LEKTA THERAPY LTD

(THE "COMPANY" OR THE "ISSUER" OR "LEKTA THERAPY")

JANUARY 2022

INFORMATION MEMORANDUM

FOR THE PURPOSES OF INCLUSION OF 4,181,309 SHARES TO TRADING ON THE VIENNA MTF OF THE VIENNA STOCK EXCHANGE

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SECTION 1 - GENERAL INFORMATION ON THE ISSUER

1. *INCORPORATION AND STATUS*

The Issuer is a private limited company incorporated under the laws of England and Wales on 27 November 2017, registered with the Companies House under company number 11083131, with registered office at 245 Hammersmith Road, London, England, W6 8PW.

The Issuer is active under the commercial name of "**My Online Therapy**" or "**MOT**".

For additional information, please refer to Section 4 (*Object of Business*) below.

2. *CONTACT DETAILS*

Phone no.: +44 020 3389 7767

Website: www.myonlinetherapy.com

Email: investorrelations@myonlinetherapy.com

3. *SHARE CAPITAL*

As at the date of this Information Memorandum, the Issuer's authorized share capital is equal to GBP 418,130.90 fully paid-up, and is represented by no. 4,181,309 ordinary shares with a nominal value of GBP 0.1 each.

4. *OWNERSHIP STRUCTURE*

As at the date of this Information Memorandum, the share capital of the Issuer is held as follows.

SHAREHOLDERS AND HOLDERS OF OTHER RIGHTS		TOTAL ORDINARY SHARES: 100%		
PERSONAL DETAILS	**SHARES**	**NOMINAL VALUE (GBP)**	**%**	**RIGHT**
BLINK CONCEPT PLC	**2,135,309**	**213,530.90**	**51.08%**	**OWNERSHIP**
TRIGOT LIMITED	**1,000,000**	**100,000.00**	**23.91%**	**OWNERSHIP**
THE CHELSEA ONLINE THERAPY	**1,000,000**	**100,000.00**	**23.91%**	**OWNERSHIP**
MR. WILLIAM JONES	**45,000**	**4,500.00**	**1.08%**	**OWNERSHIP**
MR. ANDREW GOODWIN	**1,000**	**100.00**	**0,02%**	**OWNERSHIP**

Blink Concept Plc is a public limited company incorporated under the laws of England and Wales on 26 June 2020, registered with the Companies House under company number 12699697, with registered office at 23 Berkeley Square, London, England, W1J 6HE. Eruditus Group Ltd and Modeca Ltd own the company's share capital with 5% and 95% of shares respectively. Dr. Kamson Temidayo Oluwafemi and Maton Andrea are the company's directors. The ultimate beneficial owner is Mr. Alfredo Camalò.

Trigot Limited is a private limited company incorporated under the laws of England and Wales on 23 December 2004, registered with the Companies House under company number 05320989, with registered office at 1 Warner House, Harrovian Business Village, Bessborough Road, Harrow, England, HA1 3EX. Ms Stefania Dennerlein owns 100% of the share capital of Trigot Limited; Mr Marco Bianchi and Elettra Bianchi Dennerlein are the company's directors.

The Chelsea Online Therapy Limited is a private limited company incorporated under the laws of England and Wales on 2 May 2018, registered with the Companies House under company number 11341664, with registered office at 30 City Road, London, United Kingdom, EC1Y 2AB. Dr. Thomas Rupert Blaise Pennybacker, Dr. Elena Touroni, Ms. Anastasia Tsakalaidou own the company's share capital with 33.33% of shares each; Dr. Pennybacker and Dr. Touroni are also the company's directors. The ultimate beneficial owners are Mr. Thomas Pennybacker, Ms. Elena Touroni and Ms. Anastasia Tsakalaidou.

Mr. William Jones is an employee of the Company with the role of Head of Product.

The shareholders and the Company entered into a shareholders' agreement ("**SHA**") relating to, *inter alia*, (a) funding obligations; (b) certain matters reserved to the shareholders; (c) the right of the shareholders to appoint and remove the directors; (d) the dividend policy of the Company; (e) the issuance of further shares; (f) the transfer of shares: and (g) the provision of a tag-along rights in the event of a change of control.

The SHA is due to be restated on or about the date of this Information Memorandum.

SECTION 2 – COMPANY STRUCTURE

1. *DESCRIPTION OF THE ISSUER AND ITS SHAREHOLDER GROUP*

THE ISSUER AND ITS INVESTEES

As previously highlighted, the Issuer was incorporated in 2017.

As at the date of this Information Memorandum, the Issuer exercises significant control over the company My Online Therapy Limited, a private limited company incorporated under the laws of England and Wales on 26 April 2018, registered with the Companies House under company number 11331059, with registered office at 30 City Road, London, United Kingdom, EC1Y 2AB.

As at the date of this Information Memorandum, the subsidiary – which is entirely owned by the Issuer – is active.

At the date of this Information Memorandum, the sole director of the subsidiary is Ms. Elettra Bianchi Dennerlein, who is also CEO of Lekta Therapy.

ADMINISTRATION, MANAGEMENT AND SUPERVISORY BODIES

Administrative Body

As at the date of this Information Memorandum, the Issuer is managed by a sole director, Ms. Elettra Bianchi Dennerlein.

NAME, SURNAME AND NATIONALITY	POSITION	DATE OF APPOINTMENT	PLACE OF BIRTH	DATE OF BIRTH
ELETTRA BIANCHI DENNERLEIN **ITALIAN CITIZEN**	**DIRECTOR**	**27 NOVEMBER 2017**	**ROME (ITALY)**	**4 MARCH 1992**

Ms. Elettra Bianchi Dennerlein is a mental health entrepreneur, with a previous work experience as Sales Advisor at Tesla. After earning a Bachelor's Degree in Sociology and Politics at Goldsmiths, University of London, Elettra obtained a Master's Degree in Environmental Engineering Technology at Imperial College London. She is the founder of the Company, where she also acts as co-CEO.

Board of Statutory Auditors

As at the date of this Information Memorandum, there are no statutory auditors existing. Indeed, the Issuer qualifies for the audit exemption, under the UK Companies Act 2006, as the company has at least 2 of the following:

· an annual turnover of no more than £10.2 million

· assets worth no more than £5.1 million

· 50 or fewer employees on average

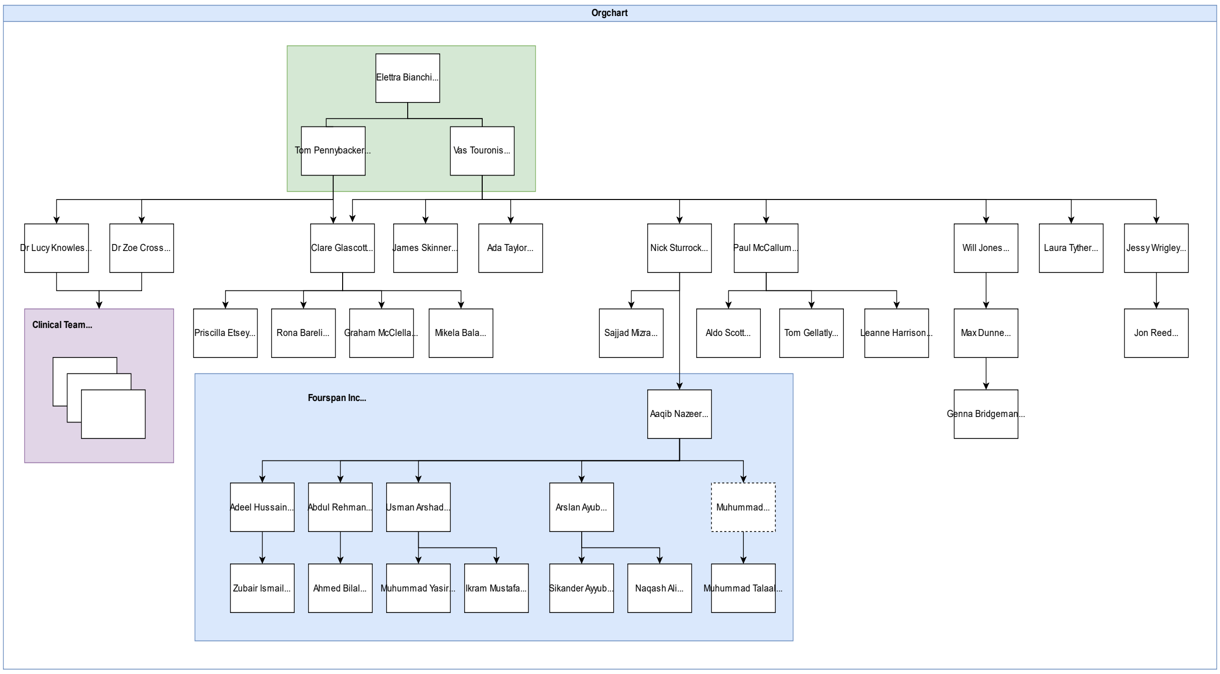
External Accountants

The Issuer employs Arram Berlyn Gardner LLP (ABG) – Chartered Accountants as external accounting firm.

For additional information, please refer to Section 5 (*Unaudited Financial Figures*) below.

Operating and administrative team

As the date of this Information Memorandum, the Company's operating and administrative team structure is illustrated in the chart below. Of the units reported, 23 are employees.



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SECTION 4 – OBJECT OF BUSINESS

1. *HISTORY OF THE ISSUER*

The Issuer was incorporated under the laws of England and Wales on 27 November 2017 and registered with the Companies House under company number 1108313.

Its founders were Ms. Elettra Bianchi Dennerlein and Ms. Vittoria Bianchi Dennerlein. The aforementioned were both the Issuer's first directors and shareholders, with a portion of share capital amounting to 50% each.

On 27 April 2018, Sunset Enterprise Ltd acquired 50% of the Company. On 20 June 2018, Ms. Elettra Bianchi Dennerlein and Sunset Enterprise Ltd sold, pro quota, 33.33% of the Company to The Chelsea Online Therapy Limited. Ms. Elena Touroni, Mr. Vasileios Touronis and Thomas Ruper Blaise Pennybacker were The Chelsea Online Therapy Limited Co-founders so, they also became the Co-founders of the Lekta Therapy business.

On 10 December 2019, Sunset Enterprise Ltd sold its equity interest to Lighthouse Group Investments.

On December 2019, Lighthouse Group Investments subscribed for a capital increase increasing its equity interest to 51%.

On 11 March 2020, Lighthouse Group Investments sold its majority equity interest to LH Inv. Group U.S. Corporation.

On 18 March 2020, the Company changed its registered office from Second Floor 4-5 Gough Square London EC4A 3DE United Kingdom to 2 Lansdowne Row Suite 163 London W1J 6HL.

On 01 September 2020, Registered office address changed from 2 Lansdowne Row Suite 163 London W1J 6HL England to 245 Hammersmith Road London W6 8PW on 1 September 2020

On 2 February 2021 Elettra Bianchi Dennerlein sold its equity interest to Trigot Limited

On 08 Apr 2021, Termination of appointment of Matteo Petti as a director

On 20 Apr 2021, Termination of appointment of Elena Touroni as a director

On 17 June 2021, LH Inv. Group U.S. Corporation sold its majority equity interest to Blink Concept Plc.

On 20 October 2021, termination of Dr. Thomas Ruper Blaise Pennybacker as director.

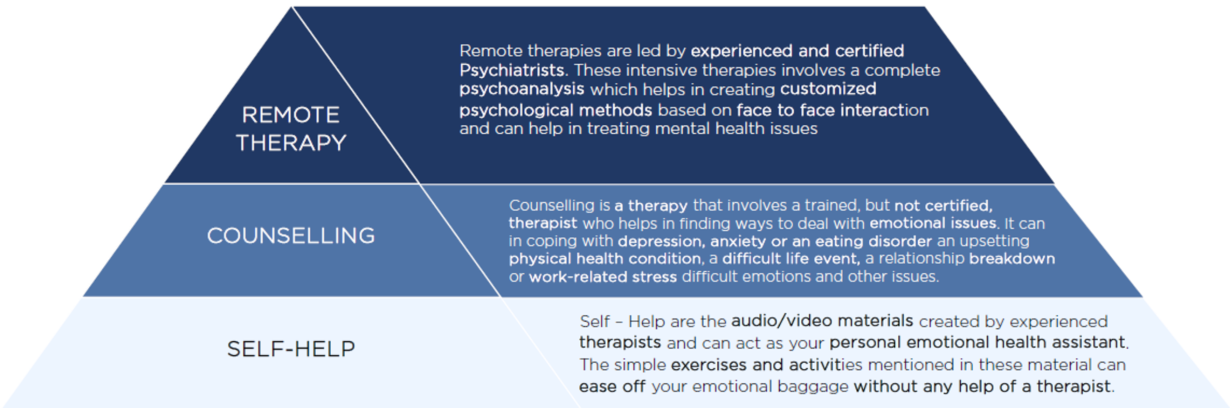
2. *BUSINESS FIELD*

The Issuer is an innovative company that, under the commercial name of "My Online Therapy" or "MOT", provides easy access to psychological therapy. Its business consists in the development and operation of an on-line marketplace (accessible via website at www.myonlinetherapy.com or via app) aimed at ensuring that patients receive professional psychological assistance services provided by independent therapists. The Company targets both business-to-consumer (B2C) and business-to-business (B2B) markets, worth more than GBP 12 billion, composed by customers that suffer from mental health illness in the UK.

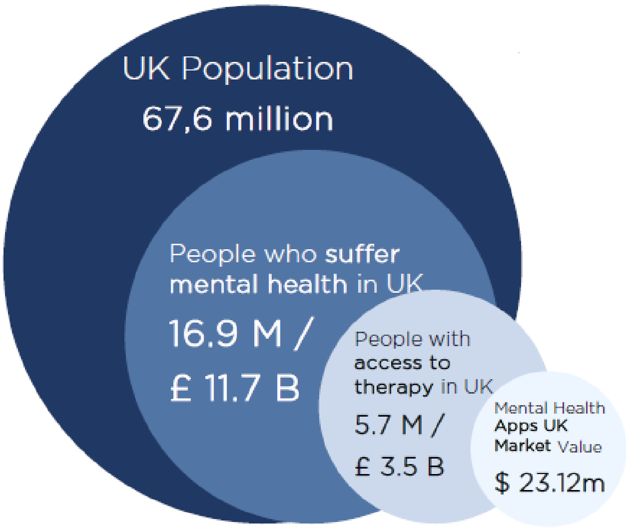
The market of on-line apps for mental health is expected to grow at a CAGR of 20.5% from 2021-2027 to reach US$ 3.3 billion by 2027 (Source: www.prnewswire.co.uk/news-releases). The number of patients suffering from mental illnesses increases due to the increase in geriatric populations and stressful working hours, the need for quicker healthcare is required. To address this issue, digital healthcare tools are offering several apps to scale up the treatment and decrease the cost of treatment for patients.

Amid COVID-19, all activities need to be digitalized to reach the masses, this digitalization has helped the mental health apps market grow enormously. For example, the top 20 mental wellness apps in the U.S. hit 4 million first-time downloads in April 2020. That is a 29% increase from 3.1 million in January. In fact, during the pandemic, many coronavirus health apps were made mandatory by the UK-government. The Indian Covid-19 tracker government app had 127.6 million total downloads in July from both iTunes and Play Store of which 80.8 million downloads were in April itself (Source: www.prnewswire.co.uk/news-releases).

The reference market targeted by the Company is the market of digital support for mental illness and, in particular, the tele-therapy market. Such market is composed by three key areas: self-help, counselling and remote therapy, as shown in the image below.



Today's active market is composed by people who suffer mental illness and actively access therapy. This market is worth GBP 3.5 billion.

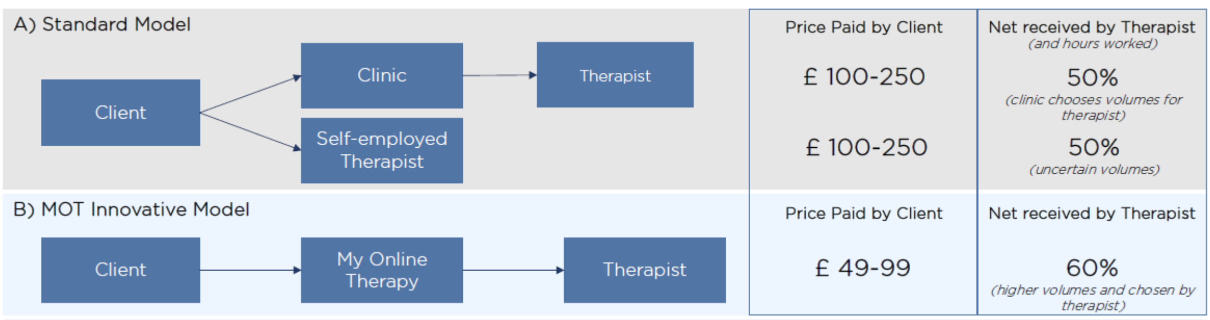


The Issuer's solution, however, targets a wider market that includes also to those that suffer from mental illness, but do not currently access therapy, bringing to our potential market additional GBP 8.2 billion. The Company's solution has the potential to disrupt a market with 16.9 million people that is worth GBP 11.7 billion and is digitally covered for only USD 23.12 million.

Clinical governance and quality assurance are the Company's key drivers. The Company recruits only highly qualified Health and Care Professions Council (HCPC) registered psychologists: this represents the highest level of professional training in the field of provision of psychological therapy.

In the Company's standard model, the therapist has to rely on a clinic that provides clients for him/her, or he is a self-employed therapist:

- in the first scenario, clinic books client for the therapist, gets paid, and pays back 50% to the latter. Else, the therapist can be hired by the clinic and receive a salary, getting much less in terms of hourly rate;
- in the scenario of a self-employed therapist, he or she manages the entire process getting 100% of revenues. However, such therapist needs to run an office, dealing with administration, paying rent, and struggles in finding clients. Such costs erode generally more than 50% of revenues.



With the Company's innovative model, therapists get more share of the total revenue, but on a lower price. However, the advantage is that by working with digital solutions Therapists can easily attract an adequate number of patients, assuring the desired amount of income. Moreover, they do not need neither a clinic nor an office: they can simply switch on the laptop and connect with their clients. There is no time and cost waist related with getting to the office/clinic and they can work more hours, thereby getting much higher income.

According to its business model, the Company does not hire psychologist but rather it intermediates their services in a GIG economy model, which is based on the presence of an on-line market place that intermediates the provision of services by freelancers.

Following the outbreak of the Covid-19 pandemic, the Issuer launched an additional product: Self-care. It offers audio therapy courses specifically designed to help with issues like anxiety and depression. Each course is brimming with therapy exercises and techniques that you unlock as you progress through it. Created by a team of top psychologists, each course gives a taster of clinically-proven therapies and techniques. The courses teach the fundamentals of: Cognitive Behavioural Therapy (CBT); Dialectical Behaviour Therapy (DBT); Acceptance and Commitment Therapy (ACT); and Schema Therapy. This new product line, which is expected to record the first turnover in April 2022, at the end of the first forecast year (FY 2022) will allow to invoice about £ 1.2 million.

@ 30-09-2021		
B2C	N. New Users Booking	77
	N. Users in Ongoing Therapy	428
	Conversion Rate	62.4%
B2B	N. New Users Booking	220
	N. Users in Ongoing Therapy	720
	Conversion Rate	93.9%
	N. of Employees	23

The Company's development strategy includes three steps:

3. *PRINCIPAL INVESTMENTS IN THE CURRENT AND PAST BUSINESS YEAR*

£/000

Investments for the development of the Software Platform	FY 2018 FY 2019 FY 2020	£370 £684 £491
	Total	**£1.545**

£/000

Social Media Advertising costs	FY 2018 FY 2019 FY 2020	£0 £33 £521
	Total	**£554**

£/000

Digital Marketing Campaigns costs	FY 2018 FY 2019 FY 2020	£0 £0 £2.744
	Total	**£2.744**

The Issuer approved the issue of a bond loan for a total of £5,000,000.00 (the "**Bond**") on 23/04/2020, which was listed on the Vienna Stock Exchange, and to date subscribed for a total of £2,250,000.

At the time of the issue, it was the Issuer's intention to use the proceeds from the Bond funding to foster its on-line marketplace's development. In particular, about half of the funding to finance advertising campaigns; the other half to improve the Company's working capital and provide additional capacity and adequate resources for further service expansion. The results that were expected to be achieved over the three-year plan using resources from the Bond are set out below:

1. Advertising Budget: £ 2.1 million
2. New Bookings: £ 21.9k
3. Ongoing Clients: £ 13.8k
4. Expected Revenues 2020: £ 12.9 million
5. Cumulated Expected Revenues 3Y plan: £ 81 million

As said, the Bond was subscribed for a lower amount (£2,250,000) than the one approved, of which £1,770,000 was subscribed between June and December 2020 and the remainder was subscribed in the summer of 2021. Therefore the Issuer's development plan was significantly delayed, and this resulted in the failure to achieve the target results included in the previous business plan. Specifically, the number of new clients was not reached because of a reduced investment in the advertising campaigns (the most efficient channels for the Issuer being the direct marketing SEO campaigns) which caused a lower actualised revenue to the one projected. The most important detrimental factor to the missed objectives of the previous plan was the advertising campaign of summer 2020 that produced actualised results far from those planned and supplied by the appointed agency, due to their unplanned deviations, misjudgements and wrong projections.

Finally, another factor that partly contributed to the failure in achieving the target results was the outbreak of the Covid-19 pandemic which, due to its unpredictability and exceptional nature, presented itself as a risk and threat given the embryonic stage of the functioning of the Issuer's business. It is most likely the case that if the Company had the resources to fully implement the launch of the campaigns and if it had the time to benefit from the effects connected to them, as planned from the outset, the Covid-19 factor would have turned exclusively into an opportunity to be seized.

SECTION 5 – UNAUDITED FINANCIAL FIGURES

On 25 June 2019 and 1 May 2020, the Issuer filed to the Companies House its micro-entity accounts made up respectively at 30 November 2018 and 30 November 2019. For the year ending on November 29, 2020 the deadline for the filing of the Accounts on the Company House is 27 November 2021.

That said, the charts and tables below illustrate, among others, the Company's financial figures requested by the Rules (sales revenues, EBIT, profit/loss, equity ratio) for the past three financial years. For the year ending 30 November 2021 the Management provides the forecast data of closure.

Year	30/11/2021*	30/11/2020	30/11/2019	30/11/2018
Sales revenue / turnover	1,640,451	662,311	67,612	2,174
Earnings before interests and taxes - EBIT	(1,959,918)	(4,856,616)*	(191,197)	(138,130)
Profit/(Loss)	(2,353,351)	(5.239.884)	(191,204)	(138,130)

* Net of exceptional items the amount is (5.153.911) GBP

BUSINESS PLAN FOR THE COMING YEARS

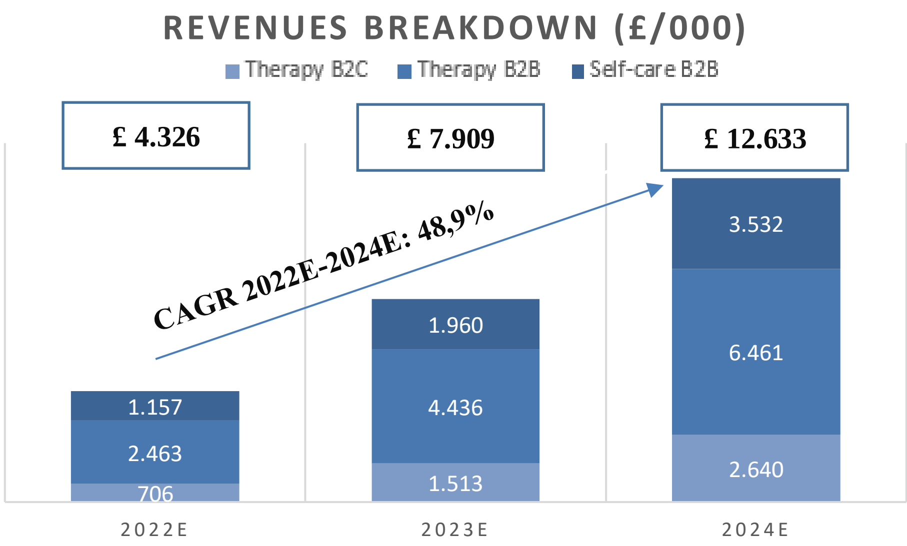
As previously explained under Section 4 (*Principal investments in the current and past business year*), the Issuer has reformulated its growth plan and projections based on a completely different starting scenario, as mentioned, largely determined by the occurrence of unforeseeable external factors.

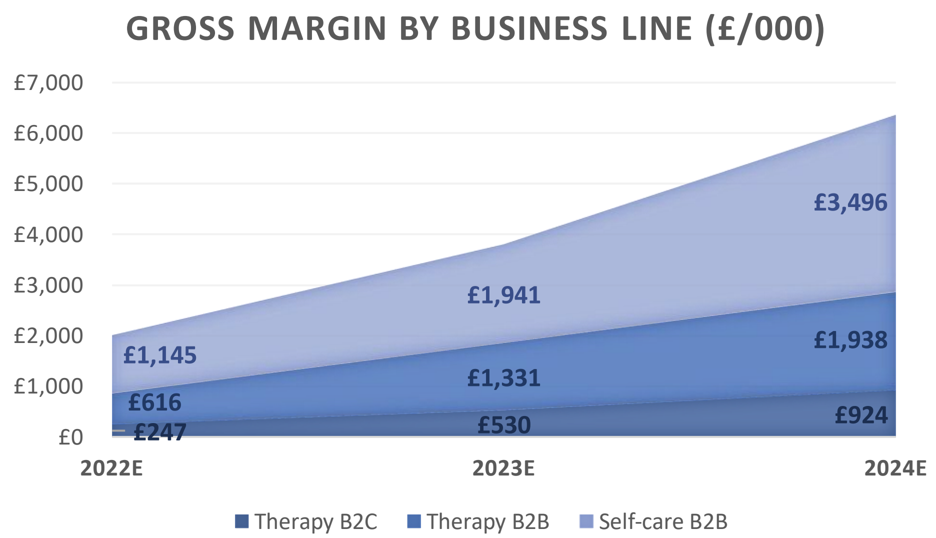
The charts and tables below, instead, provide a comprehensive overview of the Company's business plan for the period 2022-2024 and contain the forecast for the income statement and the balance sheet for the abovementioned period.

It shall be noted that the cashflow projections for the forthcoming 12 months conclude there will be the need for additional cash resources in addition to the £ 2 million currently anticipated minimum equity raise. The administrative body will be discussing further investment or the provision of further funding with relevant parties that may lead to further equity and / or loans being raised.

There is no certainty that any such funds will be forthcoming or the price and other terms will be acceptable.

INCOME STATEMENT £'000	2022E	2023E	2024E
Revenues			
Therapy B2C	£706	£1.513	£2.640
Therapy B2B	£2.463	£4.436	£6.461
Self-care B2B	£1.157	£1.960	£3.532
Total Revenues	**£4.326**	**£7.909**	**£12.633**
DIRECT COST			
Rev Share - Psychologists	£459	£984	£1.716
Rev Share B2B Partnerships	£1.847	£3.105	£4.523
Self-care Royalties B2B	£12	£20	£35
Payments Cost (Stripe)	£18	£38	£66
Total	**£2.335**	**£4.146**	**£6.340**
Net revenues	**£1.991**	**£3.763**	**£6.293**
Profit Margin	***46,0%***	***47,6%***	***49,8%***
SALARIES/WAGES			
Senior Management	£853	£895	£940
Product & Development	£791	£971	£1.276
Operations	£527	£742	£1.032
Biz Dev & Marketing	£441	£464	£487
Psychologists	£527	£718	£925
Total	**£3.138**	**£3.790**	**£4.660**
INDIRECT COST			
Software	£152	£171	£77
Insurance	£15	£20	£20
Consultants	£20	£0	£0
Office Rent	£192	£216	£240
Telecom	£12	£18	£20
Digital Media Spend	£257	£332	£650
Branding & PR Media Spend	£100	£200	£150
Self Care Content Production	£180	£180	£200
Accounting & Legal	£72	£72	£100
Other	£120	£120	£160
Total	**£1.121**	**£1.330**	**£1.617**
1-off costs	£100	£0	£0
EBITDA	**-£2.369**	**-£1.356**	**£16**
EBITDA Margin	***-54,8%***	***-17,1%***	***0,1%***
Amortization	€ 4	€ 9	€ 15
NET INCOME BEFORE TAX	**-£2.372**	**-£1.365**	**£1**
TAX PAYABLE			
Total	**€ 0**	**€ 0**	**€ 0**
NET INCOME	**-£2.372**	**-£1.365**	**£1**





BALANCE SHEET £'000	2022E	2023E	2024E
Assets			
Cash	£2.596	£1.220	£1.197
Capital Assets	£32	£43	£68
Total Assets	**£2.628**	**£1.263**	**£1.264**
Liabilities			
New Long-Term Liabilities	£0	£0	£0
Existing debt	£0	£0	£0
Shareholders Equity			
Shareholders Equity	£5.000	£5.000	£5.000
Retained Earnings	**-£2.372**	**-£3.737**	**-£3.736**
Total Liabilities and SE	**£2.628**	**£1.263**	**£1.264**

SECTION 6 – PURPOSE OF THE LISTING OF THE SHARES, USE OF PROCEEDS AND CONVERSION OF THE BOND

1. *PURPOSE OF THE LISTING OF THE SHARES*

The admission to trading of Issuer's shares will allow the Company to:

- correctly reflect its nature of "public company";
- create additional value for the Company's shareholders through a potential valuation uplift from increasing market demand;
- maximize the investment of its Shareholders, increasing the liquidity of their investments;
- increase its recognition both nationally and beyond borders; and
- allow the Company to gain further access equity and debt markets to support the capital needs.

2. *USE OF PROCEEDS AND CONVERSION OF THE BOND*

The total amount of the capital increase is £ 10 million of which:

- 2 million GBP is a binding commitment from a new investor;
- a part will be used for the conversion of the Bond in equities. The goal is on the one hand to improve the capital and financial structure which is currently unbalanced towards third party resources and, on the other hand, to ease the cost structure as there will be lower financial charges to sustain. To date of the present Information Memorandum the Issuer started the process of making the Bond convertible. The necessary communications will be made known at the time of their formalization;
- the remaining part shall be subject to future commitments.

It is the Company's intention to use the proceeds from the capital raise as follows:

1. 30% to improve the Company's working capital and provide additional capacity and adequate resources for further service expansion;
2. 30% for business development;
3. 30% to finance marketing and advertising campaigns;
4. 10% to team development.

The expected results from the use of proceeds, assuming the full £ 10 million are raised:

1) Reduction of the financial exposure through the conversion of the Bond;

2) Improvement of the working capital cycle through the acquisition of additional new clients to whom apply shorter payment times;

3) Increase in the Advertising budget (£ 2.37 million);

4) Increase in the business development budget (£ 2.37 million);

5) Increase in human resource capital (£ 0.79 million).

To date of the present Information Memorandum the Issuer has received expressions of interest of subscriptions, through cash payment, for a total of 2,000,000 GBP. The target results reported in the development plan under Section 4 (Business Plan for the coming years) have been estimated on the hypothesis of use of proceeds equal to £5 million. The expected results from this use of proceeds:

1) Expected revenues 2024: £ 12.6 million;
2) Cumulated expected revenues 3Y plan: £ 24.9 million.

SECTION 7 – DESCRIPTION OF RISKS

This section provides an overview of the material risks factors relating to the Issuer, the relevant markets and the Shares.

If any of the following events or circumstances arise, the business, the financial condition and/or results of operations of the Issuer could be materially adversely affected. Additional risks and uncertainties not presently known, or presently deemed immaterial, may also have an adverse effect on the business of the Issuer and the risks below do not necessarily comprise all the risks associated with an investment in the Shares.

The Issuer believes that the following factors may affect its ability to fulfil its obligations. Most of these factors are contingencies that may or may not occur and the Issuer is not in a position to express a view on the likelihood of any such contingency occurring. Factors which are material for the purpose of assessing the market risks associated with the Shares are also described below.

The Issuer believes that the factors described below represent the principal risks inherent in investing in the Shares.

Prospective investors should also read the detailed information set out elsewhere in this Information Memorandum (including the information incorporated by reference therein) and consider carefully whether an investment in the Issuer is suitable for them in the light of the information in this Information Memorandum and their personal circumstances, based upon their own judgment and upon advice from such financial, accounting, legal, tax and other professional advisers as they deem necessary.

Words and expressions defined elsewhere in this Information Memorandum have the same meaning in this section.

COMPANY-SPECIFIC RISKS

Issuer risk

The Shares are subject to the general risk that the Issuer may not be able to maintain the going-concern and lead to insolvency.

Risk related to the recent incorporation of the Issuer

Considering the Company's recent incorporation, investors should not completely rely on past economic or financial performance and therefore, as at the date of this Information Memorandum, business, operating results and financial conditions of the Issuer may be difficult to predict and could fall below the expectations. Moreover, an investor should not place undue reliance on the limited financial information presented in this Information Memorandum and in the business plan prepared by the Issuer.

Should the assumptions and/or estimates included in the Information Memorandum and/or the business plan prove to be incorrect (in whole or in part) or should other unexpected event or circumstance having a material negative effect on the Issuer materialize, they may have a material adverse effect on (i) the business, financial condition and results of operations of the Issuer and, in turn, (ii) the Company's ability to pay interest at the set interest payment dates and/or reimburse the principal amount under the Bonds upon maturity.

Risks related to the omitted or delayed realization of Issuer's industrial strategy

The Issuer's future financial performance and success largely depends on the ability to implement its business strategies. The Issuer's may not be able to successfully implement its business strategies, due to, *inter alia*, factors beyond the control of the Company or which cannot be predicted at this time. These factors may include but are not limited to: changes in or increased levels of competition, including the entry of additional competitors and increased success by existing competitors; changes in general economic conditions; increases in operating costs, including costs of supplies, personnel and equipment.

Moreover, the business strategies of the Issuer may not sustain or improve the Issuer's results of operations or justify their costs. Any failure to develop, revise or implement the Issuer's business strategies in a timely and effective manner may have a material adverse effect on the Issuer's business, financial condition and results of operations.

Risk related to the reliance on external financing or existing investments for cash flow requirements

The Issuer is substantially pre revenue and, as such, is largely reliant on external financing or the realisation of existing investments for cash flow requirements. No assurance is given that external finance will always be available to the Issuer on attractive terms or at all. Any failure to obtain satisfactory external financing or an adequate return on investments could impair the Issuer's liquidity and consequently have a material adverse effect on its business, financial condition and results of operations.

This, in turn, may have a material adverse effect on the Company's ability to pay interest at the set interest payment dates and/or reimburse the principal amount under the Bonds upon maturity.

Risk related to the dependence on third party service providers or professionals

The Issuer is reliant upon third party service providers and professionals for its businesses. Any interruption or deterioration in the performance of these third party service providers or professionals could impair the timing and quality of the Issuer's services or damage the value of its investments. In addition, if the contracts with any of these third party service providers or professionals are terminated, the Issuer may not find alternatives on a timely basis or on equivalent terms. The occurrence of any of these events could impact upon the Issuer's reputation and have a material adverse effect on the financial condition, results or operations of the Issuer.

Risk related to key personnel

The Issuer’s future success is substantially dependent on the continued services and continuing contributions of its directors and senior management, the loss of any of which may have a material adverse effect on the Issuer’s business. The Company’s future success is also substantially dependent on its ability to continue to attract, retain and motivate highly skilled and qualified personnel. There can be no guarantee that the Issuer will be able to continue to attract and retain such qualified employees, and failure to do so could result in a reduction in the Company’s business and trading results.

Risk of Litigation

Legal proceedings may arise from time to time in the course of the Company's businesses.

In particular, the Issuer (i) is exposed to possible litigation risks including, but not limited to, regulatory intervention and third party claims; (ii) may be involved in disputes with other parties in the future which may result in litigation; (iii) may be involved in disputes if the Issuer and/or its employees or agents are found not to have met the appropriate standard of care or exercised their discretion or authority in a prudent or appropriate manner in accordance with accepted standards.

The professionals employed by the Company and/or the Company itself may be sued for malpractice.

The Company's directors cannot preclude that litigation may be brought against the Issuer and that such litigation may have a material adverse effect on reputation of the Issuer or its business, financial condition and results of operations.

So far as the directors of the companies of the Issuer are aware, however, there is no current, pending or threatened in which the Issuer is directly or indirectly concerned, which would have a material adverse effect on the Issuer’s reputation, business, financial condition and results of operations.

Liquidity risk

Liquidity risk is the risk that new financial resources may not be available (funding liquidity risk) or that the Issuer may be unable to convert produced goods into cash, meaning that the Issuer may not be able to meet its payment commitments. This may adversely affect the business, financial condition and results of operations of the Issuer, should the latter be obliged to incur extra costs to meet the financial commitments or, in extreme cases, threaten the Issuer’s future as a going concern and lead to insolvency. The Issuer’s policies aim at diversifying the due dates of debt and funding sources and rely on liquidity buffer to meet unexpected commitments.

Risks related to intellectual property

The Issuer is entitled to operate or owns different brands. Products' development and differentiation in the industries in which the Issuer is active require the protection of intellectual property rights.

In this regard, it cannot be excluded that third parties may challenge the validity of the intellectual property rights relating to the brands operated or owned by the Issuer. These challenges, if proven successful or if not promptly rejected by the competent Courts, may have a material adverse effect on the Issuers' business, financial condition and results of operations.

Moreover, the Issuer may not be able to efficiently and successfully protect its intellectual property rights (also in terms of validity vis-à-vis third parties) and its technology, with the consequence that competitors or other third parties may infringe, appropriate and exploit intellectual property rights and/or technology of the Issuer.

These events may also have a material adverse effect on the Issuer's business, financial condition and results of operations.

<u>Risks related to cyber-frauds</u>

The Issuer may incur into liabilities, and may suffer damages, including those of reputational nature, in relation to digital payments and credit cards' frauds.

Such frauds may include the sale of forged and counterfeited goods, "scam" transactions, phishing, malware, hacking of credit and debit cards', spam emails, etc.

Should such events materialise, they may have a material adverse effect on the business, financial condition and results of operations of the Issuer.

<u>Risks related to data protection</u>

In the context of its business, the Issuer processes personal data, including that of its customers and clients, and therefore is required to comply with data protection laws and regulation across different jurisdictions.

Pursuant to the abovementioned legal and regulatory framework, the Issuer is responsible in the event of inappropriate use of and/or loss of and/or non-authorised access to such personal data.

As a result, non-compliance with and/or breaches of such laws and regulations, may expose the Issuer to reputational as well as monetary damages with consequent material adverse effect on (i) the business, financial condition and results of operations of the Issuer.

<u>Operational risks</u>

The Company is potentially subject to various operational risks – including the risk of fraud by employees of other persons, unauthorized transactions by employees or operational errors, including due to malfunctions in production machines and equipment – which may negatively affect its business, financial condition and results of operations.

In particular, given the business of the Issuer, risks relating to system reliability (*e.g.* downtime of websites, etc.) are of particular relevance and may have significant negative effects on the Issuer’s business, financial condition and results of operations.

Risk of change in tax regimes

The Issuer is subject to risks that countries in which the Issuer operates, or will operate in the future, may impose additional withholding taxes, income taxes or other taxes, as well as changing tax levels from those in force at the date of the respective projects or the date hereof.

Any future adverse changes in general to tax regimes applicable to the Issuer may have an adverse impact on its business, financial condition and results of operations.

MARKET-SPECIFIC RISKS

Risks related to the different industries

The Issuer will mainly operate in a number of sectors that have recently developed, including the market of professional psychological assistance services, digital support for mental illness and technology-based counselling (tele-therapy).

Each sector is characterised by specific and peculiar risks ranging from regulation, demand, supply, data protection, cyber-frauds, etc.

The Issuer invests significant resources in order to control and mitigate such risks but it cannot be excluded that any of these risks may occur. The occurrence of any of those risks may expose the Issuer to damages, including those of reputational nature with consequent adverse impacts on the Issuer's business, financial position and results of operations.

Risks related to the competitiveness of the Issuer

The Issuer competes in certain segments with other large national and European companies, all of which may have greater operational and financial resources than the Issuer itself.

If the Issuer is unable to defend its market position by offering competitive services or reducing its cost bases, the price pressure exerted by these competitors could cause the loss of important clients.

In addition, if the Issuer is unable to anticipate and respond as effectively as its competitors to changing business conditions, including new technologies and business models, it could lose market share.

Moreover, the Issuer's existing and potential competitors may have (i) longer operating histories, (ii) access to a lower cost of funding, (iii) more efficient and less expensive technology; (iv) more efficient cost structures; (v) privileged access to skilled personnel, (vi) preferred access to research and development partners; and (vii) significantly greater technical resources than the Issuer.

As a result, the Issuer could face some difficulties in successfully compete against its competitors. The failure to successfully compete against other market players may have a material adverse effect on the Company's business, financial position and results of operations.

Risks related to regulatory requirements

The industries in which the Issuer operates are subject or may be subject to significant level of regulation. In particular, the digital market and the on-line provision of professional services is subject to data protection, advertising, cyber-security, and marketing regulations.

Similarly, the provision of professional psychological assistance services is subject to regulatory provisions and rules of professional ethics and conduct, ethical principles and behaviours.

The Issuer devotes significant resources to ensure compliance with the abovementioned regulation but it cannot be exclude that breaches thereof may occur.

These events may have a material adverse effect on the business, financial condition and results of operations of the Issuer.

Risks arising from uncertainty in worldwide and regional economic, political and market conditions

The Issuer's future prospects are in part linked to the global economy and volatility in the stock market. Macroeconomic factors outside of the Issuer's control can greatly affect its clients and hence the Issuer's own performance and financial position. Reductions in the number and size of public offerings and mergers and acquisitions and reduced securities trading activities, due to changes in economic, political or market conditions could cause the value of the Issuer's investments to decline materially.

European monetary union breakup risks relating to the industries where the Issuer operates

The possibility that one or more countries that adopted the Euro as their national currency might decide, in the long term, to adopt an alternative currency or prolonged periods of uncertainty connected to these eventualities could have significant negative impacts on international markets.

At the date of this Information Memorandum there is no legal procedure or practice aimed at facilitating the exit of a Member State from the Euro, the consequences of these decisions are exacerbated by the uncertainty regarding the methods through which a Member State could manage its current assets and liabilities denominated in Euros and the exchange rate between the newly adopted currency and the Euro.

In addition, a collapse of the Eurozone could be accompanied by the deterioration of the economic and financial situation of the European Union and could have a significant negative effect on the entire financial sector, creating new difficulties in the granting of sovereign loans and loans to businesses and involving considerable changes to financial activities both at market and retail level.

These events may have a material adverse effect on the Company's business, financial position and results of operations.

Risks relating to COVID-19

As at the date of this Information Memorandum, the Covid-19 does already exist notwithstanding the relevant vaccine is working properly.

As far as the Issuer's activities are concerned, e-commerce is like to profit from the current situation whereas manufacturing, supply chain, retail sales are likely to be heavily affected.

These events may have a material adverse effect on the Company's business, financial position and results of operations.

RISKS RELATING TO THE SHARES

Vienna MTF

The Company's Shares will be listed on Vienna MTF of the Vienna Stock Exchange. Vienna MTF is an MTF (multilateral trading facility), *i.e.* not a regulated marketplace. Companies with securities listed on Vienna MTF are not obliged or forced to comply with the same rules as companies with shares traded on a regulated marketplace, but to less extensive rules and regulations. Such rules and regulations are preferably adapted for smaller and growth companies, why an investment in a company listed on Vienna MTF may imply more risk than an investment in a company with securities traded on a regulated marketplace.

Risks connected to a deterioration of the Issuer's creditworthiness

After subscription, the price of the Shares may be subject to negative variations in cases of deterioration of the Issuer's financial situation or of its creditworthiness. This may have an impact on the price of the Shares on the secondary market.

Risk of change in tax regimes

Any future adverse changes in general to tax regimes applicable to the Issuer would have an adverse impact on its future results of operations and cash flows.

Changes in law may adversely affect returns to holders of the Shares

The Shares will be governed by English law. No assurance can be given as to the impact of any possible change to English law. Any change in the Issuer's tax status or taxation legislation or practice could affect the Issuer's ability to provide returns to the shareholders or alter post tax returns to the shareholders.