations and approvals for creating and/or issuing the Offer Securities* above.

Following the indicated decisions of the General Meeting, only the minimal issue price of Offer Securities was established, which is equal to CHF 0.01. Accordingly, total minimal issue price of all the issue of Offer Securities being offered under this Prospectus is equal to CHF 33,511.00.

Once the respective increase of the Participation Capital of the Issuer is resolved by the Management Board, the Offer Securities, which shall be fully paid by the Investors, shall be registered with the Commercial Register and assimilated with the already registered Participation Certificates.

The Management Board will determine the final number of Offer Securities. Upon the decision hereon, the Issuer will issue the Offer Securities.

In addition to that, under the provisions of Art. 4a of the Articles of Association and as foreseen in Art. 651 and 651a of the Swiss CO during the entire Offer Period, the Management Board may also decide to make capital increases of the Issuer earlier than after the close of the Offer Period for part of the Offer Securities, the funds for subscription of which have already been received. There are no limitations of such possible capital increases up until all the Offer Securities shall be subscribed by the Investors and distributed to them.

For information on applicable selling restrictions in respect of the Offer Securities, please refer to Section 2.2 *Notice to prospective Investors*, and for information regarding the rights pertaining to the Offer Securities, please refer to Section 5 *Terms and conditions of the Offer Securities.*

Thus, according to the information provided above, the Offering shall be structured in the following order:

(i) the Subscriptions as to acquisition of the Offer Securities shall be received from the Investors as well as paid according to the order described in this Prospectus;

(ii) based on the decision of the Management Board the Offer Securities shall be finally allocated to the Investors;

(iii) the capital increase of the Company shall be registered with the Commercial Register; and

(iv) the Investors shall be registered in the Participation Certificate register of the Issuer and receive a confirmation letter regarding their registration.

Taking into consideration that, as indicated above, the Management Board may close the Offering on a step-by- step basis, steps, indicated in items from (ii) to (iv), may be executed several times during the course of the Offering. After each such closing, the new holders of the Participation Certificates will be entered into the register of the holders of the Participation Certificates and informed accordingly.

7.3. Place of Subscription and Subscription procedure

Subscriptions will only be accepted if sent electronically by email to administration@ella.ag.

Subscriptions will be accepted on a Subscription Form in English and German. The Subscription Form will be sent to each Investor individually by email after completing an electronic registration process on the investor portal of the Issuer than can be accessed through a link published on the following website: https://www.ella.ag/public-offering.

Each Investor may subscribe for the minimum of one Offer Security. There are no other thresholds for maximum Subscription amounts per Investor.

By placing a Subscription Order, each Investor is deemed to have read this Prospectus and the Company's Articles of Association and accepted their content, as well as the terms of the Offering, consented to being allotted a lower number of Offer Securities than the number specified in such Investor's Subscription Order, or to not being allotted any Offer Securities at all, pursuant to the terms and conditions set forth in the Prospectus.

An Investor must ensure that all information contained in the Subscription Order is correct, complete and legible. The Issuer reserves the right to reject any Subscription Orders that are incomplete, incorrect, unclear or ineligible, or that have not been completed and submitted and/ or have not been supported by the necessary additional documents, requested by the Issuer, during the Offer Period and in accordance with all requirements set out in these terms and conditions.

Any consequences of a form of Subscription for the Offer Securities being incorrectly filled out will be borne by the Investor.

Due to Swiss AML regulations, certain additional information and/or documentation may be requested by the Issuer when providing the Subscription Orders, e.g. copy of passport or documentation of source of funds.

The Issuer is not aware of any circumstances that could currently lead to revocation or suspension of the Offering under this Prospectus.

Once the signed Subscription Order has been submitted to the Issuer, the Subscription cannot be reduced by the Investor.

Subscription Orders will be accepted up to the maximum amount noted above, based on a "first come, first served" basis. If an Investor will be rejected or his/her/its Subscription is reduced as indicated in this Prospectus for any reason, he/she/it will be informed personally.

The timing of receipt (date and time) will decide whether the Subscription will be accepted by the Issuer (on a "first come, first served" basis). If sent by regular mail, the time of receipt will be determined when the mail is collected by the Issuer from the postbox (usually within a few hours after the mail is deposited, at least on the same day) and as such noted on the respective Subscription Forms.

Once the signed Subscription Order has been submitted to the Issuer, it cannot be withdrawn, unless permitted under the applicable law (please see Section 9.12 *Change of terms of the Offering* below).

7.4. Expected timetable of the Offering

The timetable below lists expected key dates of events relating to the Offer Periods of the Offering.

The Issuer reserves the right to change the timetable of the Offer Periods of the Offering. Should the Issuer decide to adjust the dates set out in the following timetable, and where required by law, the Issuer will provide the CSSF with the relevant supplement to the Prospectus for the approval and publish such information (upon the approval of supplement) in compliance with applicable regulations, as well as market practices in Luxembourg. In such case the Investors who have submitted their Subscription Orders before publication of the supplement will have a right to withdraw their Subscriptions within two Business Days from the publication of the supplement to the Prospectus (for more information on this, please see Section 9.8 *Cancellation, suspension or postponement of the Offering*). Information of any change of the dates should be published no later than on the originally set date.

From 15 October 2021 (from 5.00p.m. Swiss time) to 30 November 2021 (until 5.00p.m. Swiss time, latest time of receipt relevant for the acceptance of Subscriptions)	Accepting Subscriptions from the Investors and payment for the Offer Securities at the Offer Price for the First Offer Period
on or about 1 December 2021	Determination and announcement: of (i) the amount of Participation Certificates subscribed during the First Offer Period; and (ii) the Offer Price per Offer Security for the Second Offer Period
no later than 21 December 2021	Registration of the Offer Securities with the Commercial Register and registering Investors in the Participation Certificate register of the Issuer with a notification of registration to be provided to each Investor
From 1 December 2021 (from 9 a.m. Swiss time) to 30 January 2022 (5 p.m. Swiss time; the latest time of receipt for the acceptance of Subscriptions)	Accepting Subscriptions from the Investors and payment for the Offer Securities at the Offer Price for the Second Offer Period
on or about 1 February 2022	Determination and announcement of (i) the number of Participation Certificates subscribed during the Second Offer Period and (ii) the Offer Price per Offer Security for the Third Offer Period

no later than 21 February 2022	Registration of the Offer Securities with the Commercial Register and registering Investors in the Participation Certificate register of the Issuer with notification of registration to be provided to each Investor
From 1 February 2022 (from 9 a.m. Swiss time) to 30 April 2022 (5 p.m. Swiss time; the latest time of receipt for the acceptance of Subscriptions)	Accepting Subscriptions from the Investors and payment for the Offer Securities at the Offer Price for the Third Offer Period
on or about 1 May 2022	Determination and announcement of (i) the number of Participation Certificates subscribed during the Third Offer Period and (ii) the Offer Price per Offer Security for the Fourth Offer Period
no later than 21 May 2022	Registration of the Offer Securities with the Commercial Register and registering Investors in the Participation Certificate register of the Issuer with notification of registration to be provided to each Investor
From 1 May 2022 (from 9 a.m. Swiss time) to 30 August 2022 (5 p.m. Swiss time; the latest time of receipt for the acceptance of Subscriptions)	Accepting Subscriptions from the Investors and payment for the Offer Securities at the Offer Price for the Fifth Offer Period
on or about 1 September 2022	Determination and announcement of the number of Participation Certificates subscribed during the Fourth Offer Period
on or about 21 September 2022	Registration of the Offer Securities with the Commercial Register and registering Investors in the Participation Certificate register of the Issuer with notification of registration to be provided to each Investor

All times and dates referred to in this timetable may be adjusted by the Issuer, if deemed necessary for the successful completion of the Offering.

In addition to that, as indicated in Section above, during the Offer Periods, the Management Board may also decide to implement capital increases of the Issuer earlier than after the close of the Offer Periods for part of the Offer Securities, the funds for subscription of which have already been received. There are no limitations of such possible capital increases up to and until all the Offer Securities are subscribed by the Investors and issued to them. Furthermore, if until the lapse of each the Offer Periods the Company would execute the above capital increases for the complete amount of Offer Securities, the Company would not be obliged to formally wait for the end of the Offer Periods in order to execute further actions indicated above and would execute them without delay. In such case no Prospectus supplement shall be prepared and announced by the Issuer.

7.5. Procedure and dates for payment for the Offer Securities

The Subscription Amount for the Offer Securities must be paid in full by the Investor to the following bank account of the Issuer no later than seven Business Days after submitting the respective Subscription Order, in any case not later than until the end of the relevant Offer Period:

Account holder: ella media ag, Gotthardstrasse 28, 6300 Zug, Switzerland
IBAN: DE42 1007 0124 0201 7051 01
BIC/SWIFT: DEUTDEDB101
Bank: Deutsche Bank, 10883 Berlin, Germany

Payments by Investors are only accepted in cash to the above-mentioned bank account of the Issuer. If the payment is not done in time, the Management Board may, at its sole discretion, determine that the respective Subscription is no longer valid and will not be considered for an issuance of respective Participation Certificates. The Issuer may dispose of the funds after the issuance of the respective Participation Certificates is resolved by the Management Board and the related resolution is notarised by a Swiss licensed notary public.

The Investors who have not been allotted any Offer Securities or whose Subscriptions have been reduced will receive reimbursements of the respective payment made upon placing the Subscription Order in accordance with instructions provided by each such Investor. The reimbursement will take place within ten Business Days as from the day when it is decided by the Issuer (its Management Board) not to allot any Offer Securities to the Investor concerned or to reduce his/her/its Subscription or from the date of the publication of the supplement to the Prospectus on the cancellation of the Offering (its certain part) provided the wire instructions have been received. The payments shall be returned without any reimbursement for costs incurred by the Investors in the course of subscribing for the Offer Securities and shall be net of all transfer expenses and without interest.

For clarification, it is explained that the above provisions regarding reimbursements shall not apply to the Investors who (after registration of the capital increase of the Issuer with the Commercial Register) have already been registered in the Participation Certificate register of the Issuer regarding acquisition of certain number of Offer Securities by the time of adoption of the above decision of the Management Board or by the time of announcement of the supplement of the Prospectus. For more information, please see Section 9.4 *Expected timetable of the Offering*.

Intentions of the Shareholders and members of Management and Administrative bodies of the Issuer as to participation in the Offering: According to the information available to the Issuer, obtained after a review carried out with due diligence, none of the present members of the management or administrative bodies of the Issuer intend to subscribe for the Offer Securities. The Issuer is also not aware of any person intending to subscribe for more than 5% of the Offering or for any lesser amount.

7.6. Plan of distribution and allotment

The Offering will be open to all potential Investors from countries in which the Offering is made available and will be not restricted to specific categories of Investors.

The Offering will initially be made available in the following countries: Luxembourg, Germany, Austria and the Netherlands. No specific tranche will be reserved for any of these countries. Additional countries may be added during the Offering, following the requirements of the applicable laws.

On the next Business Day following the end of the relevant Offer Period or about that date the Issuer will decide whether to proceed with the Offering of the Offer Securities or cancel the Offering.

In the case the Offering of the Offer Securities is cancelled, the Issuer will publish an announcement on its website in this respect.

In the case the Management Board shall decide to execute one or more capital increases until the end of the Offer Period, as indicated in Section 9.4 *Expected timetable of the Offering*, following the lapse of this period, the Management Board shall not be entitled to cancel the Offering and shall establish the final number of Offer Securities, allocated to the Investors.

Allotment of the Offer Securities to the Investors

The Offer Securities shall be allotted according the time priority principle ("first come, first serve"), i.e. the first Investors, who have submitted their Subscription Orders (and also fulfilled their payment obligation within seven Business Days after submitting a Subscription Order), shall be first allotted the Offer Securities up to the time and amount when the Subscriptions for all the Offer Securities of the aggregate principal amount for the First Offer Period or a Subsequent Offer Period shall be provided. When this aggregate principal amount of Subscriptions is reached, no more Offer Securities shall be allotted during the First or respective Subsequent Offer Period to the Investors. If the situation is such that the respective Investor, providing the Subscription, reaches and exceeds the aggregate principal amount of the First or Subsequent Offer Period, his/her/its Subscription will be reduced accordingly, so that the maximum principle amount or the First or Subsequent Offer Period is not exceeded. The confirmation regarding the reduced Subscription will be sent to such Investor by the Company. To other Investors, which Subscriptions will be satisfied in full, other than the confirmation letter regarding their registration, no confirmations will be sent by the Company.

The Issuer will not be obliged to allocate any Offer Securities to any Investors participating in the Offering. Furthermore, there will be no target minimum or maximum individual allotment to the Investors.

The subscribed Offer Securities shall be issued within seven calendar days after the Management Board resolved on the implementation of the respective instalment of the Participation Capital increase and in any case no later than 21 calendar days after the end of the relevant Offer Period (for more information please see Section 9.4 *Expected timetable of the Offering*).

7.7. Process for notifying applicants (Investors)

Upon receipt of copies of the executed Subscription Forms by email for the respective aggregate issue price up to the aforementioned aggregate principal amount, the Management Board shall confirm by way of a publicly notarised resolution the respective increase of the Participation Capital, corresponding to the amendment to the Articles of Association and issuance of the new Participation Certificates. Upon registration of such resolution with the Commercial Register, the Issuer shall update the register of Participation Certificates and inform the subscribers / new holders of Participation Certificates accordingly (for more information, please see Section 9.4 *Expected timetable of the Offering*).

7.8. Cancellation, suspension or postponement of the Offering

The Issuer may cancel an Offer Period or the Offering at its own initiative, at any time prior to 30 August 2022 without disclosing any reason for doing so. However, in the case the Management Board shall decide to execute one or more capital increase until the end of the Offer Period (for more information, please see Section 9.4 *Expected timetable of the Offering*), the Management Board shall not be entitled to cancel the Offering.

The Issuer may cancel the Offering, if the Issuer considers it impracticable or inadvisable to proceed with the Offering. Such reasons include, but are not limited to: (i) sudden and material adverse change in the economic or political situation in Switzerland, Luxembourg, Germany, Austria, the Netherlands or worldwide; (ii) a material loss or interference with the Issuer's business; or (iii) any material change or development in or affecting the general affairs, management, financial position, shareholders' equity or results of the Issuer's operations. In such an event, Subscriptions for Offer Securities that have been made will be disregarded, and any Subscription payments made will be returned without interest or any other compensation.

If the Offering is suspended, the Issuer may decide that Subscriptions and payments made will be deemed to remain valid, but for no longer than seven Business Days. In such case, Investors may withdraw Subscriptions made by submitting a relevant statement to that effect within two Business Days after the report on the suspension is announced.

For clarification, it is explained that the above provisions regarding withdrawal of Subscriptions and below provisions regarding return of payments to the Investors shall not apply to the Investors, who (after registration of the respective capital increase of the Company with the Commercial Register) have already been registered in the Participation Certificate register of the Issuer regarding acquisition of the respective number of Offer Securities by the time of adoption of the decision on the suspension of the Offering. For more information, please see Section 9.4 *Expected timetable of the Offering.*

Any decision on cancellation, suspension, postponement or changes of dates of the Offering will be published in the same manner as this Prospectus and compliant with applicable regulations, as well as market practices.

If the Offering is cancelled or suspended, Investors who submitted Subscription Orders and paid for the Subscription will get any respective payments back:

– if the Offering is cancelled – within five Business Days after the public announcement by the Company of the Offering cancellation and the wire information for the repayments has been received from the respective Investors by the Issuer; or

– if the Offering is suspended – within five Business Days: (i) after the date on which the Investor has made a statement cancelling his/her/its Subscription and the wire information for the repayments has been received from the respective Investors by the Issuer; or (ii) after the date on which the Issuer announces that the orders placed are not valid and the wire information for the repayments has been received from the respective Investors by the Issuer.

In any case, when the repayments need to be made by the Issuer, the Investors will be contacted individually for obtaining the wire information for the repayments.

The timely repayment of money paid will be without any interest or compensation.

7.9. Pricing

During the First Offer Period, the Offer Price of the Offer Securities is EUR5.00 per Participation Certificate. Regarding Subsequent Offer Periods, the Offer Price of the Offer Securities will increase up to EUR10.00 per Participation Certificate and be announced by notices of the Issuer published on the following website of the Issuer: https://www.ella.ag/public-information before the commencement of any Offer Period.

The issuance is subject to a 1% one-time capital duty that is borne by the Issuer (for more information, please see Section 5 *Terms and Conditions of the Offer Securities*, subsection *Impact of tax legislation*). Additional bank transfer fees may be applied to the Investors, depending on the bank, used by the respective Investor.

All the Offer Securities under this Prospectus will be offered – during the First Offer Period – at the above mentioned Offer Price (regarding Subsequent Offer Periods announced in respective notices) and there are no restrictions on the preemptive purchase rights of the existing Shareholders or holders of Participation Certificates.

7.10. Placing and underwriting

The Offer Securities are being offered under this Prospectus by the Issuer, ella media ag, i.e. no lead managers or offering brokers are engaged by the Issuer for the purposes of arranging this Offering, as well as no entities agreeing to underwrite this issue on a firm commitment basis or entities agreeing to place the issue without a firm commitment or under ‘best efforts’ arrangements.

There is no guarantee attached to the Offer Securities and it is not ensured.

7.11. Admission to trading and dealing arrangements

As at the date of this Prospectus, there are no plans to apply for admission to trading the Offer Securities and/or Shares on a multilateral trading facility, including a stock exchange or a SME growth market in the near future.

7.12. Change of terms of the Offering

In accordance with the relevant regulations in force in Luxembourg, Germany, Austria and the Netherlands applicable to public offerings, any significant change to the Prospectus, as defined in the Prospectus Regulation, will be communicated through a supplement to the Prospectus, if required. The supplement to the Prospectus will need to be approved by the CSSF, passported to Federal Financial Supervisory Authority of the Federal Republic of Germany (in German: *Bundesanstalt für Finanzdienstleistungsaufsicht (BaFin)),* the Financial Market Authority of the Republic of Austria (in German*: Österreichische Finanzmarktaufsicht (FMA)*) and to the Dutch Authority for the Financial Markets (in Dutch: *Autoriteit Financiële Markten (AFM*)), and published in the same manner as the Prospectus. If the supplement is published after approval of the Prospectus by the CSSF and relates to events or circumstances which occurred prior to 15 October 2021 and about which the Issuer has learnt prior to the allotment, Investors who have already agreed to purchase or subscribe for the Offer Securities before the Supplement is published shall have the right, exercisable within three working days after the publication of the Supplement, to withdraw their acceptances, provided that the significant new factor, material mistake or material inaccuracy referred to above and as defined in the Prospectus Regulation arose or was noted before the closing of the Offer Period or the delivery of the Offer Securities, whichever occurs first. That period may be extended by the Issuer. The final date of the right of withdrawal shall be stated in the Supplement.

For clarification,it is explained that the above provisions regarding withdrawal of the Subscription Orders shall not apply to the Investors, who (after registration of the capital increase of the Company with the Commercial Register) have already been registered in the Participation Certificate register of the Issuer regarding acquisition of certain number of Offer Securities by the time of announcement of the supplement of the Prospectus. For more information, please see Section 9.4 *Expected timetable of the Offering.*

Moreover, information resulting in changes to the content of the Prospectus or supplements already made available to the public in respect of the organisation or conduct of Subscription of Offer Securities, which do not require publication of the supplement, will be published in the same manner as the Prospectus in compliance with applicable regulations. Such information will be simultaneously submitted to the CSSF, the Federal Financial Supervisory Authority of the Federal Republic of Germany (in German: *Bundesanstalt für Finanzdienstleistungsaufsicht (BaFin)),* the Financial Market Authority of the Republic of Austria (in German*: Österreichische Finanzmarktaufsicht (FMA)*) and to the Dutch Authority for the Financial Markets (in Dutch: *Autoriteit Financiële Markten (AFM*)). In such a case, the Investors shall not have a right to withdraw their Subscriptions, as indicated above.

7.13. Selling securities holders

There is no selling securities holder, participating in the Offering and the only person offering the Offer Securities under this Prospectus is the Issuer, ella media ag.

7.14. Dilution

If the Offering is completed, the current Shareholders will suffer (assuming that all the Offer Securities were offered and subscribed for by Investors and the number of Offer Securities were not increased) an immediate capital participation dilution of 13.83% (future dividend distribution dilution of 6.56%) of their shareholdings in the Issuer.

Moreover, the table below provides information on the Issuer's Share Capital and Participation Capital structure as well as the issued Dividend Rights Certificates existing as of the date of this Prospectus and the capital structure expected after the completion of the Offering (assuming that all the Offer Securities will be subscribed, fully paid and allocated to the Investors).

Type of security	Capital participation		Dilution %	Dividend participation		Dilution %
	before	after		before	after	
Shares (13,000,000 units)	80.50%	66.67%	13.83%	53.83%	47.27%	6.56%
Participation Certificates (3,148,900 units)	19.50%	16.15%	3.35%	13.04%	11.45%	1.59%
Dividend Rights Certificates (23,692 units corresponding to distribution participation rights of 8,000,000 units	0.00%	0.00%	0.00%	33.13%	29.09%	4.04%
Offer Securities (new Participation Certificates, 3,351,100 units)	-	12.19%	-	-	12.19%	-

Source: the Issuer

8. FINANCIAL INFORMATION AND KEY PERFORMANCE INDICATORS (KPIs)

8.1. Historical audited financial information

The Issuer was incorporated on 2 December 2020 (i.e. the date of entry into the Commercial Register) and, thus, there are no annual financial statements available yet. However, the Issuer has prepared audited Interim Financial Statements (please see Section 7.2 *Interim and other financial information* below). The date of the founders meeting is 27 November 2020, being the date to which the Interim Financial Statements are referring). The Issuer is operational since 27 November 2020.

8.2. Interim and other financial information

For the purpose of this Prospectus, the Issuer has prepared audited Interim Financial statements as per 28 February 2021 in accordance with the IFRS as issued by the IASB and adopted by the EU.

The Interim Financial Statements have been audited by an independent auditor Mr. Martin Stäubli (licence number (RAB-Nr.) 102-502) at AbaFin Treuhand AG, Baarerstrasse 82, 6302 Zug, Switzerland (licence number (RAB-Nr.) 504739, registration number CHE-254.626.822), in accordance with International Standards on Auditing (ISAs). The auditor has audited the Interim Financial Statements under a contract entered into specifically for the purpose of this Prospectus. The auditor's report includes a clean opinion that the Interim Financial Statements present fairly, in all material respects, the financial position of the Issuer as of 28 February 2021, and its financial performance and its cash flows for the period from 1 January 2021 to 28 February 2021 in accordance with International Financial Reporting Standards (IFRSs) as adopted by the European Union (EU). The auditor's report does not contain any qualifications.

The Interim Financial Statements of the Issuer as per 28 February 2021, including the audit report, are attached to this Prospectus as annex 1.

Interim Financial Information of the Company (balance sheet, income statement and cash flow statements) is provided in the tables below. Unless otherwise stated, the information of this Section below should be read in conjunction with, and is qualified in its entirety by reference to, such financial statements and related notes.

a) Balance sheet

Assets	**28 February 2021 (EUR)**
Current assets	651,452
Non-current assets	1,750,000
Total assets	**2,401,452**
Liabilities	
Current liabilities	57,064
Non-current liabilities	–
Total liabilities	**57,064**
Nominal Share and Participation Capital	131,500
Capital reserves	2,470,619
Prepaid Participation Capital reserve	518,000
Retained earnings	(775,731)
Total equity	**2,344,388**
Total equity and liabilities	**2,401,452**

b) Income statement

	1 January 2021 – 28 February 2021 (EUR)	27 November 2020 – 31 December 2020 (EUR)
Sales	–	–
Other operating income	–	–
Total income	–	–
Research and development	(298,000)	–
General and administration	(356,286)	(117,560)
Operating loss	**(654,286)**	**(117,560)**
Financial income	1,026	61
Financial costs	(4,172)	(800)
Loss before tax	**(657,432)**	**(118,299)**
Income tax expense	–	–
Loss for the period	**(657,432)**	**(118,299)**

c) Cash-flow statement

	1 January 2021 – 28 February 2021 (EUR)	27 November 2020 – 31 December 2020 (EUR)
Cash flows from operating activities	–	–
Loss for the period	**(657,432)**	**(118,299)**
Adjustments for:		
Financial income	(1,026)	(61)
Financial expense	4,172	800
Foreign exchange differences	(3,146)	(739)
Changes in working capital:		
Decrease/(increase) in other receivables	(64,225)	(1,715)
Increase/(decrease) in trade payables	29,508	27,556
Net cash flow from operating activities	**(692,149)**	**(92,458)**
Cash flows from investing activities		
Investment in intangible assets	(1,750,000)	–
Net cash flow from operating investing activities	**(1,750,000)**	**–**
Cash flows from financing activities		

Proceeds from issue of share capital	–	120,119
Proceeds from prepaid participation capital	1,891,000	1,109,000
Proceeds from short-term loans	–	50,000
Repayment of short-term loans	(50,000)	–
Net cash inflow from financing activities	**1,841,000**	**1,279,119**
Net increase (decrease) in cash and cash equivalents	**(601,149)**	**1,186,661**
Cash and cash equivalents at beginning of the period	1,186,661	–
Cash and cash equivalents at the end of the period	**585,512**	**1,186,661**

Source: Interim Financial Statements (audited)

d) Accounting policies and explanatory notes

As indicated above, the Interim Financial Statements of the Issuer have been prepared in accordance with IFRS and interpretations issued by the IFRS Interpretations Committee, applicable to companies reporting under IFRS, including the requirements of IAS 34 Interim Financial Reporting. The Interim Financial Statements comply with IFRS as issued by the IASB and were adopted by the EU.

These interim financial statements are the first financial statements that the Company has prepared in accordance with IFRS as adopted by the EU. The Company was incorporated on 2 December 2020 with a cash contribution of CHF 130'000 (EUR120,119) to the Share Capital. As these are interim financial statements for the first fiscal year, no comparative period can be shown.

The financial statements of the Company are presented in EUR, which is the Company's functional currency, based on the fact that the EUR is the currency of the primary economic environment of the Company since it influences most of the sales prices for goods and services and also material and other costs of providing goods and services. Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions or valuation where items are re-measured. Foreign exchange gains and losses resulting from the settlement of such transaction and from the transaction at year end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the statement of profit or loss. Foreign exchange gains and losses that relate to borrowings and cash and cash equivalents are presented in the income statement within finance income or expense. Non-monetary items are translated to the functional currency using the historical exchange rate at the transaction date.

The interim financial statements have been prepared on a going concern basis which assumes that the Company will continue to exist in the foreseeable future. The Company is planning to raise new Participation Capital during the year 2021.

For further information, please see the full Interim Financial Statements, including explanatory notes and an audit report as per 28 February 2021, attached as annex 1 to this Prospectus.

8.3. Key Performance Indicators (KPIs)

Based on the Interim Financial Statements of the Issuer as per 28 February 2021 (annex 1 to this Prospectus), the following KPIs will be calculated (all non-audited):

Debt-to-equity ratio

The debt-to-equity ratio is a measure of the degree to which a Company is financing its operations through debt versus wholly-owned funds (it is calculated as follows: total liabilities divided by total equity multiplied by 100). This measure allows the reader to have a better understanding to what degree the business operations are financed by debt. As per 28 February 2021, the equity of the Issuer amounted to EUR2,344,388 and the liabilities amounted to EUR57,064. This results in a debt-to-equity ratio of 2.4%. Such a low debt-to-equity ratio typically represents a low-risk company. However, in the case at hand it should be considered that the Issuer has not yet commenced its operating activities.

Cash ratio / current ratio

The cash ratio is a measurement of the Company's liquidity, specifically the ratio of the Company's total cash and cash equivalents to its current liabilities. The cash ratio allows the reader to have a better understanding as to how the Company can repay its short-term debt with cash or near-cash resources (it is calculated as follows: cash and cash receivables divided by current liabilities multiplied by 100). Similarly, the current ratio is a measurement of a Company's ability to pay short-term obligations or those due within one year with its current assets (it is calculated as follows: current assets divided by current liabilities multiplied by 100). As per 28 February 2021, the current assets of the Issuer amounted to EUR651,452 consisting of cash and cash equivalents of EUR585,512 and other receivables of EUR65,940. On the other hand, the current liabilities amounted to EUR57,064. This results in a cash ratio of 10.26 and current ratio of 11.42. Such ratios typically represent a low-risk company. However, in the case at hand it should be considered that the actual business operations of the Issuer have not yet started and the first months after incorporation have mainly been used for initial project planning by the Issuer.

8.4. Significant change in financial position

Since the end of the period described in the Interim Financial Statements of the Issuer (28 February 2021), attached as annex 1 to this Prospectus, there have been no significant changes to the Issuer's financial position, besides three issuances against a contribution in cash of 1,648,900 additional Participation Certificates in total for a nominal value of CHF 0.01 each subscribed by early-stage Investors in the network of the Shareholders and members of the Advisory Board in a private placement. As a consequence of such subscriptions the total liabilities ("equity") of the Issuer and the total assets ("cash and cash equivalents") of the Issuer have both increased by EUR 5,261,150 after the balance sheet date of the Interim Financial Statements (28 February 2021).

8.5. Dividend policy

The Swiss CO requires that, among other things, at least 5% of the annual profits are retained as general reserves, so long as these reserves amount to less than 20% of the registered Share Capital. Swiss law and the Articles of Association permit accrual of additional reserves. In addition, the Issuer may only pay dividends out of balance sheet profits, out of reserves created for this purpose or out of free reserves. In any event, under the Swiss CO, while the Management Board may propose that a dividend be paid, the Issuer may only pay dividends upon shareholders' approval at a General Meeting. Interim dividends are only permitted if the Issuer prepares interim financial statements.

Dividends become due at the date of the General Meeting if the General Meeting does not define a different due date. Dividends are paid directly to the shareholders, holders of Participation Certificates and of Dividend Rights Certificates less a withholding tax (if applicable, for more information, please see Section 5 *Terms and conditions of the Offer Securities*). Dividends are resolved by a simple majority of the votes present at the General Meeting. The Board of Directors makes a proposal to the General Meeting, if and which amount should be distributed as dividend.

The Issuer does not have a fixed dividend distribution policy. The dividend rights do not lapse.

There are no fixed dividend distribution dates. Dividend distributions and the respective dates (if any) will be resolved by a General Meeting that is held each year within the first six months of the business year or during a business year, if requested by the Board of Directors. There are no dividend restrictions. There is no fixed rate or method of calculation of the dividends.

As at the date of this Prospectus, the Issuer has issued 13,000,000 Shares and 3,148,900 Participation Certificates. In addition to that, the Issuer has issued 23,692 Dividend Rights Certificates (in German: *Genussscheine*) outstanding that grant their owners the right to participate in the distribution of the Issuer's profit equally to 8,000,000 million ordinary Shares or Participation Certificates. Thus, any dividend distributions of the Issuer will be split in equal parts between the Dividend Rights Certificates equated to 8,000,000 Shares (not part of the Share Capital of the Issuer), 13,000,000 Shares and the exact number of Participation Certificates outstanding at the time of the dividend distribution.

The dividends to the holders of Shares, Participation Certificates and of Dividend Rights Certificates become due on the date of the General Meeting or a different date, if decided accordingly by the General Meeting. Eligible to receive a dividend are holders of Shares, Participation Certificates and of Dividend Rights Certificates at the date of the General Meeting or at a different date as decided by the General Meeting (record date).

All dividends will be paid out in EUR (see sections 7.5 *Dividend Policy* and 5 *Terms and Conditions of the Offer Securities* sub-section *Withholding tax on dividends* for a discussion of certain aspects of dividend distributions and the taxation of dividends) using the wire instructions (IBAN) provided by each owner of Participation Certificates. If paid out to an account of an owner of Participation Certificates in a currency other than EUR, the expenses for currency exchange will be borne by the respective owner.

As at the date of this Prospectus, the Issuer has not yet paid any dividends.

8.6. Pro forma financial information

Besides the three issuances of additional Participation Certificates increasing the total liabilities ("equity") of the Issuer and the total assets ("cash and cash equivalents") of the Issuer by EUR5,261,150 as described in section 8.4 *Significant change in financial position*, there have been no significant transactions or other significant gross changes that might have affected the assets and liabilities and earnings of the Issuer since the end of the period described in the Interim Financial Statements of the Issuer (28 February 2021), attached as annex 1 to this Prospectus. The Issuer takes the view that, in accordance with the Guidelines of the European Securities and Markets Authority dated 4 March 2021 regarding the disclosure requirements under the Prospectus Regulation, the effects of the significant gross change as described in section 8.4 *Significant change in financial position* are sufficiently described in the narrative information provided in such section and therefore the Issuer refrains from providing any additional pro forma financial information in this Prospectus.

9. SHAREHOLDERS AND SECURITY HOLDER INFORMATION

9.1. Shareholders

The following person currently has an interest in the Issuer's Share Capital and voting rights which is equal or above 5% of total Share Capital and voting rights:

- Rheinfall Beteiligungen GmbH, Alfred-Keller-Str. 54, 53721 Siegburg, Germany, fully owned by Mr. Michael Keusgen, resident at Alfred-Keller-Str. 54, 53721 Siegburg, Germany (in Switzerland at Mühleweg 8, 6331 Hünenberg) (37.25%);
- Mr. Daniel Hoffmann, Maikammer 55 A , 42489 Wülfrath(20.48%);
- Ms. Anja Bornemann, resident at Widdiger Str. 40, 50968 Cologne, Germany (20.48%);
- Mr. Mark Rau, Steinzeugstrasse 34, 50266 Frechen, Germany (10.97%);
- Mr. Peter Steiner, resident at Aeschiweg 5, 3067 Boll, Switzerland (5.82%);
- Mr. Michael Kramer, resident at Edithsteinstr. 15, 63150 Heusenstamm, Germany (5%).

None of the holders of Participation Certificates currently has at least 5% of total Participation Capital.

Please note that the Participation Certificates (Offer Securities) offered under this Prospectus do not include voting rights.

Each Share carries one vote at the General Meeting. There are no restrictions on voting rights of Shares. All the Shares have identical voting rights.

As at the date of this Prospectus, there are no arrangements known to the Issuer, the operation of which may at a subsequent date result in or prevent a change in control of the Issuer.

9.2. Legal and arbitration proceedings

There have been no governmental, legal or arbitration proceedings involving the Issuer (including any such proceedings which are pending or threatened of which the Issuer is aware), as from the date of incorporation of the Issuer (2 December 2020), which may have, or have had significant effects on the Issuer's financial position or profitability.

9.3. Conflicts of interest

As at the date of this Prospectus, there are:

- no potential conflicts of interests known to the Issuer between any duties to the Issuer, of the person(s) referred to in Section 6.1 of this Prospectus, and their private interests and or other duties;
- no arrangement or understanding with the Shareholders, customers, suppliers, or others, pursuant to which the person(s) referred to in Section 6.1 of this Prospectus were selected as a member of the Management Board;
- no restrictions agreed by the person(s) referred to in Section 6.1 of this Prospectus on the disposal within a certain period of time of their holdings in the Issuer's Offer Securities.

9.4. Related party transactions

During the period covered by the Interim Financial Statements and up to the date of this Prospectus, there have been no related party transactions which would be, as a single transaction or in their entirety, material to the Issuer.

9.5. Share Capital, Participation Capital and issued Dividend Rights Certificates by the Issuer

As at the date of this Prospectus, the Issuer has a fully paid Share Capital of CHF 130,000 with 13,000,000 registered Shares (in German: *Aktien*) with a par value of CHF 0.01 each.

In addition to that, as at the date of this Prospectus, the Issuer has a fully paid Participation Capital of CHF 31,489 with 3,148,900 registered Participation Certificates with a par value of CHF 0.01 each.

Participation Certificates confer the same rights on its owners as Shares except for the voting right and all rights connected to the voting right (such as the right to call for a General Meeting, to participate in a General Meeting, to request information from the Issuer and the right to propose agenda items for a General Meeting).

The Management Board is authorised, in accordance with the resolution of the founder's meeting held on 27 November 2020, to increase the Participation Capital of the Issuer by up to CHF 65,000 by issuing up to 6,500,000 Participation Certificates with a nominal value of CHF 0.01 each (3,148,900 of which have already been issued as indicated above and 3,351,100 of which are offered under this Prospectus).

In addition to that, the Issuer has issued Dividend Rights Certificates (in German: *Genussscheine*) which do no form part of the Share or Participation Capital of the Issuer, do not have a nominal value and do not confer any voting rights. The Participation Capital therefore appears – in contrast to the Dividend Rights Certificates – on the liabilities side under equity and forms – jointly with the voting share capital (the share capital of the Issuer). The Dividend Rights Certificates only provide the right to participate in distributions of the Issuer's earnings or liquidation proceeds in accordance with the Articles of Association. Dividend Rights Certificates are issued in favour of persons who are connected with the Issuer through previous capital participation or as shareholders, creditors, employees or in a similar way.

The Issuer has issued 23,692 Dividend Rights Certificates to which rights are attached to participate in the distribution of the Issuer's profit and liquidation proceeds in accordance with the Articles of Association. According to the Articles of Association, these Dividend Rights Certificates are divided into the following categories:

Dividend rights certificate category:	Number of certificates:	Profit share / subscription right per certificate as:
Dividend rights certificate A	280	5,000 Participation Certificates
Dividend rights certificate B1	7,800	110 Participation Certificates
Dividend rights certificate B2	7,800	55 Participation Certificates
Dividend rights certificate K1	1,460	200 Participation Certificates
Dividend rights certificate K2	1,300	2,000 Participation Certificates
Dividend rights certificate P1	750	1,000 Participation Certificates
Dividend rights certificate P2	1,200	100 Participation Certificates
Dividend rights certificate UE	3,102	500 Participation Certificates

Thus, under the assumption that all the Offer Securities will be subscribed for and fully paid by the Investors (3,351,150 million units), distributions of the Issuer's profit and liquidation proceeds will be split into 27.5 million equal units of which each Investor will receive a share corresponding to the number of Offer Securities subscribed for. For example, if the Issuer would distribute a dividend of CHF 100,000 and an Investor has subscribed for 1,000 Participation Certificates in the course of the Offering, the Investor would receive CHF 3.64 (rounded) as a dividend (less taxes (if any) and bank or transfer fees).

As at the date of this Prospectus, no Shares or Participation Certificates in the Issuer are being held by or on behalf of the Issuer.

According to the Articles of Association, the Issuer is entitled at any time to exchange all or some of the aforementioned 23,692 Dividend Rights Certificates for Shares or Participation Certificates without the consent of their owners. The General Meeting may decide upon such exchange. It requires a resolution of the General Meeting and the Issuer must be able to cover the additional nominal capital needed for the issuance of new Shares or Participation Certificates.

In these cases, the exchange ratio of Shares or Participation Certificates per one Dividend Rights Certificate is equal to the amount of Participation Certificates allocated to the type of their respective Dividend Rights Certificate for determining its owner's share in dividend or liquidation proceed distributions. Each Dividend Rights Certificate owner receives enough new Shares or Participation Certificates during the conversion that the profit-sharing rights previously attached to their respective Dividend Rights Certificates are not diluted. These new ordinary Shares or Participation Certificates participate in the distribution of retained profit and liquidation proceeds in the same way as previously issued Shares or Participation Certificates.

As for other acquisition rights, according to the Articles of Association, shareholders and holders of Participation Certificates have pre-emption rights for new offers for subscription of Shares/certificates (of the same class, if ordinary Share Capital and Participation Capital is increased by the same quota) in order to avoid dilution of their participation quotas.

Apart from resolutions related to creating and issuing the Offer Securities under this Prospectus, there are currently no valid acquisition rights or obligations over authorised but unissued capital, or undertakings to increase capital, or options established or agreed to be established over the Issuer's capital.

9.6. Articles of Association

According to the Articles of Association, whenever new Shares or Participation Certificates are issued, each Dividend Rights Certificate owner has the right to receive, per each of their Dividend Rights Certificates, the same amount of Participation Certificates allocated to the type of their respective Dividend Rights Certificate for determining its owner's share in the Issuer's profit. This means that when new Shares or Participation Certificates are issued, each Dividend Rights Certificate owner has the right to subscribe for enough Participation Certificates that the profit-sharing rights attached to their respective Dividend Rights Certificates are not diluted. However, as the Participation Certificates and Dividend Rights Certificates do not carry voting rights, the above would not have an effect of delaying, deferring or preventing a change in control of the Issuer.

In the event of an increase in the Share Capital or Participation Capital, the shareholders or owners of Participation Certificates have a subscription right to the newly issued Shares or Participation Certificates in accordance with their previous shareholdings. The subscription rights for newly issued Shares or Participation Certificates are not publicly tradable but transferable. However, the General Meeting may restrict or cancel this subscription right by a two thirds majority of the votes present and an absolute majority of the Share Capital present for important reasons according to Art. 652b of the Swiss CO (e.g. when acquiring companies, issuing Shares for employee participation, placing shares on the capital market, etc.). Regarding the authorised Participation Capital of up to CHF 65,000 and the respective 6,500,000 Participation Certificates that may be issued by the Board of Directors until 31 October 2022 (of which 3,148,900 Participation certificates have already been subscribed until the date of this Prospectus and 3,351,100 Participation Certificates are offered under this Prospectus), the Articles of Association contain a similar provision that the Board of Directors may restrict the subscription rights related to the issuance of these Participation Certificates for important reasons such as for the acquisition of companies, the financing of the acquisition of companies, businesses or participations or new investments or for the participation of employees.

If subscription rights are waived, the Board of Directors is authorised to make allocations over the unexercised subscription rights at its discretion in the interest of the Company. The Board of Directors is obliged to disclose the allocation of the unexercised subscription rights in the capital increase report.

9.7. Material contracts

No material contracts to which the Issuer is a party, other than contracts entered into in the ordinary course of business, have been concluded from the date of incorporation of the Issuer on 2 December 2020 until the date of this Prospectus.

10. DOCUMENTS AVAILABLE

Annexes to this Prospectus

This Prospectus is annexed with the following documents:

1) Company's Interim Financial Statements dated 28 February 2021 together with the independent auditor's audit report, issued on 27 May 2021 by AbaFin Treuhand AG (annex 1); and

2) currently valid Articles of Association of the Issuer, dated 26 May 2021, including translation thereof into English (annex 2).

It is possible to get acquainted with the Prospectus, including the aforementioned documents on the website of the Company, at: https://www.ella.ag/.

Documents on display

Throughout the period of validity of this Prospectus, the Prospectus, including the aforementioned annexes may also be inspected at the head office of the Company located at Gotthardstrasse 28, 6300 Zug, Switzerland, during business hours. Any interested party may obtain a copy of these documents without charge.

To the extent that documents other than those mentioned above (i.e. reports, letters, valuations, statements) are not reflected in this Prospectus with reasonable fullness and do not at the sole discretion of the Company constitute business secrets or inside information of the Company requiring market disclosure, physical inspection of such documents will be arranged at the office of the Company at the request of any interested party and subject to an agreement between the Company and such interested party regarding the means of inspection of the relevant documents. Reference to the Company's website in this Prospectus should not be deemed to incorporate the information on the Company's website by reference.

Annex 1 (Interim Financial Statements)

ELLA Media AG, Zug

Interim Financial Statements
for the two months ended 28 February 2021

ELLA Media AG
Table of Contents

Statement of Financial Position	A1-3
Statement of Profit or Loss and Other Comprehensive Income	A1-4
Statement of Cash Flows	A1-5
Statement of Changes in Equity	A1-6
Notes to the Interim Financial Statements	A1-7
Independent Auditor's Report	A1-18

ELLA Media AG
Statement of Financial Position

in EUR	Notes	28 Feb 2021	31 Dec 2020
Assets			
Non-current assets			
Intangible assets	5	1'750'000	-
Total non-current assets		**1'750'000**	**-**
Current assets			
Other receivables	6	65'940	1'715
Cash and cash equivalents	7	585'512	1'186'661
Total current assets		**651'452**	**1'188'376**
Total assets		**2'401'452**	**1'188'376**
Equity			
Share and participation capital	8	131'500	120'119
Capital reserves	8	2'470'619	-
Prepaid participation capital reserve	8	518'000	1'109'000
Retained earnings		(775'731)	(118'299)
Total equity attributable to owners of the Company		**2'344'388**	**1'110'820**
Liabilities			
Current liabilities			
Trade payables	9	57'064	27'556
Short-term loans	10	-	50'000
Total current liabilities		**57'064**	**77'556**
Total liabilities		**57'064**	**77'556**
Total liabilities and shareholders' equity		**2'401'452**	**1'188'376**

The notes on pages 7 to 17 are an integral part of these interim financial statements.

ELLA Media AG
Statement of Profit or Loss and Other Comprehensive Income

in EUR	Notes	1 Jan 2021 to 28 Feb 2021	27 Nov 2020 to 31 Dec 2020[1]
Research and development expenses	11	(298'000)	-
General and administrative expenses	11	(356'286)	(117'560)
Operating loss		**(654'286)**	**(117'560)**
Finance income		1'026	61
Finance costs		(4'172)	(800)
Loss before tax		**(657'432)**	**(118'299)**
Income tax expense	12	-	-
Loss for the period attributable to owners of the Company		**(657'432)**	**(118'299)**
Earnings per share and participation and dividend rights certificate			
Basic and diluted loss per share	13	(0.05)	(0.01)
Basic and diluted loss per participation certificate	13	(0.05)	(0.01)
Basic and diluted loss per dividend rights certificate	13	-	-
Other comprehensive income			
Loss for the period		**(657'432)**	**(118'299)**
Total items that will not be reclassified to profit or loss		-	-
Total items that are or may be reclassified to profit or loss		-	-
Other comprehensive income for the period, net of tax		**-**	**-**
Total comprehensive income for the period attributable to owners of the Company		**(657'432)**	**(118'299)**

[1] *The Company was incorporated on 27 November 2020 (Note 2).*

The notes on pages 7 to 17 are an integral part of these financial statements.

ELLA Media AG
Statement of Cash Flows

in EUR	Notes	1 Jan 2021 to 28 Feb 2021	27 Nov 2020 to 31 Dec 2020[1)]
Cash flows from operating activities			
Loss for the period		**(657'432)**	**(118'299)**
Adjustments for:			
Financial income		(1'026)	(61)
Financial expenses		4'172	800
Foreign exchange differences		(3'146)	(739)
Changes in working capital:			
Decrease/(increase) in other receivables		(64'225)	(1'715)
Increase/(decrease) in trade payables		29'508	27'556
Net cash outflow from operating activities		**(692,149)**	**(92,458)**
Cash flows from investing activities			
Investment in intangible assets	5	(1'750'000)	-
Net cash outflow from investing activities		**(1'750'000)**	**-**
Cash flows from financing activities			
Proceeds from issue of share capital	8	-	120'119
Proceeds from prepaid participation capital	8	1'891'000	1'109'000
Proceeds from short-term loans	10	-	50'000
Repayment of short-term loans	10	(50'000)	-
Net cash inflow from financing activities		**1'841'000**	**1'279'119**
Net increase (decrease) in cash and cash equivalents		**(601,149)**	**1'186'661**
Cash and cash equivalents at beginning of the period		1'186'661	-
Cash and cash equivalents at the end of the period		**585'512**	**1'186'661**

[1)] *The Company was incorporated on 27 November 2020 (Note 2).*
The notes on pages 7 to 17 are an integral part of these financial statements.

ELLA Media AG
Statement of Changes in Equity

in EUR	Notes	Share-/ PC-capital	Capital reserves	Prepaid PC reserves	Retained earnings	Total equity
As at 27 November 2020[1)]		**-**	**-**	**-**	**-**	**-**
Loss for the period		-	-	-	(118'299)	**(118'299)**
Other comprehensive income (net)		-	-	-	-	**-**
Total comprehensive income attributable to the owners of the Company		**-**	**-**	**-**	**(118'299)**	**(118'299)**
Incorporation	8	120'119	**-**	**-**	**-**	**120'119**
Prepaid participation capital received	8	-	**-**	1'109'000	-	**1'109'000**
Total transactions with owners		**120'119**	**-**	**1'109'000**	**-**	**1'229'119**
As at 31 December 2020		**120'119**	**-**	**1'109'000**	**(118'299)**	**1'110'820**
Loss for the period		-	-	-	(657'432)	**(657'432)**
Other comprehensive income (net)		-	-	-	-	**-**
Total comprehensive income attributable to the owners of the Company		**-**	**-**	**-**	**(657'432)**	**(657'432)**
Prepaid participation capital received	8	-	-	1'891'000	-	**1'891'000**
Participation capital increase	8	11'381	2'470'619	(2'482'000)	-	**-**
Total transactions with owners		**11'381**	**2'470'619**	**(591'000)**	**-**	**1'891'000**
As at 28 February 2021		**131'500**	**2'470'619**	**518'000**	**(775'731)**	**2'344'388**

[1)] *The Company was incorporated on 27 November 2020 (Note 2).*

The notes on pages 7 to 17 are an integral part of these financial statements.

ELLA Media AG
Statement of Changes in Equity

1. General information

ELLA Media AG (the "Company") was incorporated in Kuessnacht SZ, Canton of Schwyz, Switzerland on 27 November 2020 as a company limited by shares. The principal activity of the Company is development of software. The Company's registered address is Gotthardstrasse 28, 6300 Zug. As at 28 February 2021 the controlling shareholder of the Company is Mr. P. Steiner and the Board of Directors of the Company consisted of Mr. M. Keusgen and Mr. P. Steiner.

These interim financial statements comprise the Company for the two months ended 28 February 2021 and were authorised for issue by the Board of Directors on 27 May 2021.

2. Basis of preparation and summary of significant accounting policies

Basis of preparation

These interim financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") as adopted by the European Union (EU) as at 28 February 2021 including the requirements of IAS 34 *Interim Financial Reporting.*

The interim financial statements have been prepared on the historical cost basis except for all those assets and liabilities measured at fair value. All amounts are presented in Euro and are rounded to the nearest EUR with the consequence that the rounded amounts may not add to the rounded total in all cases. All ratios and variances are calculated using the underlying amounts rather than the rounded amounts.

Going concern

The interim financial statements have been prepared on the going concern basis which assumes that the Company will continue in existence in the foreseeable future. The company is planning to rise new participation or share capital during the year 2021.

Critical accounting estimates and judgements

The preparation of these interim financial statements requires management to make assumptions and estimates that affect the reported amounts of expenses, assets and liabilities at the date of the financial statements. If in the future such assumptions and estimates deviate from the actual circumstances, the original assumptions and estimates will be modified as appropriate in the period in which the circumstances change. The valuation of the following material positions is based on the critical accounting estimates and judgements:

Intangible assets – capitalised costs

Development expenditures at product level are capitalised when the following criteria are met:

- Technical feasibility of completing the intangible asset so that the asset will be available for use or sale
- Its intention to complete and its ability and intention to use or sell the asset
- How the asset will generate future economic benefits
- The availability of resources to complete the asset
- The ability to measure reliably the expenditure during development.

Following initial recognition of the development expenditure as an asset, the asset is carried at cost less any accumulated amortisation and accumulated impairment losses. Amortisation of the asset begins when development is complete and the asset is available for use (i.e. when market launch has occurred). It is amortised over the expected useful life. During the development phase, the intangible asset is tested for impairment annually.

There can be no guarantee that such software will complete the development phase or will be commercialised or that market conditions will not change in the future. Hence a revision of management's assessment of future cash flows related to those products may be required. Specifically, management is required to make estimates and judgements in the area of developing and financing the intangible assets not yet in use. As such, the Company faces development risks in terms of finalising the development and launch of its products. Financing risk exists should the Company not be able to raise adequate funding to sufficiently finance the development and commercialisation of the software still in development. These judgements are part of the assessment whether the above-mentioned criteria are met to capitalise development costs.

Deferred tax assets – recognition

Deferred tax assets are recognised when it is probable that sufficient taxable profits will be available against which the deferred tax assets can be utilised. At each balance sheet date, the Company reassesses unrecognised deferred tax assets and the carrying amount of deferred tax assets. The Company recognises a previously unrecognised deferred tax asset to the extent that it has become probable that future taxable profit will allow the deferred tax asset to be recovered. The company conversely reduces the carrying amount of a deferred tax asset to the extent that it is no longer probable that sufficient taxable profit will be available to allow the benefit of part or the entire deferred tax asset to be utilised. As such, management is required to make estimates and judgements in the area of recognition of deferred tax assets because of the uncertainty related to the estimation of probable future taxable profits.

First-time adoption of IFRS

These interim financial statements are the first financial statements the Company has prepared in accordance with IFRS as adopted by the EU. The Company was incorporated on 27 November 2020 with a cash contribution of CHF 130’000 (EUR: 120'119) to the share capital.

3. Published financial reporting standards that have not yet been applied

On 23 January 2020, the IASB issued amendments to IAS 1 Presentation of Financial Statements to clarify requirements for classifying liabilities as current or non-current. More specifically:

- The amendments specify that the conditions which exist at the end of the reporting period are those which will be used to determine if a right to defer settlement of a liability exists.
- Management expectations about events after the balance sheet date, for example on whether a covenant will be breached, or whether early settlement will take place, are not relevant.
- The amendments also clarify the situations that are considered settlement of a liability.

The new guidance will be effective for annual periods starting on or after 1 January 2022 and has not been early adopted by the Company. These amendments will not have an impact on financial liabilities currently recognised by the Company. The Company will closely monitor future financial liabilities for a potential impact.

Other new accounting standards and interpretations have been published that are not mandatory for reporting periods ending 28 February 2021 and have not been early adopted by the Company. These standards are not expected to have a material impact on the Company in the current or future reporting periods and on foreseeable future transactions.

4. General accounting policies

Transactions in foreign currencies

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions or valuation where items are re-measured. Foreign exchange gains and losses resulting from the settlement of such transaction and from the transaction at year end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the statement of profit or loss. Foreign exchange gains and losses that relate to borrowings and cash and cash equivalents are presented in the income statement within finance income or expense. Non-monetary items measured at historical are translated to the functional currency using the historical exchange rate at the transaction date.

Functional and Presentational currency

The financial statements of the Company are presented in EUR, which is the Company's functional currency, based on the fact that the EUR is the currency of the primary economic environment of the Company since it influences most of the sales prices for goods and services and also material and other costs of providing goods and services.

Intangible assets

Development costs

Development activities involve a plan or design for the production of new or substantially improved software. The development expenditure is capitalised only if developments costs can be measured reliably, the software is technically and commercially feasible, future economic benefits are probable, and the Company intends to and has sufficient resources to complete development and to use or sell the assets. Development expenditure capitalised includes the cost of external services, personnel and temporary employees and other directly attributable costs. Other development expenditure is recognised in profit or loss as incurred. Subsequent to initial recognition, development expenditure is measured at cost less accumulated amortisation and any accumulated impairment losses.

Other acquired intangible assets

Other intangible assets, including work in progress software and patents, that are acquired by the Company are measured at cost less accumulated amortisation and any accumulated impairment losses.

Amortisation and impairments

Amortisation is applied using the straight-line method over the estimated useful life of the intangible asset. Amortisation begins when the asset is available for use and for each period the amortisation is recognised in profit or loss.

Amortisation methods, useful lives and residual values are reviewed at the end of each reporting period and adjusted if necessary. Intangible assets not yet available for use (i.e. development costs) are tested for impairment at least annually and upon the occurrence of an indication of impairment.

Impairment charges of development costs not yet available for use are recognised within "Research and development expenses" while amortisation charges of intangible assets available for use are recognised within "Cost of sales" in the statement of profit or loss.

Financial Assets – Classification

The Company classifies its financial assets in the following categories: at fair value through profit or loss and measured at amortised cost. The classification depends on the business model considered in holding the financial instruments and on those financial instruments meeting the "solely payments of principal and interest" tests. The management determines the classification of its financial assets at initial recognition.

Financial Assets at fair value through profit and loss

Financial assets at fair value through profit or loss are those financial assets that failed the "solely payments of principal and interest" test. A financial asset is classified in this category if acquired principally for the purpose of selling in the short term. Assets in this category are classified as current assets if expected to be settled within 12 months, otherwise they are classified as non-current. Alternatively, if the contractual terms of the instrument do not assume only the repayment of principal and interest providing a simple lender's return on the balance of receivable, the instrument is recognised in this category either. In 2019 the company didn't have any financial assets at fair value through profit and loss.

Financial assets measured at amortised cost

These are non-derivative financial assets with fixed or determinable payments which provide for the repayment of principal and interest in the form of simple lender's return. They are included in current assets except for maturities greater than 12 months after the end of the reporting period which would be classified as non-current assets. The Company's category comprises "Cash and Cash equivalents" and some "Other receivables".

Other receivables

Other receivables are recognised initially at fair value and are subsequently carried at amortised cost using the effective interest method.

Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits held at call with banks, and other short-term highly liquid investments with original maturities of three months. Cash and cash equivalents are carried at amortised cost using the effective interest method.

Trade payables

Trade payables are accrued when the counterparty performs its obligations under the contract and are recognised initially at fair value and subsequently carried at amortised cost using the effective interest method.

Loan payables

Short-term and long-term loan payables are initially recognised at fair value. If the fair value at the date of initial recognition is lower than the nominal value, i.e. the cash amount received, the difference between the fair value and the nominal value is recognised as a capital contribution by the owners of the Company if the funding provided is considered to be in the capacity as the owner of the Company. Otherwise the difference is recognised in profit or loss.

Income tax

Income taxes have been provided for the financial statements in accordance with tax legislation enacted or substantively enacted by the balance sheet date for the country where the company is registered. The income tax charge comprises current tax and deferred tax and is recognised in the statement of profit or loss.

Current tax is the amount expected to be paid to the taxation authorities in respect of the taxable base for the current period. Taxes, other than on income, are recorded within operating expenses.

Deferred income tax is provided in full, using the balance sheet liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. Deferred income tax is determined at tax rates (and law) enacted or substantially enacted by the end of the reporting period and are expected to apply to the period when the temporary differences will reverse.

Segment Reporting

The Company focuses on the development and prospective commercialization of software and there is only one segment reported in a manner consistent with management reporting to the CEO, which is the chief operating decision-maker. The Company does currently not yet generate any revenues.

5. Intangible assets

The Companies intangible assets comprise development costs for software not yet available for use

in EUR	**1 Jan 2021 to 28 Feb 2021**	**27 Nov 2020 to 31 Dec 2020**
As at beginning of the period	**-**	**-**
Acquired software development costs	1'750'000	-
As at the end of the period	**1'750'000**	**-**

ELLA Media AG acquired from a related party (Note 15) during the period work in progress software, which the Company will developed further. The purchase price was based on the fair value as determined by an external valuation appraisal. An impairment test is carried out at the end of each financial year.

6. Trade and other receivables

in EUR	**28 Feb 2021**	**31 Dec 2020**
VAT and other tax receivables	8'078	1'715
Prepaid expenses	57'862	-
Total other receivables	**65'941**	**1'715**

7. Cash and cash equivalents

in EUR	28 Feb 2021	31 Dec 2020
CHF cash balances at bank	13'312	77'914
EUR cash balances at bank	572'200	1'108'747
Total cash and cash equivalents	**585'512**	**1'186'661**

8. Equity

Share and participation capital

The fully paid in share capital of the Company amounts to CHF 130’000 (EUR 120’119) and is divided into 13’000’000 registered shares with a nominal value of CHF 0.01 each. The participation capital of the Company amounts to CHF 12’410 (EUR 11’381) and is divided into 1’241’000 certificates with a nominal value of CHF 0.01 each. The participation certificates have no voting rights.

During the periods presented the number of shares changed as follows:

	1 Jan 2021 to 28 Feb 2021		27 Nov 2020 to 31 Dec 2020	
in number of shares/certificates	*Share capital*	*Participation capital*	*Share capital*	*Participation capital*
As at beginning of the period	**13'000'000**	**-**	**-**	**-**
Incorporation 27 November 2020	-	-	13'000'000	-
Authorized capital increase 12 January 2021	-	574'500	-	-
Authorized capital increase 29 January 2021	-	666'500	-	-
As at the end of the period	**13'000'000**	**1'241'000**	**13'000'000**	**-**

Authorized capital

The Board of Directors is authorised to increase the non-voting participation capital at any time before 31 October 2022 by a maximum amount of CHF 50’000 by issuing a maximum number of 5’000’000 participation certificates with a nominal value of CHF 0.01 each. The respective issue price, the date of dividend entitlement and the type of contributions are determined by the Board of Directors.

Capital reserves

As at 12 January 2021 and 29 January 2021 the company issued a total number of 1’241’000 participation certificates for an issue price of EUR 2.00 each through the authorized capital. The difference of EUR 2’470’619 between the par value of 11’381 and the gross proceeds of EUR 2’482’000 is recognised in capital reserves.

Prepaid participation capital reserve

The Company raised capital through subscription certificates for participation certificates. The subscribers were obligated to prepay the agreed amount in order to enable the Company to increase the participation capital by using the authorized capital. After a revocation period of 14 days, there is no possibility for the subscribers to request a refund of the prepayment, so that the Company's obligation is to deliver only a fixed number of shares. The total prepaid participation capital not yet converted to participation certificates classified as equity amounts to EUR 518'000 as at 28 February 2020 (31 December 2020: EUR 1'109'000) for which the Company is obligated to deliver a total number of 259'000 participation certificates to the subscribers (31 December 2020: 554'500) at an issue price of EUR 2.00 each.

Non-voting dividend rights certificate ("Genussscheine")

As at 28 February 2021 and 31 December 2020 23'692 non-voting dividend rights certificates (DRC) have been authorised in the Company's Articles of Incorporation of which none have been issued yet. Under Swiss company law these non-voting equity securities have no nominal value, are not part of the share capital and cannot be issued against a contribution which would be shown as an asset in the balance sheet of the Company. The not yet issued dividend rights certificates may be provided to persons linked with the Company by previous capital participation or by virtue of being shareholders, creditors, employees or similar at the discretion of the Board of Directors.

Each dividend rights certificate confers the same rights as a defined number of participation certificates (PC) to participate in the net profit and any remaining proceeds from liquidation (equivalence to PC per DRC). In accordance with the law and the Articles of Incorporation of the Company, the Company is entitled at all times to exchange all or some of the dividend rights certificates into a defined number of participation certificates (equivalence to PC per DRC). As a result, the net profit distributed to the owners of the 23'692 dividend rights certificates would be equivalent to the net profit distributed to the owners of 8'000'000 participation certificates and the Company has the right to convert the 23'692 dividend rights certificates to a total number of 8'000'000 participation certificates (equivalence to PC total).

The authorized and issued dividend rights certificates for all periods presented are as follows:

Class of DRC	**Authorised DRCs**	**Issued DRCs**	**Equivalence to PC per DRC**	**Equivalence to PC total**
DRC A	280	-	5'000	1'400'000
DRC B1	7'800	-	110	858'000
DRC B2	7'800	-	55	429'000
DRC K1	1'460	-	200	292'000
DRC K2	1'300	-	2'000	2'600'000
DRC P1	750	-	1'000	750'000
DRC P2	1'200	-	100	120'000
DRC UE	3'102	-	500	1'551'000
Total	**23'692**	**-**		**8'000'000**

9. Trade payables

in EUR	**28 Feb 2021**	**31 Dec 2020**
Trade payables due to third parties	3'214	13'198
Trade payables due to directors	53'850	14'358
Total trade and other payables	**57'064**	**27'556**

10. Short-term loans

in EUR	1 Jan 2021 to 28 Feb 2021	27 Nov 2020 to 31 Dec 2020
As at beginning of the period	**50'000**	**-**
Proceeds	-	50'000
Repayments	(50'000)	-
As at the end of the period	**-**	**50'000**

Short-term loan due to related parties

The short-term loan of EUR 50’000 due to a company controlled by a member of the Board of Directors, are funds provided to finance the initial costs of the Company, are interest free and have been repaid during the two months ended 28 February 2021.

11. Operating expenses

in EUR	1 Jan 2021 to 28 Feb 2021	27 Nov 2020 to 31 Dec 2020
External developments costs	298'000	-
Professional fees	220'661	53'577
Professional fees to related parties	121'702	62'940
Travel and entertainment	2'194	353
Rent	3'261	-
Board of directors’ fee	8'260	-
Other	2'084	689
Total operating expenses	**654'286**	**117'560**

12. Income taxes

The income taxes recognised in profit or loss are as follows:

in EUR	1 Jan 2021 to 28 Feb 2021	27 Nov 2020 to 31 Dec 2020
Current income tax expense	-	-
Deferred income tax expense	-	-
Total income tax expense	**-**	**-**

The income taxes can be analysed as follows:

in EUR	1 Jan 2021 to 28 Feb 2021	27 Nov 2020 to 31 Dec 2020
Loss before tax	(657'432)	(118'299)
Tax expense/(income) at the applicable tax rate of 12%	**(78'892)**	**(14'196)**
Tax losses not capitalized	78'892	14'196
Total income tax expense	**-**	**-**

The applicable tax rate of 12.0 % is the expected tax rate of the company in the canton of Zug, Switzerland.

Not capitalized tax loss carry-forwards

The tax loss carry-forward not capitalized of EUR 775’731 refers to the losses of the Company in Switzerland for the extended tax year from 27 November 2020 to 31 December 2021. Tax loss carry-forward in Switzerland can be utilized up to seven years following the realization of the respective tax loss for corporate income tax purposes. The potential tax benefit as of 28 February 2021 of the not capitalized tax loss carry forwards amounts to EUR 93’088 (31 December 2020: EUR 14’196).

13. Earnings per share, participation certificate (PC) and dividend rights certificate (DRC)

	1 Jan 2021 to 28 Feb 2021	**27 Nov 2020 to 31 Dec 2020**
Loss for the period attributable to owners of the Company (EUR)	**(657'432)**	**(118'299)**
Percentage of distribution to owners of outstanding shares	94%	99%
Percentage of distribution to owners of outstanding PCs	6%	1%
Percentage of distribution to owners of outstanding DRCs	0%	0%
Shares		
Loss for the period attributable to owners of outstanding shares (EUR)	(617'732)	(116'831)
Weighted average number of outstanding shares	13'000'000	13'000'000
Basic and diluted (loss) per share (EUR)	**(0.05)**	**(0.01)**
Participation certificates		
Loss for the period attributable to owners of outstanding PCs (EUR)	(39'700)	(1'468)
Weighted average number of outstanding PCs	835'466	163'338
Basic and diluted (loss) per PC (EUR)	**(0.05)**	**(0.01)**
Dividend rights certificates		
Loss for the period attributable to owners of outstanding DRCs (EUR)	-	-
Weighted average number of DRCs	23'692	23'692
Weighted average number of not yet issued DRCs (Note 8)	(23'692)	(23'692)
Weighted average number of outstanding DRCs	**-**	**-**
Basic and diluted (loss) per DRC (EUR)	**-**	**-**

Earnings per category of shares and participation and dividend rights certificates

Earnings per category of shares and participation and dividend rights certificates (Note 8) are calculated on the basis of the net loss attributable to the owners of these instruments based on their rights to distributions and the average number of outstanding shares and certificates.

Outstanding shares and certificates

Shares and certificates authorized but not yet issued (Note 8) are not treated as outstanding and are therefore deducted from the earnings per share and certificates calculation.

Prepaid participation certificates not yet issued are included in the earnings per share and certificates calculation from the date the cash received in exchange for participation certificates is receivable.

14. Leases

The Company is party to an office lease contract that is classified as a short-term lease. The total amount recognised in profit or loss during the two months ended 28 February 2021 was CHF 3’500 (2020: 0) which is equivalent to the cash-outflow in the respective periods.

15. Related parties

Transactions with related parties

During the period ended 28 February, the Company acquired from a company controlled by a member of the board of directors' work in progress software (Note 5) for EUR 1'750'000. The purchase price was based on the fair value as determined by an external valuation appraisal.

During the two months ended 28 February 2020 the Company paid a total amount of EUR 61'702 (2020: 0) to members of the board of directors.

Outstanding balances with related parties

During the period ended 31 December 2020 the Company received a EUR 50'000 loan from a company controlled by a member of the Board of Directors (Note 10) that was repaid during the two months ended 28 February 2021.

As at 28 February 2021 there are EUR 53'850 trade payables due to companies controlled by a member of the Board of Directors outstanding (31 December 2020: 14'358). These trade payables relate to professional services received.

Key management personnel compensation

During the two months ended 28 February 2020 the Company paid a total amount of EUR 8'260 (2020: 0) to members of the board of directors and 121'702 (2020: 52'940) to companies controlled by members of the board of directors for professional services.

During period ended 31 December 2020 the Company paid EUR 10'000 to a Company controlled by a shareholder for management services.

16. Financial assets and liabilities

The following table shows the classification and carrying amounts of financial instruments held:

in EUR	**28 Feb 2021**	**31 Dec 2020**
Financial assets measured at amortised cost		
Cash at bank	585'512	1'186'661
Other receivables[1]	-	-
Total financial assets	**585'512**	**1'186'661**
Financial liabilities measured at amortised cost		
Trade payables	57'064	27'555
Short-term loans	-	50'000
Total financial liabilities	**57'064**	**77'555**

[1] Excludes VAT and other tax receivables

The fair value of the financial assets and liabilities is the amount at which the instrument could be exchanged in a current transaction between willing parties other than in a forced or liquidation sale. At 28 February 2021, 31 December 2020 and 27 November 2020 the carrying amounts of financial assets and liabilities equal its fair values based on their nature and maturity or due date.

The company has no financial assets or liabilities that are measured at fair value through profit and loss or at fair value through other comprehensive income.

17. Financial risk management

The Company is exposed to financial risks as a result of its business activities including market risk (currency and interest rate risk), liquidity risk and credit risk.

Market Risk

Currency risk

The Company takes on exposure to effects of fluctuations in the prevailing foreign currency exchange rates on the statement of financial position and cash flows. However, such fluctuations are insignificant since majority of transactions are denominated in EUR. Based on Management's assessment at 28 February 2021, the Company was not exposed to material currency risk on financial instruments.

Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of financial instruments will fluctuate because of changes in market interest rates. The Company is currently not exposed to any interest rate risk.

Credit risk

Credit risk is the risk of financial loss to the Company if counterparty to a financial instrument fails to meet its contractual obligations. The company mitigates the credit risk by assessing the credit risk of counter parties for material transactions.

The carrying amounts of cash at bank and other financial assets exposed to credit risk:

in EUR	**28 Feb 2021**	**31 Dec 2020**
Cash at bank	585'512	1'186'661
Other receivables[1)]	-	-
Total carrying amount of financial assets	**585'512**	**1'186'661**

[1)] Excludes VAT and other tax receivables

The Standard & Poor's credit rating of the counterparties is as follows:

in EUR	**28 Feb 2021**	**31 Dec 2020**
AA+	33'312	77'913
A-2	552'190	1'108'747
Total carrying amount of financial assets	**585'512**	**1'186'661**

Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivery of cash or another financial asset. Cash flow forecasting is performed on a regular basis. The Company monitors rolling forecasts of liquidity requirements to ensure it has sufficient cash to meet operational needs. The expected cash outflow up to one year after the balance sheet date are CHF 62'628 for trade payables (2020: CHF 29'802) and CHF 0 for short-term loans (2020: CHF 54'947). There are currently no other financial liabilities.

18. Management of capital

The Company's objectives when managing capital are to safeguard the Company's ability to continue as a going concern in order to provide returns for shareholders, benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital. The capital is considered the equity of the shareholders.

In order to maintain or adjust the capital structure, the Company may adjust the amount of dividends paid to shareholders, return capital to shareholders, and issue new shares or the sale of assets to reduce liabilities.

19. Events after the reporting period

As at 5 March 2021 the Company increased the participation capital by CHF 2'590 and issued 259'000 participation certificates with a par value of CHF 0.01 each through the authorized capital. As a result, the subscription amount of EUR 518'000 or EUR 2.00 per participation certificate was transferred from the prepaid participation capital reserve (Note 8) to participation capital and capital reserves.

ELLA Media AG
Statement of Changes in Equity

As at 29 April 2021 the company increased the participation capital by CHF 3’400 and issued 340’000 participation certificates with a par value of CHF 0.01 each through the authorized capital.

INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of ELLA Media AG, Zug, Switzerland

Opinion

We were mandated by the Board of Directors to audit the interim Financial Statements of ELLA Media AG (the Company), which comprise the Statement of Financial Position as of February 28, 2021, the Statement of Profit or Loss and Other Comprehensive Income, the Statement of Cash Flows, the Statement of Changes in Equity for the period from January 1, 2021 to February 28, 2021 and notes to the Financial Statements, including a summary of significant accounting policies. As these are interim financial statements for the first fiscal year, no comparative period can be shown.

In our opinion, the accompanying interim Financial Statements present fairly, in all material respects, the financial position of ELLA Media AG as of February 28, 2021 and its financial performance and its cash flows for the period from January 1, 2021 to February 28, 2021 in accordance with International Financial Reporting Standards (IFRSs) as adopted by the European Union (EU).

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in Switzerland, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of the Board of Directors for the interim Financial Statements

The Board of Directors is responsible for the preparation and fair presentation of the interim Financial Statements in accordance with IFRSs as adopted by the EU, and for such internal control as the Board of Directors determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the interim Financial Statements, the Board of Directors is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

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Auditor's Responsibilities for the Audit of the interim Financial Statements

Our objectives are to obtain reasonable assurance about whether the interim Financial Statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these interim Financial Statements.
A further description of the auditor's responsibilities for the audit of the interim Financial Statements is located at EXPERTsuisse website at: https://www.expertsuisse.ch/en/audit-report-for-public-companies. This description forms part of our auditor's report.

Zug, May 27, 2021

AbaFin Treuhand AG

Martin Stäubli
Licensed Audit Expert RAB -Nr. 102 502

Enclosure: Interim Financial Statements

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Annex 2 (Articles of Association of the Issuer)

STATUTEN

der

ella media ag
(ella media sa)
(ella media ltd)

mit Sitz in Zug

FIRMA, SITZ UND ZWECK

Art. 1 Firma und Sitz

Unter der Firma

ella media ag
(ella media sa)
(ella media ltd)

besteht mit Sitz in Zug eine Aktiengesellschaft („Gesellschaft") im Sinne des 26. Titels des Schweizerischen Obligationenrechts ("OR") und der nachfolgenden Bestimmungen.

Art. 2 Zweck

1 Die Gesellschaft bezweckt die Entwicklung und Vermarktung von Software zur Erstellung von branchenspezifischen und kundenzentrierten Inhalten in Form von Texten, Audio, Bildern und Videos basierend auf künstlicher Intelligenz.

2 Sie kann im In- und Ausland Zweigniederlassungen errichten, Tochtergesellschaften gründen, sich an zweckverwandten Unternehmen beteiligen sowie Grundstücke und Immaterialgüterrechte erwerben, halten, verwalten, belasten, verwerten und veräussern und ausserdem alle Rechtshandlungen

ARTICLES OF ASSOCIATION

of

ella media ag
(ella media sa)
(ella media ltd)

with registered office in Zug

I. CORPORATE NAME, REGISTERED OFFICE, AND PURPOSE

Art. 1 Corporate Name and Registered Office

Under the corporate name of

ella media ag
(ella media sa)
(ella media ltd)

there exists with registered office in Zug a stock corporation ("Company") pursuant to the 26th title of the Swiss Code of Obligations ("CO") and the following provisions.

Art. 2 Purpose

1 The purpose of the Company is the development and commercialization of software for the production of industry-specific and consumer-centric content in form of texts, audio, images and videos based on artificial intelligence.

2 It may establish branches and subsidiaries in Switzerland and abroad, participate in enterprises with similar purposes as well as acquire, hold, administer, charge, exploit and sell real estate and intellectual property rights and further carry out all legal transactions in connection with its business purpose. In particular, the Company may engage in

vornehmen, die der Zweck der Gesellschaft mit sich bringen kann, insbesondere zugunsten von nahe stehenden und anderen Gesellschaften Finanzierungen gewähren, Sicherheiten aller Art stellen oder auf andere Weise Verpflichtungen dieser Gesellschaften absichern oder garantieren.

financings and grant securities of any kind in favor of affiliated companies or other companies, or may otherwise secure or guarantee liabilities of such companies.

KAPITAL UND GENUSSSCHEINE

II. CAPITAL AND PROFIT PARTICIPATION CERTIFICATES

Art. 3 Aktienkapital und Aktien

1 Das Aktienkapital beträgt CHF 130‘000.00 und ist eingeteilt in 13‘000‘000 Namenaktien zu je CHF 0.01 nominell. Das Aktienkapital ist voll liberiert.

2 Anstelle einzelner Aktientitel können über mehrere Aktien Zertifikate ausgestellt werden. Aktientitel und Aktienzertifikate bedürfen zu deren Gültigkeit der (faksimilierten) Unterschrift mindestens eines Mitglieds des Verwaltungsrats. Der Aktionär hat jedoch keinen Anspruch auf Druck und Auslieferung von Aktientiteln oder Aktienzertifikaten. Das Eigentum oder die Nutzniessung an einer Aktie oder einem Aktienzertifikat bringt die Anerkennung von Statuten und Reglementen der Gesellschaft mit sich.

3 Nicht verurkundete Aktien und daraus entspringende, nicht verurkundete Rechte können nur durch Zession übertragen werden.

Art. 3 Share Capital and Shares

1 The share capital amounts to CHF 130,000.00 and is divided into 13,000,000 registered shares (ordinary shares) with a nominal value of CHF 0.01 per share. The share capital is fully paid-in.

2 In lieu of titles for individual shares, share certificates which represent multiple shares may be issued. In order to be valid, share titles and share certificates need to bear the signature (or a facsimile thereof) of at least one member of the Board of Directors. The shareholder, however, shall not be entitled to demand the printing and delivery of share titles or share certificates. The ownership or the usufruct of a share or share certificate automatically entails the acknowledgment of the Articles of Association and the regulations of the Company.

3 Shares which are not represented by share titles or certificates and uncertificated rights associated with them may only be transferred by assignment.

Art. 4 Partizipationskapital

1 Das Partizipationskapital beträgt CHF 31‘489.00 und ist eingeteilt in 3‘148‘900 auf den Namen lautende Partizipationsscheine zu je CHF 0.01 nominell. Das Partizipationskapital ist voll liberiert.

2 Werden das Aktien- und das Partizipationskapital gleichzeitig und im gleichen Verhältnis erhöht, so steht den Aktionären ausschliesslich ein Bezugsrecht auf Aktien und den Partizipanten ausschliesslich ein solches auf Partizipationsscheine zu. Im Übrigen gilt Art. 656g OR.

3 Die gesetzlichen und statutarischen Bestimmungen über das Aktienkapital, die Aktie und den Aktionär gelten auch für das

Art. 4 Non-Voting Share Capital

1 The non-voting share capital amounts to CHF 31,489.00 and is divided into 3,148,900 registered non-voting shares with a nominal value of CHF 0.01 per shares. The non-voting share capital is fully paid-in.

2 If the ordinary share capital (*Aktienkapital*) and the non-voting share capital (*Partizipationskapital*) are increased simultaneously and in the same proportion, the holders of ordinary shares (*Aktien*) only have a subscription right to ordinary shares (*Aktien*) and the holders of non-voting shares (*Partizipationsscheine*) only have a subscription right to non-voting shares (*Partizipationsscheine*). In all other aspects, Art. 656g CO applies.

3 Unless otherwise provided by law or the Articles of Association, the provisions of the law and the Articles of Association regarding the share

Partizipationskapital, den Partizipationsschein und den Partizipanten, soweit das Gesetz und die Statuten nichts anderes vorsehen.

Art. 4a Genehmigtes Partizipationskapital

1 Der Verwaltungsrat ist ermächtigt, jederzeit bis zum 31.10.2022 ein Partizipationskapital im Maximalbetrag von CHF 33‘511.00 durch Ausgabe von höchstens 3‘351‘100 vollständig zu liberierenden, auf den Namen lautende Partizipationsscheine mit einem Nennwert von je CHF 0.01 zu schaffen. Der jeweilige Ausgabebetrag, der Zeitpunkt der Dividendenberechtigung und die Art der Einlagen werden vom Verwaltungsrat bestimmt.

2 Der Verwaltungsrat ist berechtigt, das Bezugsrecht auszuschliessen und Dritten zuzuweisen, wenn solche neuen Partizipationsscheine (1) für die Übernahme von Unternehmen, (2) zur Finanzierung des Erwerbes von Unternehmen, Unternehmensteilen oder Beteiligungen oder von neuen Investitionsvorhaben der Gesellschaft oder (3) für die Beteiligung von Mitarbeitern verwendet werden sollen. Partizipationsscheine, für welche Bezugsrechte eingeräumt, aber nicht ausgeübt werden, sind zu Marktbedingungen zu veräussern.

Art. 5 Genussscheine

1 Es bestehen 23‘692 auf den Namen lautende Genussscheine. Die Inhaber werden in einem von der Gesellschaft zu führenden Register der Genussschein-Inhaber eingetragen. Es bestehen insgesamt 8 Arten von Genussscheinen wie folgt:

a. Genussschein A
Es bestehen 280 Genussscheine A mit den Nummern 1 bis 280. Jeder der Genussscheine A hat den gleichen Anteil am Bilanzgewinn (d.h. Ausschüttungen von Jahresgewinn gemäss Erfolgsrechnung, Gewinnvortrag, sonstigen Reserven oder Liquidationserlös) wie 5‘000 Partizipationsscheine.

b. Genussschein B1
Es bestehen 7‘800 Genussscheine B1 mit den Nummern 1 bis 7‘800. Jeder der Genussscheine B1 hat den gleichen Anteil am Bilanzgewinn (d.h. Ausschüttungen von Jahresgewinn gemäss Erfolgsrechnung, Gewinnvortrag, sonstigen Reserven oder Liquidationserlös) wie 110 Partizipationsscheine.

c. Genussschein B2

capital, the share and the shareholder shall also apply with respect to the non-voting share capital, the non-voting share and the non-voting shareholder.

Art. 4a Authorized Non-Voting Share Capital

1 The Board of Directors is authorised to create non-voting share capital up to a maximum amount of CHF 33,511.00 at any time until 31 October 2022 by issuing up to 3,351,100 of fully paid-in registered non-voting shares with a nominal value of CHF 0.01 each. The respective issue price, the date of dividend entitlement and the type of contributions are determined by the Board of Directors.

2 The Board of Directors is entitled to withdraw subscription rights and allocate them to third parties if such new non-voting shares are to be used (1) for the acquisition of companies, (2) to finance the acquisition of companies, parts of companies or participations or new investment projects of the Company or (3) for the participation of employees. Non-voting shares for which subscription rights have been granted but not exercised shall be sold at market conditions.

Art. 5 Profit Participation Certificates

1 There are 23,692 registered profit participation certificates. The holders are entered in a register of profit participation certificate holders to be kept by the Company. There are a total of 8 types of profit participation certificates as follows:

a. Profit participation certificate A
There are 280 profit participation certificates A with numbers 1 to 280, each of which has the same share in the balance sheet profit (i.e. distribution of annual profit according to income statement, profit carried forward, other reserves or liquidation proceeds) as 5,000 non-voting shares.

b. Profit participation certificate B1
There are 7,800 profit participation certificates B1 with numbers 1 to 7,800, each of which has the same share in the balance sheet profit (i.e. distribution of annual profit according to income statement, profit carried forward, other reserves or liquidation proceeds) as 110 non-voting shares.

c. Profit participation certificate B2

Es bestehen 7‘800 Genussscheine B2 mit den Nummern 1 bis 7‘800. Jeder der Genussscheine B2 hat den gleichen Anteil am Bilanzgewinn (d.h. Ausschüttungen von Jahresgewinn gemäss Erfolgsrechnung, Gewinnvortrag, sonstigen Reserven oder Liquidationserlös) wie 55 Partizipationsscheine.

There are 7,800 profit participation certificates B2 with numbers 1 to 7,800, each of which has the same share in the balance sheet profit (i.e. distribution of annual profit according to income statement, profit carried forward, other reserves or liquidation proceeds) as 55 non-voting shares.

d. Genussschein K1

Es bestehen 1‘460 Genussscheine K1 mit den Nummern 1 bis 1'460. Jeder der Genussscheine K1 hat den gleichen Anteil am Bilanzgewinn (d.h. Ausschüttungen von Jahresgewinn gemäss Erfolgsrechnung, Gewinnvortrag, sonstigen Reserven oder Liquidationserlös) wie 200 Partizipationsscheine.

d. Profit participation certificate K1

There are 1,460 profit participation certificates K1 with numbers 1 to 1,460, each of which has the same share in the balance sheet profit (i.e. distribution of annual profit according to income statement, profit carried forward, other reserves or liquidation proceeds) as 200 non-voting shares.

e. Genussschein K2

Es bestehen 1'300 Genussscheine K2 mit den Nummern 1 bis 1'300. Jeder der Genussscheine K2 hat den gleichen Anteil am Bilanzgewinn (d.h. Ausschüttungen von Jahresgewinn gemäss Erfolgsrechnung, Gewinnvortrag, sonstigen Reserven oder Liquidationserlös) wie 2'000 Partizipationsscheine.

e. Profit participation certificate K2

There are 1,300 profit participation certificates K2 with numbers 1 to 1,300, each of which has the same share in the balance sheet profit (i.e. distribution of annual profit according to income statement, profit carried forward, other reserves or liquidation proceeds) as 2,000 non-voting shares.

f. Genussschein P1

Es bestehen 750 Genussscheine P1 mit den Nummern 1 bis 750. Jeder der Genussscheine P1 hat den gleichen Anteil am Bilanzgewinn (d.h. Ausschüttungen von Jahresgewinn gemäss Erfolgsrechnung, Gewinnvortrag, sonstigen Reserven oder Liquidationserlös) wie 1'000 Partizipationsscheine.

f. Profit participation certificate P1

There are 750 profit participation certificates P1 with numbers 1 to 750, each of which has the same share in the balance sheet profit (i.e. distribution of annual profit according to income statement, profit carried forward, other reserves or liquidation proceeds) as 1,000 non-voting shares.

g. Genussschein P2

Es bestehen 1'200 Genussscheine P2 mit den Nummern 1 bis 1'200. Jeder der Genussscheine P2 hat den gleichen Anteil am Bilanzgewinn (d.h. Ausschüttungen von Jahresgewinn gemäss Erfolgsrechnung, Gewinnvortrag, sonstigen Reserven oder Liquidationserlös) wie 100 Partizipationsscheine.

g. Profit participation certificate P2

There are 1,200 profit participation certificates P2 with numbers 1 to 1,200, each of which has the same share in the balance sheet profit (i.e. distribution of annual profit according to income statement, profit carried forward, other reserves or liquidation proceeds) as 100 non-voting shares.

h. Genussschein UE

Es bestehen 3‘102 Genussscheine UE mit den Nummern 1 bis 3‘102. Jeder der Genussscheine UE hat den gleichen Anteil am Bilanzgewinn (d.h. Ausschüttungen von Jahresgewinn gemäss Erfolgsrechnung, Gewinnvortrag, sonstigen Reserven oder Liquidationserlös) wie 500 Partizipationsscheine.

h. Profit participation certificate UE

There are 3,102 profit participation certificates UE with numbers 1 to 3,102, each of which has the same share in the balance sheet profit (i.e. distribution of annual profit according to income statement, profit carried forward, other reserves or liquidation proceeds) as 500 non-voting shares.

[2] Die Genussscheine bilden keinen Bestandteil des Aktien- oder Partizipationskapitals und haben kein Stimmrecht.

[2] The profit participation certificates do not form part of the ordinary share capital or the non-voting share capital and have no voting rights.

[3] Bei der Emission neuer Aktien oder Partizipationsscheine hat jeder Genussschein-

[3] In case of issuance of new ordinary shares or non-voting shares, each profit participation

Inhaber das Recht auf den Bezug von so vielen Partizipationsscheinen je Genussschein, wie ein Genussschein der jeweiligen Art am Bilanzgewinn nach der ihm zugeordneten Stückzahl an Partizipationsscheinen beteiligt ist. Damit hat bei der Emission neuer Aktien- oder Partizipationsscheine jeder Genussschein-Inhaber das Recht zum Bezug von so vielen Partizipationsscheinen, dass damit die Gewinnbeteiligung des jeweiligen Genussscheins nicht verwässert wird.

certificate holder shall be entitled to subscribe for as many non-voting shares per profit participation certificate as a profit participation certificate of the respective type participates in the balance sheet profit in accordance with the number of non-voting shares allocated to it. This means that in case of issuance of new ordinary shares or non-voting shares, each profit participation certificate holder has the right to subscribe for as many non-voting shares so that the share in the balance sheet profit of the respective profit participation certificate will not be diluted.

4 Die Genussscheine sind an die von der Generalversammlung genehmigte Bilanz und die Erfolgsrechnung und an die von der Generalversammlung beschlossene Gewinnverteilung gebunden.

4 The profit participation certificates are bound by the balance sheet and income statement as approved by the Shareholders' Meeting and by the distribution of profits as resolved by the Shareholders' Meeting.

5 Alle die Genussscheine betreffenden Mitteilungen der Gesellschaft erfolgen direkt an die im Genussschein-Register namentlich registrierten Genussschein-Inhaber.

5 All notifications of the Company concerning the profit participation certificates are made directly to the profit participation certificate holders registered by name in the register of profit participation certificates.

6 Die Gesellschaft ist jederzeit berechtigt, alle Genussscheine, oder auch nur einen Teil davon, ohne Zustimmung ihrer Inhaber gegen Aktien oder Partizipationsscheine umzutauschen. Das Umtauschverhältnis beträgt in diesen Fällen für 1 Genussschein so viele Aktien bzw. Partizipationsscheine, wie ein Genussschein der jeweiligen Art am Bilanzgewinn nach der ihm zugeordneten Stückzahl an Partizipationsscheinen gemäss Abs. 1 beteiligt ist. Damit erhält jeder Genussschein-Inhaber bei der Umwandlung so viele Aktien bzw. Partizipationsscheine, dass damit die Gewinnbeteiligung des jeweiligen Genussscheins nicht verwässert wird. Jede dieser neuen Aktien oder Partizipationsscheine soll am Bilanzgewinn (d.h. Ausschüttungen von Jahresgewinn gemäss Erfolgsrechnung, Gewinnvortrag, sonstigen Reserven oder Liquidationserlös) gleich einer der bisherigen Aktien bzw. Partizipationsscheine beteiligt sein.

6 The Company is entitled to at any time exchange all or part of the profit participation certificates for ordinary shares or non-voting shares without the consent of their holders. In these cases, the exchange ratio for 1 profit participation certificate shall be as many ordinary shares or non-voting shares, as one profit participation certificate of the respective type participates in the balance sheet profit in accordance with that number of non-voting shares allocated to it pursuant to paragraph 1. Thus, upon conversion each profit participation certificate holder receives as many ordinary shares or non-voting shares so that the share in the balance sheet profit of the respective profit participation certificate will not be diluted. Each of these new ordinary shares or non-voting shares shall participate in the balance sheet profit (i.e. distribution of annual profit according to income statement, profit carried forward, other reserves or liquidation proceeds) in the same way as one of the existing ordinary shares or non-voting shares, respectively.

7 Die zum Umtausch bestimmten Genussscheine werden durch schriftliche Mitteilung an jeden im Register der Genussschein-Inhaber namentlich eingetragenen Genussschein-Inhaber aufgerufen. Die Generalversammlung bestimmt den Zeitpunkt, an welchem die Rechte der zum Umtausch aufgeforderten Genussscheine erlöschen und an deren Stelle die Rechte der neuen Aktien oder Partizipationsscheine treten.

7 The profit participation certificates intended for exchange are called up by written notification to each profit participation certificate holder entered by name in the register of profit participation certificate holders. The Shareholders' Meeting determines the date on which the rights of the profit participation certificates called for exchange will expire and will be replaced by the rights of the new ordinary shares or non-voting shares.

8 Versammlungen der Genussscheininhaber werden einberufen, sooft der Verwaltungsrat dies für notwendig hält.

8 Meetings of the profit participation certificate holders are convened as often as the Board of Directors deems necessary.

9 Zur Teilnahme an der Versammlung der Genussscheininhaber ist jeder Genussscheininhaber berechtigt. Er kann sich durch einen anderen schriftlich bevollmächtigten Genussscheininhaber vertreten lassen.

9 Each profit participation certificate holder is entitled to attend the meeting of profit participation certificate holders. He/she may be represented by another profit participation certificate holder with written power of attorney.

10 Jeder Genussschein berechtigt zu einer Stimme. Zur Erlangung des Stimmrechts haben die Genussscheininhaber ihre Genussscheine vor der Versammlung bei der Gesellschaft zu hinterlegen oder sich über ihren Genussscheinbesitz in der vom Verwaltungsrat festgelegten Form auszuweisen.

10 Each profit participation certificate entitles to one vote. In order to obtain voting rights, the profit participation certificate holders must deposit their profit participation certificate with the Company prior to the meeting or provide proof of their ownership of the respective profit participation certificate in the form determined by the Board of Directors.

11 Die Versammlung wird vom Verwaltungsrat unter Bekanntmachung der Tagesordnung durch schriftliche Einladung an die im Register der Genussschein-Inhaber eingetragenen Genussschein-Inhaber einberufen. Die Einladung hat spätestens 20 Tage vor dem Versammlungstermin zu erfolgen. Den Vorsitz führt der Präsident, der Vizepräsident oder ein anderes Mitglied des Verwaltungsrates. Das Protokoll ist vom Vorsitzenden und vom Sekretär zu unterschreiben.

11 The meeting is convened by the Board of Directors by written invitation including the agenda items to the profit participation certificate holders entered in the register of profit participation certificate holders. The invitation must be issued at least 20 days before the date of the meeting. The meeting is chaired by the Chairman, the Vice-Chairman or another member of the Board of Directors. The minutes must be signed by the Chairman and the Secretary.

12 Die Versammlung der Genussscheininhaber ist beschlussfähig, wenn mindestens die Hälfte der ausgegebenen Genussscheine anwesend oder vertreten ist. Sie fasst ihre Beschlüsse mit einer Mehrheit von zwei Dritteln der abgegebenen Stimmen.

12 The meeting of profit participation certificate holders is quorate if at least half of the issued profit participation certificates are present or represented. It passes its resolutions with a majority of two thirds of the votes cast.

13 Ist in einer Versammlung der Genussscheininhaber nicht die genügende Anzahl von Genussscheinen vertreten, so ist eine zweite Versammlung einzuberufen, welche dann ohne Rücksicht auf die Zahl der vertretenen Genussscheine mit der absoluten Mehrheit der vertretenen Stimmen beschliessen kann. Die Einladung zu dieser zweiten Versammlung der Genussscheininhaber kann gleichzeitig mit derjenigen zur ersten Versammlung erfolgen, und die Versammlung kann unmittelbar nach der ersten Versammlung abgehalten werden.

13 Unless at a meeting of profit participation certificate holders a sufficient number of profit participation certificates is represented, a second meeting must be convened, which shall pass resolutions with an absolute majority of the votes represented, irrespective of the number of profit participation certificates represented. The second meeting of the profit participation certificate holders may be convened concurrently with the first meeting, and the meeting may be held immediately after the first meeting.

14 Die Versammlung der Genussscheininhaber kann für alle Genussscheine verbindlich Änderungen in den statutarischen Rechten der Genussscheine beschliessen, jedoch bedarf in allen Fällen ein Beschluss über den Verzicht auf einzelne oder alle Rechte aus den Genussscheinen der Zustimmung der Inhaber der Mehrheit aller im Umlauf befindlichen Genussscheine.

14 The meeting of profit participation certificate holders may adopt amendments to the rights of the profit participation certificates pursuant to the articles of association binding on all profit participation certificates. In any case a resolution on a waiver of individual or all rights arising from the profit participation certificates requires the consent of the holders of the majority of all profit participation certificates in circulation.

[15] Sämtliche Beschlüsse der Versammlung der Genussscheininhaber unterliegen der Genehmigung durch die Generalversammlung der Aktionäre.

[15] All resolutions of the meeting of profit participation certificate holders are subject to the approval of the Shareholders' Meeting.

Art. 6 Bezugsrecht

[1] Im Fall der Erhöhung des Aktienkapitals steht den Aktionären ein Bezugsrecht an den neu ausgegebenen Aktien nach Massgabe ihres bisherigen Aktienbesitzes zu. Die Generalversammlung kann dieses Bezugsrecht aus wichtigen Gründen einschränken oder aufheben.

[2] Ein wichtiger Grund liegt insbesondere vor, wenn die neuen Aktien ausgegeben werden:

- Bei der Übernahme von Unternehmen, Unternehmensteilen oder Beteiligungen;
- Bei der Durchführung einer Fusion, Quasifusion oder anderen fusionsähnlichen Transaktionen;
- Bei der Vornahme von Sacheinlagen;
- Bei der Ausgabe von Mitarbeiterbeteiligungen;
- Bei der Aktienplatzierung auf dem Kapitalmarkt;
- An die Erwerber von Wandel- oder Optionsanleihen;
- Bei der Umwandlung von Fremdkapital in Eigenkapital zu Sanierungszwecken.

[3] Bezugsrechte, die innert 30 Tagen nach Erhalt des Angebots nicht ausgeübt worden sind, stehen den übrigen, ihr Bezugsrecht ausübenden Aktionären im Verhältnis zu deren bisherigem Aktienbesitz zu.

[4] Das weitere, insbesondere die Verwendung auch gemäss Absatz 3 ungenützt gebliebener Bezugsrechte, bestimmt die Generalversammlung oder, gestützt auf eine Ermächtigung durch die Generalversammlung, der Verwaltungsrat.

Art. 6 Pre-emptive Right

[1] In case of an increase in the share capital, the shareholders are entitled to a portion of the newly issued shares corresponding to their existing shareholdings. The Shareholders' Meeting may restrict or withdraw this pre-emptive right for important cause.

[2] Important cause is deemed to be given, in particular, if the new shares are issued:

- In connection with the acquisition of enterprises, parts of enterprises or participations;
- In connection with the implementation of a merger, quasi-merger or other transactions similar to a merger;
- In connection with the execution of contributions in kind;
- In connection with the granting of participations to employees;
- In connection with the placement of shares in the capital market;
- To the acquirers of convertible bonds or warrants;
- In connection with the conversion of debt into equity for reasons of re-capitalization.

[3] Pre-emptive rights which have not been exercised within 30 days after receipt of the offer revert to the remaining shareholders who have exercised their pre-emptive rights in proportion to their previous shareholdings.

[4] Everything else, in particular the use of any remaining unused pre-emptive rights referred to in para. 3, will be determined by the Shareholders' Meeting or, based on an authorisation by the Shareholders' Meeting, by the Board of Directors.

Art. 7 Aktienbuch und Verzeichnis der wirtschaftlich Berechtigten

[1] Die Gesellschaft führt ein Aktienbuch, in das die Eigentümer und Nutzniesser der Namenaktien eingetragen werden sowie ein

Art. 7 Share Register and Register of Beneficial Owners

[1] The Company shall keep a share register where the owners and usufructuaries of the registered shares shall be recorded, as well as a

Verzeichnis über die der Gesellschaft gemeldeten wirtschaftlich berechtigten Personen. Die Gesellschaft führt diese Register so, dass in der Schweiz jederzeit darauf zugegriffen werden kann.

2 Die Eintragung in das Aktienbuch setzt einen gültigen Ausweis über den Erwerb der Aktie zu Eigentum oder die Begründung einer Nutzniessung voraus.

3 Nach Versand der Einladung zur Generalversammlung bzw. im Falle der Publikation nach Publikation derselben bis zum Tag der Generalversammlung werden keine Eintragungen ins Aktienbuch vorgenommen.

4 Der Verwaltungsrat kann Eintragungen, welche unter falschen Angaben des Erwerbers zustande gekommen sind, nach Anhörung des Betroffenen, innerhalb eines Jahres seit sicherer Kenntnis des Mangels, rückwirkend auf das Datum der Eintragung streichen. Der Erwerber muss über die Streichung sofort informiert werden.

5 Im Verhältnis zur Gesellschaft gilt nur als Aktionär oder Nutzniesser, wer im Aktienbuch eingetragen ist.

ORGANISATION DER GESELLSCHAFT

Art. 8 Organe

Die Organe der Gesellschaft sind:

A) Die Generalversammlung
B) Der Verwaltungsrat
C) Die Revisionsstelle

A. Die Generalversammlung

Art. 9 Befugnisse

Oberstes Organ der Gesellschaft ist die Generalversammlung der Aktionäre. Ihr stehen folgende
unübertragbare Befugnisse zu:

1. Festsetzung und Änderung der Statuten;
2. Wahl und Abberufung der Mitglieder des Verwaltungsrats und der Revisionsstelle;
3. Genehmigung der Jahresrechnung, eines allfälligen Lageberichts und einer allfälligen Konzernrechnung sowie Beschlussfassung über

register of the beneficial owners notified to the Company. Such registers must be kept by the Company in a manner that they can be accessed in Switzerland at any time.

2 The registration in the share register requires evidence for the acquisition of the ownership of, or the establishment of a usufruct in, the share.

3 No entries in the share register will be made after the notice of the Shareholders' Meeting has been mailed or, in case of publication, after such publication, until the day of the Shareholders' Meeting.

4 The Board of Directors may, after having heard the concerned party, cancel entries which were made based on untrue statements of the acquirer; such deletion must take place within one year after certain knowledge has been obtained of the defect, with retroactive effect as per the date of the entry. The acquirer shall be immediately notified about such cancellation.

5 Vis-à-vis the Company it is deemed to be a shareholder or a usufructuary whoever is registered in the share register.

III. ORGANIZATION OF THE COMPANY

Art. 8 Corporate Bodies

The corporate bodies of the Company are:

A) The Shareholders' Meeting
B) The Board of Directors
C) The Auditors

A. The Shareholders' Meeting

Art. 9 Powers

The supreme corporate body of the Company is the Shareholders' Meeting. The Shareholders' Meeting has the following non-transferable powers:

1. It adopts and amends the Articles of Association;
2. It elects and recalls the members of the Board of Directors and the Auditors;
3. It approves the financial statements - if applicable - the management report and the consolidated financial statements. It determines

die Verwendung des Bilanzgewinns, insbesondere die Festsetzung der Dividende;

the allocation of the balance sheet profit including declaration of dividends;

4. Entlastung der Mitglieder des Verwaltungsrats;

4. It grants discharge to the members of the Board of Directors;

5. Beschlussfassung über Gegenstände, die ihr durch Gesetz oder Statuten zugewiesen sind oder vom Verwaltungsrat unterbreitet werden. Die unübertragbaren und unentziehbaren Aufgaben des Verwaltungsrats bleiben vorbehalten; sie können der Generalversammlung nicht zum Entscheid unterbreitet werden.

5. It adopts resolutions on matters which are by law or by the Articles of Association reserved to the Shareholders' Meeting or which are submitted by the Board of Directors. Duties of the Board of Directors which are non-transferable and inalienable remain reserved, they may not be submitted for resolution to the Shareholders' Meeting.

Art. 10 Einberufung

Art. 10 Convocation

1 Die ordentliche Generalversammlung findet alljährlich innerhalb von sechs Monaten nach Schluss des Geschäftsjahrs statt. Sie wird durch den Verwaltungsrat, nötigenfalls durch die Revisionsstelle, einberufen.

1 The ordinary Shareholders' Meeting shall be held annually within six months after the close of the business year. It shall be called by the Board of Directors and, if necessary, by the Auditors.

2 Ausserordentliche Generalversammlungen werden vom Verwaltungsrat, den Liquidatoren, der Revisionsstelle oder auf Beschluss einer Generalversammlung einberufen, so oft es die Interessen der Gesellschaft erfordern.

2 Extraordinary Shareholders' Meetings shall be called by the Board of Directors, the Liquidators, the Auditors or by a resolution of the Shareholders' Meeting, as often as required by the interests of the Company.

3 Ein oder mehrere Aktionäre, die zusammen mindestens 10 Prozent des Aktienkapitals oder Aktien im Nennwert von einer Million Schweizer Franken vertreten, können vom Verwaltungsrat die Einberufung einer Generalversammlung verlangen. Das Begehren um Einberufung ist schriftlich unter Angabe der Verhandlungsgegenstände und der Anträge an den Präsidenten des Verwaltungsrats einzureichen. Wird eine ausserordentliche Generalversammlung verlangt, hat der Verwaltungsrat diese innert vier Wochen nach Erhalt des entsprechenden Begehrens einzuberufen.

3 One or more shareholders whose combined holdings represent at least 10 percent of the share capital or who hold shares of a nominal value of one million Swiss Francs, may request that the Board of Directors call a Shareholders' Meeting. A request to call a meeting specifying the matters and proposals shall be submitted in writing to the Chairman of the Board of Directors. Should an extraordinary Shareholders' Meeting be requested, such meeting must be called by the Board of Directors within four weeks after receipt of the respective request.

4 Die Generalversammlungen finden am Gesellschaftssitz oder einem andern, vom Verwaltungsrat zu bestimmenden Ort statt.

4 The Shareholders' Meetings shall be held at the registered office of the Company or at another location determined by the Board of Directors.

Art. 11 Form

Art. 11 Form

1 Die Einladung zur Generalversammlung erfolgt unter Bekanntgabe von Ort, Tag und Zeit der Versammlung mindestens 20 Tage vor dem Versammlungstag durch einmalige Publikation im Schweizerischen Handelsamtsblatt oder durch schriftliche Mitteilung an alle im Aktienbuch eingetragenen Aktionäre oder Nutzniesser an deren im Aktienbuch eingetragene Adresse.

1 The notice of the Shareholders' Meeting specifying place, date and time of the meeting shall be given at least 20 days before the meeting date by one-time publication in the Swiss Official Gazette of Commerce or by written notice to all shareholders or usufructuaries registered in the share register to their addresses as registered in the share register.

2 In der Einladung sind die Verhandlungsgegenstände sowie die Anträge des Verwaltungsrats und der Aktionäre, soweit dies gesetzlich oder statutarisch vorgesehen ist, bekannt zu geben.

2 The notice shall state the agenda items as well as the proposals of the Board of Directors and the shareholders, to the extent required by law or by the Articles of Association.

3 Spätestens 20 Tage vor der ordentlichen Generalversammlung müssen der Geschäftsbericht (enthaltend die Erfolgsrechnung, die Bilanz und den Anhang sowie allenfalls Lagebericht und Konzernrechnung) und der Revisionsbericht den Aktionären am Gesellschaftssitz zur Einsicht aufliegen. In der Einberufung ist darauf und dass jeder Aktionär das Recht hat, die Zustellung dieser Unterlagen zu verlangen, hinzuweisen.

3 At least 20 days before the ordinary Shareholders‘ Meeting, the annual report (including the income statement, the balance sheet, the notes to the financial statements and - if applicable - the management report and the consolidated financial statements) and the auditors' report are to be kept for inspection by the shareholders at the registered office of the Company. The invitation must include the reference that any shareholder may request that these documents be sent to him/her.

4 Die Eigentümer, Nutzniesser oder Vertreter sämtlicher Aktien können, falls kein Widerspruch erhoben wird, eine Generalversammlung ohne Einhaltung der für die Einberufung vorgeschriebenen Formvorschriften abhalten (Universalversammlung). Solange Eigentümer, Nutzniesser oder Vertreter sämtlicher Aktien anwesend sind, können alle der Generalversammlung zukommenden Geschäfte behandelt und über sie gültig Beschluss gefasst werden.

4 Shareholders, usufructuaries or their proxies who represent all shares may hold a Shareholders' Meeting without observing the formalities required for calling such meeting, unless objection is raised (Plenary Meeting). So long as all shareholders, usufructuaries or their proxies are present, all matters brought to the Shareholders' Meeting may be dealt with and valid resolutions may be adopted with respect thereto.

Art. 12 Traktandierung

Art. 12 Agenda

1 Auf die Tagesordnung sind auch Verhandlungsgegenstände und Anträge zu setzen, die durch Aktionäre, die Aktien im Nennwert von einer Million Schweizer Franken oder 10 Prozent des Aktienkapitals vertreten, 40 Tage vor der Generalversammlung beim Verwaltungsrat schriftlich eingereicht worden sind.

1 The agenda shall also contain such matters and proposals by shareholders who represent shares with a nominal value of one million Swiss Francs or 10 percent of the share capital, which were submitted to the Board of Directors in writing 40 days prior to the Shareholders' Meeting.

2 Anträge zu nicht gehörig angekündigten Verhandlungsgegenständen können auf Beschluss der Generalversammlung zur Diskussion zugelassen werden. Eine Beschlussfassung ist jedoch erst in der nächsten Generalversammlung möglich. Ausgenommen sind die Anträge auf Einberufung einer ausserordentlichen Generalversammlung, auf Durchführung einer Sonderprüfung und auf Wahl einer Revisionsstelle infolge eines Begehrens eines Aktionärs.

2 Proposals regarding matters that have not been duly announced may be discussed if demanded by a resolution of the Shareholders' Meeting. A resolution, however, may only be passed at the next Shareholders' Meeting, with the exception of proposals requesting that an extraordinary Shareholders' Meeting be called, a special audit be conducted or Auditors be appointed as a result of a request by a shareholder.

3 Zur Stellung von Anträgen im Rahmen der Verhandlungsgegenstände und zu Verhandlungen ohne Beschlussfassung bedarf es keiner vorgängigen Ankündigung.

3 No prior notice is required to submit proposals within the scope of the matters on the agenda, and for discussions without the passing of resolutions.

Art. 13 Leitung und Protokoll

Art. 13 Chair and Minutes

1 An der Generalversammlung führt der Präsident des Verwaltungsrats oder in dessen Verhinderung der Vizepräsident, sofern ein solcher bestimmt ist, den Vorsitz. Sind diese verhindert, so führt ein anderer von der Generalversammlung gewählter Tagespräsident den Vorsitz.

1 The Shareholders' Meeting shall be chaired by the Chairman of the Board of Directors or, if the Chairman is unable to assume this function, by the Vice Chairman if one is appointed. In case both of them are unable to assume that function, the Shareholders' Meeting shall elect such chairperson.

2 Der Verwaltungsrat trifft die für die Feststellung der Stimmrechte erforderlichen Anordnungen und bezeichnet die erforderlichen Stimmenzähler und einen Protokollführer, die alle nicht Aktionäre sein müssen.

2 The Board of Directors shall take the measures necessary to determine the voting rights and appoint the required scrutineers and a secretary all of whom need not be shareholders.

3 Der Verwaltungsrat sorgt für die Führung des Protokolls. Dieses enthält Anzahl, Art, Nennwert und Kategorie der Aktien, die von den Aktionären, den Organen, von unabhängigen Stimmrechtsvertretern und von Depotvertretern vertreten werden, die Beschlüsse und Wahlen, die Begehren um Auskunft und die darauf erteilten Antworten sowie die von den Aktionären zu Protokoll gegebenen Erklärungen.

3 The Board of Directors shall be responsible for the recording of the minutes. The minutes shall set forth the number, type, nominal value and class of shares represented by shareholders, corporate bodies, independent proxies of voting rights and proxies for deposited shares, the resolutions and the results of elections, requests for information and the respective responses, and the statements made by shareholders for the record.

4 Das Protokoll ist vom Vorsitzenden und vom Protokollführer zu unterzeichnen und steht den Aktionären am Sitz der Gesellschaft zur Einsichtnahme offen.

4 The minutes are to be signed by the chairperson and the secretary and may be inspected by the shareholders at the registered office of the Company.

Art. 14 Stimmrecht und Vertretung

Art. 14 Voting Right and Representation

1 In der Generalversammlung berechtigt jede Aktie zu einer Stimme.

1 At the Shareholders' Meeting each share entitles to one vote.

2 Das Stimmrecht aus Namenaktien kann ausüben, wer durch Eintrag im Aktienbuch als Eigentümer oder Nutzniesser ausgewiesen ist.

2 The right to vote registered shares may be exercised by any person who is authorized to do so by reason of his/her registration as owner or usufructuary in the share register.

3 Bei Beschlüssen über die Entlastung des Verwaltungsrates haben Personen, die in irgendeiner Weise an der Geschäftsführung der Gesellschaft teilgenommen haben, kein Stimmrecht.

3 Persons who have in one way or another participated in the management of the Company have no right to vote with regard to resolutions concerning the discharge of the Board of Directors.

4 Der stimmberechtigte Aktionär kann sich an der Generalversammlung durch eine schriftlich bevollmächtigte Person, die nicht Aktionär zu sein braucht, und gegebenenfalls durch den unabhängigen Stimmrechtsvertreter, den Organvertreter oder einen Depotvertreter vertreten lassen. Der Verwaltungsrat entscheidet über die Gültigkeit der Vollmacht. Gesetzliche Vertreter bedürfen keiner schriftlichen Vollmacht; eine persönliche Legitimation genügt.

4 A shareholder who has the right to vote may be represented at the Shareholders' Meeting by any other person authorized by written proxy who does not need to be a shareholder and, if applicable, by the independent proxy of voting rights, the Company representative or a depository representative. The Board of Directors shall decide on the validity of the proxy. Legal proxies do not require written authorisation; personal identification is sufficient.

5 Im Falle der Nutzniessung an einer Aktie stehen das Stimmrecht und die damit zusammenhängenden Rechte dem Nutzniesser zu. Dieser wird dem Eigentümer ersatzpflichtig, wenn

5 If a share is subject to an usufruct, the usufructuary shall have the voting right and any rights attached thereto. He/she shall become liable to compensate the owner if he/she is not taking into

er bei der Ausübung seiner Rechte nicht in billiger Weise auf dessen Interessen Rücksicht nimmt.

account in a fair manner the interests of the owner while exercising his/her rights.

6 Der Verwaltungsrat stellt sicher, dass keine Aktionäre unter Verletzung der Meldepflichten gemäss Art. 697j und 697m OR ihre Rechte ausüben.

6 The Board of Directors shall ensure that shareholders in breach of the notification obligations pursuant to art. 697j and 697m CO do not exercise their rights.

Art. 15 Beschlussfassung und Quorum

Art. 15 Resolutions and Quorum

1 Die Generalversammlung fasst ihre Beschlüsse und vollzieht ihre Wahlen, soweit nicht zwingende Bestimmungen des Gesetzes oder die Statuten etwas anderes bestimmen, mit der absoluten Mehrheit der vertretenen Aktienstimmen.

1 The Shareholders' Meeting adopts resolutions and carries out elections with an absolute majority of votes of shareholders represented, unless mandatory provisions of the law or the Articles of Association stipulate otherwise.

2 Kommt bei Wahlen im ersten Wahlgang eine Wahl nicht zustande und stehen mehrere Kandidaten zur Wahl, findet ein zweiter Wahlgang statt, in dem das relative Mehr entscheidet.

2 Should during an election no candidate attain the absolute majority in the first round of voting and should more than one candidate stand for election, a second round shall take place in which the relative majority shall suffice for election.

3 Ein Beschluss, der mindestens zwei Drittel der vertretenen Stimmen und die absolute Mehrheit der vertretenen Aktiennennwerte auf sich vereinigt, ist erforderlich für:

1. Die Änderung des Gesellschaftszwecks;
2. Die Einführung neuer oder die Ausgabe weiterer Stimmrechtsaktien, die Erhöhung des Stimmkraftprivilegs bestehender Stimmrechtsaktien sowie die Ausgabe neuer Aktien mit gegenüber bestehenden Stimmrechtsaktien weitergehenden Stimmrechtsprivilegien;
3. Die Einführung oder Verschärfung von Vinkulierungsvorschriften;
4. Die Schaffung oder Erhöhung von genehmigtem oder bedingtem Kapital;
5. Die Kapitalerhöhung aus Eigenkapital, gegen Sacheinlage oder zwecks Sachübernahme und die Gewährung von besonderen Vorteilen;
6. Die Einschränkung oder Aufhebung des Bezugsrechts;
7. Die Verlegung des Gesellschaftssitzes;
8. Die Auflösung der Gesellschaft.

3 At least a two-thirds majority of the votes represented, combined with an absolute majority of the nominal value of the shares represented, shall be required for the adoption of a resolution concerning:

1. The change of the purpose of the Company;
2. The introduction of new, or the issuance of further, shares with privileged voting rights, the increase in the voting power of existing shares with privileged voting rights, as well as the issuance of new shares with voting right privileges that are more extensive than those of existing shares with privileged voting rights;
3. The introduction or tightening of restricted transferability requirements;
4. The creation or increase of authorized or conditional capital;
5. A capital increase by conversion of capital surplus, in return for a contribution in kind or for the purpose of an acquisition of assets, and the granting of special benefits;
6. The restriction or withdrawal of the pre-emptive right;
7. The transfer of the registered office of the Company;
8. The dissolution of the Company.

4 Abstimmungen und Wahlen erfolgen in der Regel offen. Auf Anordnung des Vorsitzenden können Abstimmungen und Wahlen auch auf elektronischem Weg durchgeführt werden. Eine geheime Abstimmung oder Wahl hat stattzufinden, wenn der Vorsitzende dies anordnet oder wenn einer oder mehrere Aktionäre, die zusammen über mindestens 10 Prozent der vertretenen Aktienstimmen verfügen, dies verlangen.

4 Votes and elections are normally held by open ballot. Upon an order by the chairperson, voting and elections may also be held by electronic ballot. A secret ballot may be held if the chairperson so orders or if this is requested by one or more shareholders who collectively hold at least 10 percent of the represented votes of shareholders.

B. Der Verwaltungsrat

B. The Board of Directors

Art. 16 Zusammensetzung

Der Verwaltungsrat besteht aus einem oder mehreren Mitgliedern.

Art. 16 Composition

The Board of Directors consists of one or more members.

Art. 17 Amtsdauer

Die Mitglieder des Verwaltungsrats werden auf eine von der Generalversammlung bestimmte Dauer gewählt. Wiederwahl ist zulässig.

Art. 17 Term of Office

The members of the Board of Directors are elected for a term specified by the Shareholders' Meeting. They may be re-elected.

Art. 18 Organisation

1 Der Verwaltungsrat konstituiert sich selbst. Setzt sich der Verwaltungsrat aus mehreren Personen zusammen, bezeichnet er einen Präsidenten und gegebenenfalls einen Sekretär, der nicht dem Verwaltungsrat angehören muss.

2 Er kann zur Wahrnehmung ihm auch nach zwingendem Recht obliegender Aufgaben aus seiner Mitte Ausschüsse bestellen und diese oder einzelne seiner Mitglieder mit der Vorbereitung und Ausführung seiner Beschlüsse, der Überwachung der Geschäfte sowie begleitenden Sonderaufgaben betrauen; er erörtert die ihm vorgelegten Varianten.

Art. 18 Organization

1 The Board of Directors shall organize itself. In case the Board of Directors consists of multiple individuals, it shall appoint its Chairman and, as the case may be, a secretary who does not need to be a member of the Board of Directors.

2 Including for the realization of duties incumbent upon him pursuant to mandatory law, the Board of Directors may appoint committees from among its own members and assign to them, or to individual members, the preparation and implementation of its decisions, the supervision of business activities as well as accompanying special tasks. The Board of Directors discusses the options submitted to it.

Art. 19 Aufgaben

1 Dem Verwaltungsrat obliegt die Oberleitung der Gesellschaft sowie die Aufsicht und Kontrolle der Geschäftsführung.

2 Er vertritt die Gesellschaft nach aussen und besorgt alle Angelegenheiten, soweit diese nicht nach Gesetz, Statuten oder dem Organisationsreglement einem andern Organ zugeteilt sind.

Art. 19 Duties

1 The Board of Directors is in charge of the ultimate direction of the Company as well as of the supervision and control of the management.

2 The Board of Directors represents the Company towards third parties and takes care of all matters if and to the extent they are not assigned to another corporate body by law, the Articles of Association or by the corporate by-laws.

Art. 20 Unübertragbare und unentziehbare Aufgaben

Der Verwaltungsrat hat folgende unübertragbare und unentziehbare Aufgaben:

1. Oberleitung der Gesellschaft. Er legt insbesondere die Unternehmensziele und die Unternehmenspolitik fest, bestimmt die dafür verfügbaren Mittel und Prioritäten und erlässt die für den Vollzug nötigen Weisungen.

2. Festlegung der Organisation. Er legt insbesondere die den Umständen angepasste Grundstruktur des Unternehmens fest und bestimmt die Ausgestaltung der Aufsicht sowie der Berichterstattung. Er erlässt das Organisationsreglement.

3. Ausgestaltung des Finanz- und Rechnungswesens und dessen Kontrolle sowie der Finanzplanung, sofern diese für die Führung der Gesellschaft notwendig ist. Er schlägt der Generalversammlung die Revisionsstelle vor.

4. Ernennung und Abberufung der mit der Geschäftsführung und Vertretung betrauten Personen sowie Regelung der Zeichnungsberechtigung.

5. Oberaufsicht über die mit der Geschäftsführung betrauten Personen, namentlich im Hinblick auf die Befolgung von Gesetzen, Statuten, Reglementen und Weisungen.

6. Wahrnehmung der Mitwirkungsrechte aus Beteiligungen; die Ziff. 1 - 5 sind dabei sinngemäss massgebend. Insbesondere legt er fest, welche Instanz die Repräsentation in den Organen der Untergesellschaften zu nominieren, zu instruieren und zu überwachen hat.

7. Erstellung des Geschäftsberichts, Vorbereitung der Generalversammlung und Vollzug ihrer Beschlüsse.

8. Benachrichtigung des Richters bei Überschuldung.

9. Beschlussfassung über die nachträgliche Leistung von Einlagen auf nicht vollständig liberierten Aktien.

Art. 20 Non-transferable and Inalienable Duties

The Board of Directors has the following non-transferable and inalienable duties:

1. Ultimate direction of the Company. In particular, it defines the goals to be met and the general policies to be followed by the enterprise, specifies the resources and priorities available therefore, and issues the instructions necessary to achieve the same.

2. Determination of the organization. In particular, it defines the basic structure of the Company adjusting it to the situation and determines the structure of the supervision and reporting. It enacts the corporate by-laws.

3. Determination of the principles of finance and accounting and its controlling, as well as of the financial planning if necessary for the management of the Company. It proposes the Auditors to the Shareholders' Meeting.

4. Appointment and removal of the persons entrusted with the management and representation of the Company and determination of the signatory power of all signatories.

5. Ultimate supervision of the persons entrusted with the management of the Company, namely with a view to compliance with the law, the Articles of Association, the regulations and directives.

6. Exercise of the rights arising from participations; numbers 1 - 5 of this paragraph shall apply by analogy. In particular, it determines the body that shall nominate, instruct and supervise the persons serving as representatives in the corporate bodies of any subsidiaries.

7. Preparation of the annual report, preparation of the Shareholders' Meetings and implementation of resolutions adopted by the Shareholders' Meetings.

8. Notification of the court in case of overindebtedness.

9. Passing of resolutions concerning subsequent payments of contributions on shares not fully paid-in.

10. Beschlussfassung über die Erhöhung des Aktienkapitals, soweit diese in der Kompetenz des Verwaltungsrates liegt (Art. 651 Abs. 4 OR) sowie Beschlussfassung betreffend die Feststellung von Kapitalerhöhungen und damit zusammenhängende Statutenänderungen.

10. Passing of resolutions regarding the increase of the share capital insofar it is competent to do so (art. 651 para. 4 CO) as well as regarding the ascertainment of capital increases and the related amendments to the Articles of Association.

Art. 21 Delegation

1 Unter Vorbehalt der ihm nach zwingendem Recht obliegenden Aufgaben kann der Verwaltungsrat Geschäftsführung und Vertretung ganz oder zum Teil einem aus seiner Mitte gewählten leitenden Ausschuss, allfälligen weiteren Ausschüssen, einzelnen seiner Mitglieder oder Dritten übertragen.

2 Inhalt, Umfang und Adressaten der Delegation, die dadurch übertragenen Aufgaben sowie die damit verbundenen Pflichten bezüglich Aufsicht und Berichterstattung werden im Organisationsreglement festgelegt.

3 Mindestens ein Mitglied des Verwaltungsrats muss zur Vertretung der Gesellschaft befugt sein.

Art. 21 Delegation

1 Subject to the duties assigned to it by mandatory law, the Board of Directors may delegate the management and the representation of the Company, in whole or in part, to a managing committee appointed from among its members, to any other committees, to individual members of the Board of Directors or to third parties.

2 The corporate by-laws shall define the content, scope and recipients of the delegation, the delegated tasks as well as the duties concerning supervision and reporting related thereto.

3 At least one member of the Board of Directors shall be authorized to represent the Company.

Art. 22 Einberufung, Beschlüsse und Protokoll

1 Die Sitzungen des Verwaltungsrats finden auf Einladung seines Präsidenten oder auf das an ihn gerichtete schriftlich begründete Begehren eines Mitglieds statt, so oft es die Geschäfte erfordern.

2 Einladungen sollen unter Angabe der Traktanden in angemessener Frist vor der Sitzung verschickt werden.

3 Zur gültigen Beschlussfassung ist die Teilnahme der Mehrheit der Mitglieder des Verwaltungsrats notwendig, ausser in Fällen von nachträglichen Leistungen von Einlagen auf nicht voll liberierten Aktien und Feststellungsbeschlüssen im Zusammenhang mit Kapitalerhöhungen sowie den entsprechenden Statutenanpassungsbeschlüssen (für die kein Präsenzquorum vorausgesetzt wird). Als teilnehmend gelten Mitglieder, die persönlich, per Telefon, per Video oder anderweitig über elektronische Medien an der Sitzung teilnehmen.

4 Der Verwaltungsrat fasst seine Beschlüsse mit der Mehrheit der Stimmen der teilnehmenden Mitglieder. Jedes Mitglied hat eine Stimme. Der Vorsitzende stimmt mit und hat den Stichentscheid.

Art. 22 Convocation, Resolutions and Minutes

1 Meetings of the Board of Directors shall take place as often as required by business, upon notice of its Chairman or upon written request by a member addressed to the Chairman stating the reason therefore.

2 Notices regarding the meetings shall be sent due time in advance and shall state the agenda items.

3 Resolutions of the Board of Directors shall not be passed unless the majority of its members are present, except that no such attendance quorum is required for resolutions regarding subsequent payments of contributions on shares not fully paid-in and the ascertainment of capital increases as well as the related amendments of the Articles of Association. Members who are participating at the respective meeting by way of personal appearance, via telephone or video or otherwise via electronic means are deemed to be present at such meeting.

4 The Board of Directors adopts its resolutions with the majority of the votes of the members present. Each member of the Board of Directors has one vote. The Chairman shall also vote and shall have the casting vote.

5 Die Abstimmungen des Verwaltungsrats erfolgen offen.

6 Über die Verhandlungen und Beschlüsse des Verwaltungsrats ist ein Protokoll zu führen, das vom Präsidenten oder einzigen Mitglied des Verwaltungsrats und vom Sekretär unterzeichnet wird.

5 The Board of Directors shall vote by means of open ballots.

6 Minutes are to be kept of the deliberations and resolutions of the Board of Directors. The minutes are to be signed by the Chairman or sole member of the Board of Directors and by the secretary.

Art. 23 Zirkulationsbeschluss

1 Beschlüsse und Wahlen des Verwaltungsrats können ohne Durchführung einer Verwaltungsratssitzung auch auf dem Weg der schriftlichen Zustimmung zu einem gestellten Antrag gefasst werden, sofern nicht ein Mitglied die mündliche Beratung verlangt. Der Antrag und die Zustimmung können per Brief, Telefax oder via elektronische Datenübertragung vorgenommen werden.

2 Solche Beschlüsse bedürfen der Zustimmung der einfachen Mehrheit der gültig abgegebenen
Stimmen der Mitglieder des Verwaltungsrats. Sie sind in das Protokoll des Verwaltungsrats aufzunehmen.

Art. 23 Circular Resolution

1 Resolutions of the Board of Directors may also be passed and elections carried out by written consent to a proposal, unless a member of the Board of Directors requests oral deliberation. The proposal and the consent may be given by letter, fax or by means of electronic transfer of data.

2 Such resolutions require the consent of the simple majority of the members of the Board of Directors who validly cast their votes. They are to be recorded in the minutes of the Board of Directors.

Art. 24 Auskunft und Einsicht

1 Jedes Mitglied des Verwaltungsrats kann Auskunft über alle Angelegenheiten der Gesellschaft verlangen.

2 In den Verwaltungsratssitzungen sind alle Mitglieder des Verwaltungsrats sowie die mit der Geschäftsführung betrauten Personen zur Auskunft verpflichtet.

3 Ausserhalb der Sitzungen des Verwaltungsrats kann jedes Mitglied von den mit der Geschäftsführung bzw. Vertretung betrauten Personen Auskunft über den Geschäftsgang und, mit Ermächtigung des Präsidenten des Verwaltungsrats auch über einzelne Geschäfte verlangen.

4 Soweit es für die Erfüllung einer Aufgabe erforderlich ist, kann jedes Mitglied des Verwaltungsrats dem Präsidenten beantragen, dass ihm Bücher und Akten der Gesellschaft vorgelegt werden.

5 Weist der Präsident ein Gesuch auf Auskunft, Anhörung oder Einsicht ab, so entscheidet der Verwaltungsrat.

Art. 24 Information and Inspection

1 Each member of the Board of Directors is entitled to request information concerning all affairs of the Company.

2 At meetings of the Board of Directors, all members of the Board of Directors and all persons entrusted with the management of the Company are required to furnish information.

3 Outside of the meetings of the Board of Directors, each member of the Board of Directors may request from the persons entrusted with the management and/or representation of the Company information concerning the course of business and, upon authorisation by the Chairman of the Board of Directors, also concerning specific transactions.

4 To the extent necessary to fulfil a duty, each member of the Board of Directors may request the Chairman of the Board of Directors to authorize him to inspect the books and records of the Company.

5 If the Chairman of the Board of Directors declines a request for information, for a hearing or for inspection, the Board of Directors shall decide whether such request should be granted.

Art. 25 Entschädigung

Die Mitglieder des Verwaltungsrats beziehen für ihre Tätigkeit eine nach Massgabe ihrer Beanspruchung und Verantwortlichkeit angemessene Entschädigung. Die Höhe der Entschädigung legt der Verwaltungsrat fest.

Art. 25 Remuneration

The members of the Board of Directors are entitled to remuneration corresponding to their commitment and responsibilities, as determined by the Board of Directors itself.

Art. 26 Schadloshaltung

Soweit es das Gesetz zulässt, werden die Mitglieder des Verwaltungsrats sowie die weiteren mit der Geschäftsführung der Gesellschaft betrauten Personen aus dem Gesellschaftsvermögen schadlos gehalten für Forderungen, Kosten, Verluste, Schäden, Bussen, und sonstige Auslagen, welche ihnen im Zusammenhang mit ihrer Tätigkeit für die Gesellschaft entstehen bzw. gegen diese erhoben werden, es sei denn, ein rechtskräftiger Entscheid eines Gerichts oder einer anderen Behörde stelle fest, dass die betreffende Person die obgenannten Auslagen und Verpflichtungen aufgrund einer vorsätzlichen oder grobfahrlässigen Pflichtverletzung verursacht hat.

Art. 26 Indemnification

The Company shall indemnify and hold harmless, to the fullest extent permitted by law, each of the members of the Board of Directors as well as further persons entrusted with the management of the Company (officers) out of the assets of the Company from and against all actions, costs, charges, losses, damages and expenses which they or any of them may incur or sustain by or by reason of any act done, concurred in or omitted in or about the execution of their duty, or supposed duty on behalf of the Company, provided that this indemnity shall not extend to any matter in which any of said person is found, in a final judgement or decree not subject to appeal, to have committed with intent or gross negligence.

C. Die Revisionsstelle

Art. 27 Wahl

1 Die Generalversammlung wählt eine Revisionsstelle.

2 Sie kann auf die Wahl einer Revisionsstelle verzichten, wenn:

1. die Gesellschaft nicht zur ordentlichen Revision verpflichtet ist;
2. sämtliche Aktionäre zustimmen; und
3. die Gesellschaft nicht mehr als 10 Vollzeitstellen im Jahresdurchschnitt hat.

3 Der Verzicht gilt auch für die nachfolgenden Jahre. Jeder Aktionär hat jedoch das Recht, spätestens 10 Tage vor der Generalversammlung die Durchführung einer eingeschränkten Revision und die Wahl einer entsprechenden Revisionsstelle zu verlangen. Die Generalversammlung darf diesfalls die Beschlüsse nach Art. 9 Ziff. 3 erst fassen, wenn der Revisionsbericht vorliegt.

C. The Auditors

Art. 27 Election

1 The Shareholders' Meeting elects the Auditors.

2 It may abstain from electing Auditors if:

1. the Company is not obliged to have an ordinary audit performed;
2. all shareholders agree; and
3. the Company does not have more than 10 full-time employment positions on an annual average.

3 Such waiver shall also extend to the following years. Each shareholder, however, has the right to request a limited audit and the election of the corresponding Auditors no later than 10 days prior to the Shareholders' Meeting. In such case the Shareholders' Meeting may take resolutions according to art. 9 No. 3 only if the audit report is available.

Art. 28 Anforderungen

1 Als Revisionsstelle können eine oder mehrere natürliche oder juristische Personen oder Personengesellschaften gewählt werden.

2 Die Revisionsstelle muss ihren Wohnsitz, ihren Sitz oder eine eingetragene Zweigniederlassung in der Schweiz haben. Hat die Gesellschaft mehrere Revisionsstellen, so muss zumindest eine diese Voraussetzungen erfüllen.

3 Die Revisionsstelle wird für ein Geschäftsjahr gewählt. Ihr Amt endet mit der Abnahme der letzten Jahresrechnung. Wiederwahl ist möglich. Eine Abberufung durch die Generalversammlung ist jederzeit und fristlos möglich.

Art. 28 Requirements

1 One or several individuals, legal entities or partnerships may be elected as Auditors.

2 The Auditors shall have their place of residence, their registered office or a registered branch in Switzerland. If the Company has several Auditors, at least one of them shall meet these requirements.

3 The Auditors shall be appointed for a term of one business year. Their mandate shall expire with the acceptance of the last annual accounts. Re-election is possible. The Shareholders' Meeting may, at any time and with immediate effect, dismiss the Auditors.

RECHNUNGSABSCHLUSS, RESERVE, GEWINNVERTEILUNG

IV. CLOSING OF THE BOOKS, RESERVES AND DISTRIBUTION OF PROFITS

Art. 29 Geschäftsjahr

Das Geschäftsjahr entspricht dem Kalenderjahr, soweit der Verwaltungsrat nicht etwas anderes festlegt.

Art. 29 Business Year

The business year corresponds to the calendar year unless the Board of Directors resolves otherwise.

Art. 30 Jahresrechnung

1 Die Jahresrechnung besteht aus Erfolgsrechnung, Bilanz und Anhang.

2 Sie ist gemäss den Art. 957 ff. OR zu erstellen.

Art. 30 Annual Financial Statements

1 The annual financial statements shall consist of an income statement, a balance sheet and notes to the financial statements.

2 It shall be prepared pursuant to art. 957 et seq. CO.

Art. 31 Allgemeine Reserve

1 Fünf Prozent des Jahresgewinns sind der allgemeinen Reserve zuzuweisen, bis diese die Höhe von 20 Prozent des einbezahlten Aktienkapitals erreicht hat.

2 Dieser Reserve sind, auch nachdem die gesetzliche Höhe erreicht ist, 10 Prozent der Beträge, die nach Bezahlung der Dividende von fünf Prozent als Gewinnanteil ausgerichtet werden, zuzuweisen. Diese Bestimmung gilt nicht, sofern und solange der statutarische oder tatsächliche Zweck der Gesellschaft hauptsächlich in der Beteiligung an anderen Unternehmen besteht.

Art. 31 General Reserve

1 Five percent of the annual profit shall be allocated to the general reserve until such reserve equals 20 percent of the paid-in share capital.

2 10 percent of the amount distributed as profit sharing after payment of a dividend of five percent shall be allocated to this reserve, even when the amount stipulated by law has been reached. This provision shall not apply if and so long as the purpose of the Company as set forth in the Articles of Association or the actual purpose of the Company is mainly the holding of participations in other companies.

Art. 32 Bilanzgewinn

Über den nach Vornahme angemessener Abschreibungen und der vorgeschriebenen Einlagen in die Reserve verbleibenden Bilanzgewinn verfügt die Generalversammlung im Rahmen der gesetzlichen und statutarischen Vorschriften.

Art. 32 Balance Sheet Profit

Subject to adequate depreciation and the prescribed allocation to the reserve, the balance sheet profit may be disposed of by the Shareholders' Meeting within the legal and statutory provisions.

AUFLÖSUNG UND LIQUIDATION DER GESELLSCHAFT

V. DISSOLUTION AND LIQUIDATION OF THE COMPANY

Art. 33 Grundsatz

1 Die Generalversammlung kann jederzeit die Auflösung und Liquidation der Gesellschaft nach Massgabe der gesetzlichen und statutarischen Vorschriften beschliessen.

2 Bei Beschluss der Auflösung mit Liquidation wird die Liquidation durch den Verwaltungsrat durchgeführt, vorbehältlich eines anderweitigen Beschlusses der Generalversammlung. Im Übrigen gelten hierfür die gesetzlichen Bestimmungen.

Art. 33 Principle

1 The Shareholders' Meeting may resolve at any time that the Company be dissolved and liquidated in accordance with the law and the provisions set forth in the Articles of Association.

2 If the dissolution of the Company and its liquidation is resolved, the liquidation shall be carried out by the Board of Directors, subject to a resolution of the Shareholders' Meeting stipulating otherwise. Besides, the statutory provisions shall apply.

Art. 34 Verteilung des Vermögens

Das Vermögen der aufgelösten Gesellschaft wird nach Tilgung ihrer Schulden unter die Aktionäre nach Massgabe der einbezahlten Beträge und unter Berücksichtigung der Vorrechte einzelner Aktienkategorien verteilt.

Art. 34 Distribution of Assets

The net assets of the dissolved Company which remain after satisfaction of the Company's liabilities shall be distributed to the shareholders in proportion to their paid-in contributions and in consideration of the preferential rights of individual classes of shares.

BEKANNTMACHUNGEN

VI. PUBLICATION

Art. 35 Mitteilungen und Publikationen

1 Die Mitteilungen an die Aktionäre erfolgen per Brief an ihre im Aktienbuch eingetragenen Adressen, per Telefax oder E-Mail oder durch Publikation im Schweizerischen Handelsamtsblatt (SHAB).

2 Öffentliche Mitteilungen erfolgen durch Publikation im Schweizerischen Handelsamtsblatt. Der Verwaltungsrat kann zudem Mitteilungen in andern Publikationsorganen verfügen.

Art. 35 Notifications and Publication

1 Notifications to the shareholders shall be made by letter to their addresses indicated in the share register, by fax or e-mail or by publication in the Swiss Official Gazette of Commerce ("Schweizerisches Handelsamtsblatt", SHAB).

2 Official announcements shall be made by publication in the Swiss Official Gazette of Commerce. In addition, the Board of Directors may order that notice may be given in other publications.

SCHLUSSBESTIMMUNGEN

VII. FINAL CLAUSES

Art. 36 Sachübernahme

Mit dieser Statutenänderung ergänzt die Gesellschaft nachträglich die Statuten mit einer neuen Bestimmung über die folgende Realisierung der beabsichtigten Sachübernahme: Die Gesellschaft hat in Realisierung der bei der Gründung vom 27. November 2020 nicht offen gelegten Absicht von der Ella Media GmbH, Schanzenstrasse 35, D- 51063 Köln, gemäss Kaufvertrag vom 11. Januar 2021, eine sich in Entwicklung befindliche Software, die eigenständig Texte im fiktionalen wie non-fiktionalen (Content-Marketing) Bereich generieren soll, zu einem Preis von EUR 1‘750‘000.00 übernommen.

Art. 36 Acquisition of Assets

With this amendment to the articles of association, the Company subsequently supplements the articles of association with a new provision on the following realisation of the intended acquisition of assets: In realisation of the intention not disclosed at the time of its incorporation on November 27, 2020, the Company acquires from Ella Media GmbH, Schanzenstrasse 35, D- 51063 Köln, a software under development that is intended to independently generate texts in the fictional as well as non-fictional (content marketing) area, pursuant to the purchase agreement dated January 11, 2021, at a price of EUR 1,750,000.00.

Art. 37 Gerichtsstand

Für alle Streitigkeiten über Gesellschaftsangelegenheiten zwischen einzelnen Aktionären unter sich, zwischen einzelnen Aktionären und der Gesellschaft oder ihren Organen sowie zwischen der Gesellschaft und ihren Organen oder zwischen den Organen unter sich, sind ausschliesslich die ordentlichen Gerichte am statutarischen Sitz der Gesellschaft zuständig, wobei der Weiterzug an das Schweizerische Bundesgericht vorbehalten bleibt.

Art. 37 Place of Jurisdiction

All disputes concerning Company affairs between or among individual shareholders, between individual shareholders on the one hand and the Company or its corporate bodies on the other hand as well as between the Company and its corporate bodies or between the corporate bodies themselves, shall be resolved exclusively by the courts of general jurisdiction at the Company’s registered office; subject to the right to appeal to the Swiss Supreme Court.

Art. 38 Verbindlicher Originaltext

Falls sich zwischen der deutschen und englischen Fassung dieser Statuten Differenzen ergeben, hat die deutsche Fassung Vorrang.

Art. 38 Authoritative Language

In the event of discrepancies between the German and English version of these Articles of Association, the German version shall prevail.

Zug, den 8. Juli 2021

Zug, July 8, 2021

Protokoll über die Sitzung

des Verwaltungsrates der

ella media ag, mit Sitz in Zug, vom 12. Juli 2021

Datum: 12. Juli 2021

Ort: Telefonkonferenz

Teilnehmer: Peter Steiner, Michael Keusgen

Unter Verzicht auf alle Formen und Fristen für die Einberufung einer Sitzung des Verwaltungsrats hält der gesamte Verwaltungsrat der ella media ag eine Sitzung des Verwaltungsrats ab. Im Einverständnis aller Teilnehmer wird der Vorsitz und die Protokollführung von Peter Steiner übernommen. Der Verwaltungsrat fasst folgende Beschlüsse:

Ad Traktandum 1: Kapitalerhöhung

Unter Bezugnahme auf den Beschluss der Gründerversammlung der ella media ag mit Sitz in Zug vom 27.11.2020 über die genehmigte Kapitalerhöhung in Form von Partizipationskapital auf maximal nominal CHF 65'000.-- durch Neuausgabe von 6.500.000 Namen-Partizipationsscheine im Nennwert von CHF 0.01 wird folgende Ausgabe von weiteren Partizipationsscheinen mittels eines öffentlichen Angebots an Anleger in Luxembourg, Deutschland, Niederlande und Österreich (gemäss eines EU-Wachstumsprospekts bewilligt von der von der Commission de Surveillance du Secteur Financier of Luxembourg (CSSF) und notifiziert an die Bundesanstalt für Finanzdienstleistungsaufsicht (BaFin) in Deutschland, der Österreichischen Finanzmarktaufsicht (FMA) und die niederländischen Behörde über die Finanzmärkte (Autoriteit Financiële Markten, AFM)) beschlossen:

- **Bis spätestens 30. November 2021: 1'000'000 Stück im Nennwert von CHF 0.01 zu einem Ausgabepreis von EUR 5.00 (Ausgabe in einer oder mehreren Tranchen);**

- **Vom 1. Dezember 2021 bis spätestens 30. August 2022 verteilt über mehrere Angebotsperioden: Bis maximal 2'351'100 Stück im Nennwert von CHF 0.01 zu einem Ausgabepreis von maximal EUR 10.00 (Ausgabe in einer oder mehreren Tranchen).**

Diese neu auszugebenden Partizipationsscheine sind ab Eintragung im Handelsregister gewinnbezugsberechtigt.

Die Einlagen auf diese neu auszugebenden Partizipationsscheine sind durch Verrechnung mit Ansprüchen gegenüber der Gesellschaft zu leisten.

Der Vorsitzende und Protokollführer:

Peter Steiner