



OFFERING MEMORANDUM

A SOCIAL MEDIA CONTROLLED
BY THE COMMUNITY

THE ZENE AG
March, 2023



OFFERING MEMORANDUM

NOT FOR DISTRIBUTION INTO OR WITHIN THE UNITED STATES OF AMERICA OR TO ANY PERSON OTHER THAN TO WHOM IT CAN LAWFULLY BE DISTRIBUTED.

IMPORTANT: You must read the following disclaimer before continuing. The following disclaimer applies to the attached Offering memorandum (the “**Offering Memorandum**”) and you are therefore advised to read it carefully before reading, accessing or making any other use of the Offering Memorandum. By accessing the Offering Memorandum, you agree to be bound by the following terms and conditions, including any modifications that may be made to them from time to time, each time you receive any information from us as a result of such access.

This Offering Memorandum governs the public offering of 1'000'000'000 newly issued Tokens (each a “**Token**”, “Zene Token” or “TZEN” and together the “**Tokens**”, “TZEN Tokens”, “Zene Tokens” or “Securities”) by THE ZENE AG (the “**Company**” or “**ZENE**”). The Offering Memorandum is only addressed to and directed at persons which are residents of Switzerland, of member states of the European Economic Area (“**EEA**”) or of the United Kingdom (UK). **It is not a prospectus as defined by applicable securities laws.** The Offering relies on the following exemptions from the obligation to publish a prospectus:

- Switzerland: public offer not exceeding a total value of Swiss Franc (“CHF”) 8 million over a 12-month period (article 36(1)(e) Financial Services Act, “FinSA”);
- EEA: offer of securities addressed to fewer than 150 natural or legal persons per Member State, other than qualified investors (article 1(4)(b) Regulation (EU) 2017/1129 (the “Prospectus Regulation”); and
- UK: offer of securities addressed to fewer than 150 natural or legal persons in the United Kingdom, other than qualified investors (Prospectus Regulation Rules [PRR] 1.2.3; Release 24 Nov 2022).

THIS OFFERING MEMORANDUM IS NOT INTENDED FOR DISTRIBUTION IN ANY JURISDICTION OUTSIDE OF SWITZERLAND, THE EEA OR THE UK WHERE THE PUBLIC OFFERING OF SECURITIES MIGHT BE SUBJECT TO REGISTRATION OR OTHER REQUIREMENTS. THIS OFFERING MEMORANDUM DOES NOT CONSTITUTE AN OFFER OR SOLICITATION TO BUY SECURITIES IN THE UNITED STATES. THE SECURITIES HAVE NOT BEEN, AND WILL NOT BE, REGISTERED UNDER THE UNITED STATES SECURITIES ACT OF 1933, AS AMENDED (THE “SECURITIES ACT”), OR THE SECURITIES LAWS OF ANY STATE OF THE UNITED STATES OR OTHER JURISDICTION AND MAY NOT BE OFFERED OR SOLD WITHIN THE UNITED STATES.

You are reminded that the Offering Memorandum has been made available to you solely on the basis that you are a person into whose possession this Offering Memorandum may be lawfully delivered in accordance with the laws of the jurisdiction in which you are resident and you may not nor are you authorised to deliver this Offering Memorandum, electronically or otherwise, to any other person or reproduce it in any manner whatsoever. This Offering Memorandum contains forward-looking statements such as projections, forecasts, and estimates. Such forward-looking statements are subject to certain risks and uncertainties that could cause the actual results, performance or events that have been anticipated in this press release to differ materially. The forward-looking statements contained in this Offering Memorandum are based on the Company's current views and assumptions. The Company assumes no obligation to update or supplement this Offering Memorandum.



THE ZENE AG (THE ZENE SA; THE ZENE Ltd)

(a stock corporation incorporated in Switzerland with limited liability)

Offering of up to 1'000'000'000 newly issued Tokens with an Offering Price of CHF 0.0028 each

THE ZENE AG (the “**Company**” or “**ZENE**”) is offering 1'000'000'000 (one billion) newly issued Tokens (“Zene Tokens”; “TZEN”; each a “Token” and together the “**Tokens**” or “**Securities**”) with an Offering Price of **CHF 0,0028 per Token** (the “**Offering**”). The Tokens represent a contractual entitlement to participate pro-rata in the sales proceeds for 35'000 ordinary shares of the Company (the “**Underlying**”) in the case of a sale or other disposition of the Company (the “**Exit Event**”).

The Offering is organised in stages of 200'000'000 (200 million) Tokens. The first stage will take place from 8.11.22 to 23.06.23 Central European Time, subject to acceleration or extension of the Offering's timetable (the “**Offer Period**”).

This Offering memorandum (the “**Offering Memorandum**”) is not intended to constitute an offer or solicitation to purchase or invest in the Tokens. Neither this Offering Memorandum nor any other offering or marketing material relating to the Tokens constitutes a prospectus under applicable securities legislation.

The Offering Memorandum is only addressed to and directed at persons which are residents of Switzerland, a member state of the European Economic Area (“**EEA**”) or the United Kingdom. **It is not a prospectus as defined by applicable securities laws.** The Offering relies on the following exemptions from the obligation to publish a prospectus:

- Switzerland: public offer not exceeding a total value of CHF 8 million over a 12-month period (article 36(1)(e) Financial Services Act, “**FinSA**”);
- EEA: offer of securities addressed to fewer than 150 natural or legal persons per Member State, other than qualified investors (article 1(4)(b) Regulation (EU) 2017/1129 (the “**Prospectus Regulation**”));
- UK: offer of securities addressed to fewer than 150 natural or legal persons in the United Kingdom, other than qualified investors (Prospectus Regulation Rules [**PRR**] 1.2.3; Release 24 Nov 2022).



THIS OFFERING MEMORANDUM IS NOT INTENDED FOR DISTRIBUTION IN ANY JURISDICTION OUTSIDE OF SWITZERLAND, THE EEA OR THE UK WHERE THE PUBLIC OFFERING OF SECURITIES MIGHT BE SUBJECT TO REGISTRATION OR OTHER REQUIREMENTS. THIS OFFERING MEMORANDUM DOES NOT CONSTITUTE AN OFFER OR SOLICITATION TO BUY SECURITIES IN THE UNITED STATES. THE SECURITIES HAVE NOT BEEN, AND WILL NOT BE, REGISTERED UNDER THE UNITED STATES SECURITIES ACT OF 1933, AS AMENDED (THE “SECURITIES ACT, OR THE SECURITIES LAWS OF ANY STATE OF THE UNITED STATES OR OTHER JURISDICTION AND MAY NOT BE OFFERED OR SOLD WITHIN THE UNITED STATES.

An investment in the Tokens is highly speculative and involves a high degree of risk. You should only purchase Tokens if you can afford a complete loss of your investment. For a discussion of certain factors that should be considered in deciding whether to invest in the Tokens, see “Risk Factors”.

This Offering Memorandum is dated 8.11.22.



NOTICE TO INVESTORS

This Offering Memorandum, together with any information contained herein or disclosed during discussions related hereto, is confidential, and without the prior written consent of the Company, may not be reproduced, or used for any purpose other than your evaluation of the proposed transaction, or furnished to any other person except your employees and advisors who have been advised of the confidentiality of the information. By accepting this Offering Memorandum and this information, you agree to comply with the provisions of this paragraph.

This Offering Memorandum is furnished to you on a confidential basis for your use solely in connection with your consideration of the purchase of the Tokens.

This Offering Memorandum is for information purposes only and is not to be relied upon as a substitute for the exercise of independent judgement. This Offering Memorandum is not intended as investment advice or a recommendation to buy or sell any Tokens. Each person receiving this document should consult their professional adviser to ascertain the suitability of the Tokens as an investment.

This Offering Memorandum, as well as other information that may be subsequently provided by the Company, is to be promptly returned or deleted if the recipient decides not to proceed with a participation in the Placement.

The information contained in this Offering Memorandum is given only as of the date of this Offering Memorandum, and any delivery of this Offering Memorandum or any sale of Tokens at any time subsequent does not imply that the information in this Offering Memorandum continues to be correct at such subsequent time. In making investment decisions, prospective investors must rely upon their own examination of the Company, Tokens, terms of the Placement including the risk factors referred to in this Offering Memorandum, and any amendments or supplements made to this Offering Memorandum by the Company. This Offering Memorandum does not contain all the information that would be included in a prospectus for the Offering of the Tokens, if such Offering were registered under the Securities Act or were conducted in the EEA pursuant to the Prospectus Regulation or in the United Kingdom pursuant to the UK Prospectus Regulation.

This Offering Memorandum may not be sent to and the Tokens may not be offered or sold in any jurisdiction in which it would not be permissible to deliver or make an offer of the Tokens or in which the relevant legal requirements have not been complied with (each, an “**Ineligible Jurisdiction**”).

This Offering Memorandum does not constitute or form part of any offer or invitation to purchase securities of the Company in any Ineligible Jurisdiction. No action has been or is expected to be taken in any jurisdiction by the Company that would, or is intended to, permit, (i) a public offering of the Tokens or (ii) possession or distribution of the Offering Memorandum in any country or jurisdiction where action for that purpose would be required. The distribution of this Offering Memorandum and the offering and sale of the Tokens in certain jurisdictions are restricted by law. Any person coming into possession of this Offering Memorandum and any person who would like to purchase any Tokens in the Placement should inform themselves about and observe any such restrictions. Any failure to comply with such restrictions may constitute a violation of the securities law of any such jurisdiction. This Offering Memorandum may not be used for, or in connection with any offer to, or solicitation by, anyone in any



jurisdiction or in any circumstances in which such offer or solicitation is not authorised or is unlawful. Neither the Company nor any person acting on its behalf is making any representation to any offeree or purchaser of the Tokens described herein as to the legality of an investment by such offeree or purchaser. Each prospective investor should consult with its own advisors as to the legal, tax, business, financial and related aspects of the purchase of the Tokens.

No person is authorised to give any information or make any representation not contained in this Offering Memorandum in connection with the Placement and, if given or made, such information or representation must not be relied on as having been authorised by the Company. This Offering Memorandum may only be used where it is legal to sell the Tokens. The information in this Offering Memorandum may only be accurate on the date of this document. The delivery of this Offering Memorandum or any sale of Tokens made hereunder shall not, under any circumstances, create any implication that there has been any change in the facts set forth in this Offering Memorandum or in the affairs of the Company since the date hereof.

Information on the Company's website, any website directly or indirectly linked thereto, or any other website mentioned in this Offering Memorandum is not incorporated by reference into this Offering Memorandum and prospective investors should not rely on any such website in making their decision to invest in Tokens.



FORWARD-LOOKING STATEMENTS

This Offering Memorandum contains certain forward-looking statements relating to the Company and, among other things, its business and financial performance as well as the Tokens and their structure. Forward-looking statements are statements that relate to future facts, events or other circumstances that have not yet materialised and not to historical facts or events.

Forward-looking statements merely reflect the Company's current view and assessment of events expected to occur in the future to the best of its knowledge. Such statements are therefore subject to substantial uncertainties and risks, many of them beyond the control of the Company. In this Offering Memorandum, such uncertainties and risks relate to, among other things, the forward-looking statements on the part of the business, but also to the ultimate conditions of the Tokens.

Forward-looking statements are based on plans, projections, expectations, assumptions and estimates of the Company that may turn out not to be accurate. While they seem reasonable at the time of this Offering Memorandum, the actual developments as well as the operating results of the Company and the ultimate conditions of the Tokens, may, due to many factors, including legal feasibility, substantially deviate in a detrimental way from those on which the forward-looking statements are based or which are described in such statements.

These factors include, but are not limited to, political and regulatory changes in all markets in which the Company is expected to be active, changes in the general economic, business, or legal framework, such as changes in interest rates and exchange rates, changes in the Company's competitive and technological environment and other factors.

If the assumptions underlying one or more forward-looking statements turn out to be inaccurate or if risks or changes materialise, the actual outcomes may substantially deviate from the forward-looking statements that are based on those assumptions. In particular, it may be impossible to attain the financial and/or strategic objectives of the Company.

The Company will neither update or pursue the forward-looking statements contained in this Offering Memorandum, nor adjust them to future developments.



TABLE OF CONTENTS

Notice to Investors	4
Forward-looking Statements	6
Summary	8
Glossary of certain technical terms used	10
Risk Factors	11
Business	21
The Company	22
Financial Information	25
The Tokens	26
The Offering	30
Annexes	32



SUMMARY

Company

THE ZENE AG (THE ZENE SA; THE ZENE Ltd), Hertensteinstrasse 51, 6004 Luzern, Switzerland, a joint-stock company incorporated in Switzerland and registered in the Commercial Register of the Canton of Lucerne under registration number CHE-493.907.970.

Offering

1'000'000'000 (one billion) TZEN Tokens, representing a contractual entitlement to participate pro-rata in the sales proceeds for 35'000 ordinary shares of the Company (the "**Purchase Price**", as defined below) in the case of a sale or other disposition of the Company (the "Exit Event", as defined below).

Current Share Capital and Dilution

The Company's current share capital is CHF 190'000.00 divided into 190'000 registered shares with restricted transferability with a nominal value of CHF 1 each. The Company reserves the right to increase or restructure the share capital at any time. Persons having control (Verfügungsmacht, article 973d(2)(1) CO) over at least one Token (the "**Tokenholders**") are not protected against dilution.

Offer Price

CHF 0.0028 per Token.

Offer Period

The Offering is organised in stages of 200'000'000 (200 million) Tokens. The first stage will take place from 8.11.22 to 23.06.23 Central European Time, subject to acceleration or extension of the Offering's timetable.

Target Offer Size

Up to CHF 2'800'000 (2.8 Mio.)

Minimum Subscription Amount

200'000 Tokens, corresponding to CHF 560 for the first stage. Subject to change at the Company's discretion.

Purchase of Tokens

Investors wishing to participate in the Offering can subscribe to Tokens by registering on www.thezene.com/invest. The Company reserves the right, to exercise at its sole discretion, to modify, amend and/or withdraw all or a portion of the Offering and/or accept or reject in whole or in part offers to purchase Tokens or to allocate to any Investor who wishes to participate in the Offering with less than the amount of Tokens that are required to subscribe. The Company shall have no liability whatsoever to any investor in the event that any of the foregoing shall occur.

Payment Date

The subscription price is due immediately

Form of Tokens

The Tokens will be issued as ledger-based register securities (Registerwertrechte) in accordance with article 973d Code of Obligations ("CO") in the form of digital tokens recorded on a blockchain.



In accordance with the registration agreement the Tokenholders have the right to hold Tokens in a wallet indicated by the Tokenholder (subject to successful Private Key Control Procedure). The Tokenholders have no right to request conversion of such form into the form of uncertificated securities (Wertrechte) or certificated securities (Wertpapiere).

The Tokens are issued as a smart contract that is compatible to Ethereum's ERC-20 token standard. The Company has the right to amend or substitute the smart contract, provided this does not in any way affect the rights represented by the register securities and the Tokens.

The Company maintains a securities registry (Wertrechtregister) on the basis of the Ethereum public blockchain. The Company has the right to substitute this blockchain with another blockchain or another (non-blockchain based) system.

The Company reserves the right to decouple the Tokens from the right represented by the Token at any time and at its sole discretion to the extent technically and legally possible and legally permitted, e.g. if Tokens continue to exist after a conversion into Token. In such a case, the Tokens may be cancelled and will in any event cease to represent Tokens and serve as a valid means to transfer Tokens. In any such case, the rights of the investors in the Tokens shall be preserved.

Dividends and Distributions

The Tokens do not represent any rights to participate in dividends or other distributions made by the Company.

Assembly and Voting Rights

The Tokens do not represent any rights to participate in any meetings of the Company shareholders or in any votings regarding the Company.

Transfer Restrictions

The Tokens are subject to transfer restrictions in the first 6 to 9 months after Settlement. Subject to full compliance with onboarding and KYC procedures and notification obligations, the Tokens shall be transferable without restrictions and without approval by the Company thereafter.

Listing

The Company does not intend to list the Tokens on any stock exchange or other trading facilities. The Company will undertake best efforts to make the Tokens tradeable on platforms (including DeFi platforms) to the extent permitted by applicable securities laws. Tokenholders agree and understand that it is not guaranteed that such platforms will be available in the foreseeable future and that in this case it will be difficult or impossible to sell Tokens.

Governing law and exclusive jurisdiction

Swiss law / Lucerne, Switzerland.



GLOSSARY OF CERTAIN TECHNICAL TERMS USED

Blockchain

means a specific form of database based on DLT that employs a chain of blocks to reach consensus on the Distributed Ledger. A blockchain can be public, such as the Bitcoin or the Ethereum blockchain, or private, i.e. open to admitted participants only.

Cryptocurrency

means a blockchain-based coin or token with an intrinsic value that is not issued or guaranteed by a central bank or a public authority, is not necessarily attached to a legally established currency and does not possess a legal status of currency or money but is accepted by natural or legal persons as a means of exchange and which can be transferred, stored, and traded electronically. Typical examples are bitcoin (BTC), ether (ETH) or polkadot (DOT).

Digital Asset

means a financial or non-financial asset represented by an entry in a Distributed Ledger or similar technology including, but not limited to Cryptocurrencies.

Distributed Ledger

Means databases distributed on different nodes, or computer devices in a network, each of which may individually participate in the network by replicating and saving a copy of the ledger or parts of it.

DLT

Distributed Ledger Technology, referring to technology enabling the implementation of databases distributed on different nodes, or computer devices in a network, each of which may individually participate in the network by replicating and saving a copy of the ledger or parts of it.



RISK FACTORS

Prior to making an investment decision, prospective subscribers of the Tokens offered hereby should carefully consider, among other things and in light of their financial circumstances and investment objectives, all the information included in this Offering Memorandum, in particular, the risks factors set forth below. Each of the risks highlighted below could have a material adverse effect on the Company's cash flows, business, results of operations and financial condition. In addition, each of the risks highlighted below could adversely affect the price of the Tokens or the rights of the Tokenholders and, as a result, investors could lose some or all of their investment. The Company believes that the factors described below represent the principal risks inherent in subscribing for the Tokens, but this section is not intended to be exhaustive. The order in which the risks are presented does not necessarily reflect the likelihood of their occurrence or the magnitude of their potential impact on the Company's cash flows, business, results of operations and financial condition.

1. Risks related to the Company's industry

1.1. The Company's business, earnings and financial condition may be affected by the instability and uncertain development of the emerging NFT/Digital Asset Trend.

The Company's business is highly dependent on the NFT Market, in which it is active. The NFT Market can be summarised as the market where individuals can buy and sell unique digital assets (NFT).

The NFT/Digital Asset Trend consists of novel markets that are in the early stages of development. As it is still a relatively new technology and still being developed, some risks might be difficult to quantify or predict. The regulatory environment relating to offering, trading, and providing services in connection with Digital Assets is highly dynamic, and regulators in various jurisdictions outside of Switzerland have legislative and regulatory proposals leading to additional restriction and regulation of Digital Assets under deliberation or have introduced them already. It has happened in the past, and may happen in the future, that fraud and other mischievous activities in connection with Cryptocurrencies and other Digital Assets impact the reputation and public perception of the industry and lead to increased regulatory scrutiny.

The precise nature of all the risks and uncertainties that the Company faces as a result of current economic conditions and the development of the Digital Assets industry cannot be predicted, and many of these risks are outside of the Company's control. Materialization of such risks in Swiss or global financial markets may adversely affect the Company's financial condition and its results of operations.

1.2. Market risks, business and general economic conditions and fluctuations could adversely affect the Company's business in many ways.

The Company's businesses and revenues are materially affected by the conditions in the financial markets and economic conditions in Switzerland and around the world. Changes in underlying market risks, business and general economic conditions as well as changes in government or the economic, regulatory or other policies of the governments of the jurisdictions in which the Company operates, may have an adverse effect on the Company's results of operations and financial condition. Unfavourable economic, political, military and diplomatic developments producing social instability or legal uncertainty may affect both the



performance and demand for the Company's products and services. The markets for Digital Assets and conventional assets had a relatively weak correlation in the past. As the Digital Assets markets grow and emerge, they are likely to become more intertwined with the conventional financial system and correlation and interdependencies between the conventional financial markets and the Digital Assets markets may increase.

1.3. Failing infrastructure systems may negatively impact the economy generally, the financial and Digital Assets markets and the Company's business and results of operations.

Events such as electricity supply failures, the shutdown of transport systems due to inclement weather (such as snow, flash floods, cyclones or extreme heat) or postal, transport or other strikes have a negative impact on the ability of most role-players, including the Company, to do business. Furthermore, the markets for Digital Assets and the institutions engaging in this industry are still relatively young and in development. There can be no guarantee that the trading facilities and custody institutions used for Digital Assets will work in a stable manner without interruptions or other operational incidents. The regular occurrence or timing of the occurrence of such events could have an adverse effect on the Company's operations. Furthermore, instability and failing infrastructures can be caused by a variety of factors, such as increasing energy prices and governmental action

1.4. Adverse events could cause damage to the Digital Assets markets and to the reputation of the institutions involved in them, including the Company.

There have been a number of scandals and other adverse events involving distributed ledger technology ("**DLT**") and DLT-based applications. In particular, holders of Cryptocurrencies have lost access to their holdings due to their accounts being accessed by third parties. Bitcoin and other Cryptocurrencies have been linked to organised crime, money laundering and other criminal activities. Moreover, DLT-applications and Cryptocurrency holdings have been subject to ransom attacks and other malicious activity. Publicity of such events involving Cryptocurrencies has resulted in a fall in the value of the respective Cryptocurrency, and may result in a more negative attitude to Cryptocurrencies and Digital Assets generally, including from investors who may invest in companies operating in these industries as well as customers and other counterparties of such companies. If a high-profile scandal affects Cryptocurrency or DLT service providers, it is likely that the resulting backlash will have an adverse effect on the business and operations of the Company and may trigger increased regulation of the industries.

1.5. Governmental action may adversely influence the Digital Assets markets and in return the Company.

The regulatory environment for novel DLT applications, including Cryptocurrencies and other Digital Assets, is highly dynamic and significantly differs between jurisdictions. Differing regulations and requirements may complicate or prevent the tradability and transferability of Digital Assets between jurisdictions which could negatively affect the Company's business. Amendments of regulations or changes in practice and enforcement actions taken by authorities are often sudden and may affect or adversely influence the functioning of Digital Assets and the Digital Assets markets in which the Company is active. Furthermore, law enforcement agencies, for instance in the USA, are using increasingly intrusive and sophisticated tactics in their enforcement activities against criminal activities, which lead to insecurities about privacy and data protection, amongst other concerns. Events such as these and governmental actions in general can cause insecurity and instability in DLT networks and



Digital Assets markets, which can in turn affect the Company's operations and business.

1.6. The tokenization of rights or the transfer of tokenized rights might be invalid.

If assets, rights or claims of a client are tokenized to be represented by Digital Assets, it is possible that they are not validly created. This may be due to the fact that courts or other governmental authorities might apply legislation differently than it was understood by the Company. Laws and regulation on Digital Assets are often recent, there is little legal literature and they have not been tested in courts. Further, the transfer of a Digital Asset might not be legally effective. Laws and regulation on the tokenization of assets, rights and claims might also be different in the varying jurisdictions the Company is active or the Company's client is situated. This might also result in adverse effects to the clients, which would negatively impact the Company's business.

1.7. The Company faces competition from domestic and international market participants.

All aspects of the Company's business are already highly competitive or are expected to be in the future. The Company may have a competitive disadvantage compared to competitors operating in states where Digital Assets and Cryptocurrencies in particular are less or not regulated at all and are therefore able to operate more freely. The Company's ability to compete effectively within the emerging Digital Assets industry depends on a number of factors. Such factors include its ability to maintain its reputation, the quality of its services and advice, its intellectual and human capital, product innovation, sophistication of technology used, execution ability, pricing and sales efforts.

Any failure by the Company to compete effectively in the markets in which it is active could have an adverse effect on the Company's business, financial condition and results of operations.

1.8. The Company's business performance could be affected if its capital resources and liquidity are not managed effectively and in line with market developments.

The Company's capital and liquidity are critical to its ability to operate its businesses, to grow organically and to take advantage of strategic opportunities. The Company aims to mitigate capital and liquidity risk by careful management of its balance sheet through, for example, capital and other fund-raising activities, disciplined capital allocation, maintaining surplus liquidity buffers and diversifying the Company's funding sources. The maintenance of adequate capital and liquidity is also necessary for the Company's financial flexibility in the face of any turbulence and uncertainty in the global economy and the financial and Digital Assets markets in which the Company is active.

Extreme and unanticipated market circumstances may cause exceptional changes in the Company's markets, products and other businesses. Any exceptional changes, including, for example, substantial reductions in profits and retained earnings as a result of write-downs or otherwise, delays in the disposal of certain assets or the ability to access sources of liability, including customer deposits and wholesale funding, as a result of these circumstances, or otherwise, that limit the Company's ability to effectively manage its capital resources could have a material adverse impact on its profitability and results. If such exceptional changes persist, the Company may not have sufficient financing available to it on a timely basis or on terms that are favourable to it to develop or enhance the Company's businesses or services, take advantage of business opportunities, or respond to competitive pressures.



1.9. Currency and Cryptocurrency fluctuations may adversely affect the Company's results of operations, the Company's equity, and the Company's regulatory capital ratios.

The Company is exposed to risks from fluctuations in exchange rates, specifically the exchange rates for Cryptocurrencies, for the United States Dollar (“**USD**”) and the Euro (“**EUR**”) against the CHF. Cryptocurrencies in particular are highly volatile. The banks' currency exposures are only covered by hedging arrangements to a limited extent and there is no assurance that the Company's hedging policy is adequate and successful.

Finally, the Company's operating income is in part denominated in a number of foreign currencies, including USD and EUR, and Cryptocurrencies, while a larger portion of the Company's expenses are denominated in CHF. As a result of this mismatch between the denomination of the Company's revenue generating assets under management (“**AUM**”) and the Company's operating income and the Company's expenses, the Company's profits are influenced by the value of the CHF relative to Cryptocurrencies, the USD and EUR. Specifically, the values of the Company's reported revenue generating AUM, operating income and profits are negatively affected by an appreciation of the CHF relative to those currencies due to translation differences.

Thus, given their multifaceted impact on the Company's operations, currency fluctuations may continue to materially and adversely affect the Company's business, financial condition and results of operations.

2. Risks relating to the Company and its business

2.1. The Company has not yet achieved profitability.

As of the date of this Offering Memorandum, the Company's business is incurring capital expenditures and expenses for the rollout and promotion of its various current and planned business activities. This includes expenses for information technology, internal processes, personnel, systems, documentation, and appropriate control.

The Company incurred losses in the financial year 2021. There is very limited financial information and historical operational performance based on which investors could assess the Company's business and prospects.

Based on current plans, the Company expects to incur operating losses in future periods as it incurs significant expenses associated with the execution of its business plan. The likelihood of its success must be considered in light of the issues, expenses, difficulties, complications and delays frequently encountered in connection with the establishment, development, and expansion of a new business. It is uncertain when, if ever, the Company will be successful in the growth of its business and whether it will become profitable.

2.2. The Company depends on its senior management team and other key partners, and the loss of one or more of its executive officers or key partners could materially and adversely affect its business.

The Company's success depends in large part on the continued services of its executive officers. The Company can provide no assurances that any of its executive officers or key partners will continue their engagement with the Company. The replacement of one or more of its executive officers or other key partners would likely involve significant time and costs and may significantly delay or prevent the achievement of the Company's business objectives.



2.3. The Company depends on the recruitment and retention of qualified partners, and any failure to attract and retain such personnel could seriously harm its business.

The Company relies on its executive directors, senior management, and other key partners to generate business, maintain good customer relations, and identify new opportunities. Competition for personnel and partners is intense and the Company may not be successful in attracting or retaining qualified ones.

2.4. The growth of the Company's business may strain its management team and its operational and financial infrastructure.

The growth of the Company's business places significant demands on its management team and pressure to expand its operational and financial infrastructure. As the Company continues to grow, its operating expenses will increase. If it does not manage its growth effectively, the increases in its operating expenses could outpace any increases in its revenue and its business could be harmed.

2.5. The Company engages in DLT activities, based on Blockchain, and is exposed to potential risks in connection with this novel technology.

The Company provides services relating to NFT/Digital Assets. Such activities and services are conducted based on Blockchain or other DLT applications rather than traditional information technology infrastructures and applications. Accordingly, technological risks in relation to such services may be different from risks on traditional information technology infrastructures and may include the following:

Need for reliance on existing DLT application

The majority of the DLT applications, such as Blockchain, used by the Company are not operated or controlled by the Company. It can therefore not prevent changes to the Blockchain. For example, it is possible that a Blockchain which is used by the Company to conduct transactions is changed, resulting in a hard fork. A hard fork would exclude participants of the Blockchain, which did not agree to a change in protocol from validating and verifying transactions, which could have a negative effect on the Company's operations and business.

Irreversibility of transactions

Digital Assets only exist on Blockchain and as the Company in most cases has no control over the Blockchain it uses, a client's Digital Assets may become inaccessible, if, for example, a holder of a Digital Asset loses its respective private key. It is also not possible to restore a client's Digital Assets if they are sent to an incorrect address by mistake, for instance, because transactions on a Blockchain are final and irreversible.

Weaknesses of underlying technology

The Company has to rely on existing DLT applications. There is a risk that these may have technical weaknesses. The Company uses a smart contract that is compatible with Ethereum's ERC-20 token standard. The Company cannot exclude future changes in the protocol and associated risks or unforeseen problems that may impair the effective use of the smart contract, such as the risk of a fork in the Blockchain, a malfunctioning of the main chain, bottlenecks in the Blockchain, or mining power attacks on the Blockchain.



The Company cannot exclude that the smart contract compiled by it or third parties does not work properly and cannot generate Digital Assets in accordance with the intended terms and conditions or that the smart contract reveals other serious issues or bugs in its source code, interfering with the use of or causing the loss of Digital Assets. The tokenization of assets is subject to several technical hazards, which may slow down or interrupt the process, result in a wrong allocation or lead to a cancellation. Examples of technical hazards include batch-overflow, various technical attacks, the risks of website hacking, double spending, scam addresses or mining attacks as well as internet connectivity and transmission issues or insufficient computing capacity to execute transactions swiftly.

Third parties

The Company has to rely on third parties over whom the Company has no influence to conduct transactions on a Distributed Ledger. There is therefore a risk of delays that could result in a decline in the value of the Cryptocurrency or other negative effects. Insufficient mining power in the blockchain could result in a frozen state, theft or loss of Digital Assets.

Crypto-exchanges or other relevant institutions with which the Company interacts may be the victim of attacks by hackers, which may have an adverse influence on the Digital Assets traded or held by the Company.

Cybersecurity risks

Distributed Ledger Technology is susceptible to various cyber-attacks. Potential cybersecurity risks are mining attacks, including but not limited to double spend, majority mining power, “selfish-mining”, and race condition attacks. Mining attacks may also target other Distributed Ledger networks with which Digital Assets interact, and Digital Assets may consequently also be impacted in that regard. A further example for cyber-attacks are so-called dusting attacks, in which an attacker breaks the privacy of holders of a Digital Asset by sending very small amounts of coins to their addresses and the activity performed on these addresses is tracked down by the attacker in order to identify the person or company behind an address. Further examples are collision attacks or birthday attacks. Successful attacks may result in the loss of Digital Assets or an abuse of private data of the client.

The realization of any such risks could lead to serious operational issues for the Company, loss of clients’ funds and Digital Assets, disruption of trading, reputational damage, action by the Swiss Financial Market Supervisory Authority (“**FINMA**”) and other regulators, and could more generally have a material adverse effect on the Company’s business, its financial condition, its result of operations and its prospects. Advances in cryptography or technological advances such as the development of quantum computers could pose further risks to Digital Assets that cannot be predicted at this moment.

2.6. The Company could incur substantial costs as a result of data protection concerns or information systems disruption or failure.

The interpretation and application of data protection laws in Switzerland, Europe and elsewhere, including but not limited to the General Data Protection Regulation (the “**GDPR**”), are uncertain and evolving. It is possible that these laws may be interpreted and applied in a manner that is inconsistent with the Company’s data practices.



Complying with these various laws is difficult and could cause the Company to incur substantial costs or require it to change its business practices in a manner adverse to its business. There can be no assurance that the internal controls and procedures designed by the Company to ensure compliance with the GDPR and other privacy-related laws, rules and regulations (collectively, the “**Data Protection Laws**”) will enable the Company to be fully compliant with all Data Protection Laws. In addition, the Swiss government decided at the end of May 2021 to put a controversial institutional agreement on relations with the European Union on hold. Due to political discrepancies, this could have a negative impact on the existing equivalence decision by the EU Commission in 2000, the evaluation of which was launched by the EU Commission in 2019. If the EU Commission revokes its decision that Switzerland, as a third country, ensures an adequate level of protection, personal data cannot be transferred from EU member states to Switzerland without additional warranties being required.

The Company’s business, which is heavily relying on information technology, may also be impacted by information technology attacks or system failures. Cyber-attacks, in particular, are evolving and include, but are not limited to, malicious software, attempts to gain unauthorised access to data, and other electronic security breaches that could lead to disruptions in systems, unauthorised release of confidential or otherwise protected information and corruption of data. In addition, the Company utilises numerous unique communications, data management and operations support systems. A cyber-attack or system failure may result in production downtimes, operational delays or other detrimental impacts on the Company’s operations or ability to provide products and services to its customers.

The Company’s facilities and systems may be vulnerable to security breaches and other data loss, including cyber-attacks. In addition, it is not possible to predict the impact on the Company’s business or the future loss, alteration, or misappropriation of information in its possession related to the Company, its banking customers, employees, former employees, suppliers, or others. This could lead to negative publicity, legal claims, theft, modification or destruction of proprietary information or key information, damage to or inaccessibility of critical systems, manufacture of defective products, production downtimes, operational disruptions, and other significant costs, which could adversely affect the Company’s reputation, financial condition, and results of operations.

2.7. The Company may be involved in litigation matters that are expensive and time consuming.

The Company may become involved in litigation matters. Any lawsuit to which the Company is a party, with or without merit, may result in an unfavourable judgement. The Company may also decide to settle lawsuits on unfavourable terms. Any such negative outcome could result in payments of substantial damages or fines, damage to the Company’s reputation or adverse changes to its offerings or business practices. Any of these results could adversely affect the Company’s business. In addition, defending claims is costly and can impose a significant burden on the Company’s management.

2.8. The Company may be unable to protect its intellectual property rights or may infringe the intellectual property rights of others.

The Company’s results of operations are partially dependent on its ability to protect its intellectual property and other proprietary rights. The Company relies primarily on trademarks, trade secrets, know-how and unfair competition laws, as well as confidentiality and non-disclosure clauses and agreements and other contractual provisions to protect its intellectual



and other proprietary rights. If it does not obtain sufficient protection for its intellectual property, or if it is unable to effectively enforce its intellectual property rights, its competitiveness could be impaired, which would limit its growth and future revenue.

Additionally, the trade secrets and know-how held by the Company and its employees/partners are critical to its business. There can be no assurance that such employees/partners will not reveal its trade secrets, breach their agreements with the Company or convey its know-how or other confidential information to competitors. In such cases, the Company may not have adequate remedies, if any, to compensate losses that it may suffer.

Whilst the Company endeavours to protect its own intellectual property rights and respects those of others, there can be no guarantee that its technology will not be found to infringe rights owned by or granted to others.

2.9. The Company is subject to internal control, compliance, security, ethical and technology risks.

The Company's information systems, personnel and facilities are subject to security risk. Failures in security systems or processes could have significant adverse consequences, as could failures in the Company's corporate governance and internal controls, failures to detect fraud, theft or corruption or non-compliance with its code of business ethics.

Additionally, the Company is dependent on information technology systems for both internal and external communications and for the day-to-day management of its operations. The incidence of cybersecurity crime has increased in recent years. Any disruption to these systems could have significant adverse consequences on the Company's business.

2.10. The Company may not have adequate insurance.

Although the Company seeks and will continue to seek to ensure that it is appropriately insured, it cannot be certain that any of its existing insurance policies will be renewed on equivalent terms or at all, or that it will be able to obtain or increase the amount of insurance for any new risks that it may face in the future on terms that are acceptable to it. In such cases, the Company's reputation, financial condition and results of operations may be negatively affected.

3. Risks relating to TZEN Tokens

3.1. Holders of TZEN Tokens cannot influence the decisions of the Company.

Upon completion of the Offering, holders of the TZEN Tokens will not be able to exert influence over the election of the Company's directors or independent auditors, the appropriation of the Company's earnings (and in particular the distribution of dividends), the sale or a liquidation of the Company, or other key decisions of the Company. Holders of TZEN Tokens will have none of the rights generally associated with voting rights under Swiss corporation law, such as the right to request the holding of a general meeting of shareholders, the placement of items of the agenda of a general meeting of shareholders or the right to ask questions or to make proposals on the occasion of such meeting. Accordingly, 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's directors and determine the outcome of any matter being voted on by shareholders, including the declaration of dividends, amendments to the Company's Articles of Association, capital increases or decreases, liquidation of the Company, mergers and other important matters.



3.2. TZEN Tokens are an illiquid investment and there is no guarantee that active trading will develop.

TZEN Tokens are not listed on any exchange or multilateral trading facility, organised trading facility or similar trading facility. The Company is considering a listing of TZEN on a cryptocurrency exchange, but there can be no assurance that the TZEN Tokens will be listed at some point in the future. Thus, there is currently no liquid market and no liquid market is expected to develop.

3.3. There is no trading or analyst coverage.

TZEN Tokens are currently not traded on a stock exchange or multilateral trading facility. However, the Company is considering admitting its Tokens for trading at a Swiss and/or foreign multilateral, organised or similar trading facility. Upon a listing, they might be traded in the future on a market that is not systematically followed by professional financial analysts. The unavailability of financial analysts' coverage may prevent or delay the development of a liquid market for the Tokens.



USE OF PROCEEDS

The Company intends to apply the expected net proceeds from the Offering at its discretion, among other things, for the extension of product and technology differentiation, to build up institutional business development and delivery, to internationalise operations, to selected geographical markets and the remaining part to better capitalise the Company to support overall growth (see “Business - strategy” for details).



BUSINESS

THE ZENE AG, a company with its main office in Lucerne, Switzerland, is developing a new Web 3.0 based Social Media App. THE ZENE's Social Media App is offering its users not only to read and write (Web 2.0) but also own their data and content (Web 3.0) and monetize them (NFT's). Moreover, users will experience a 3D surface and user experience backed by Machine Learning (ML) powered 3D Search – an innovation in itself. THE ZENE is aiming to become the first independent Web 3.0-Social Media and -communication app offering embedded NFT generating and trading, built on the blockchain technology Polygon – bringing transparency, trust and decentralisation to Social Media.

The Web 3.0-Social Media App from THE ZENE has three unique selling propositions: NFT generation and selling, 3D Search and 3D surface. With the first of the three cornerstones, users will be able to own their data and content and monetize them by creating and selling their own NFT's. THE ZENE will act as broker of the digital assets and earn a small commission from sales. To implement the possibility for users to create NFT's from their content THE ZENE has worked together with the world's leading Blockchain IT company ConsenSys. In the second cornerstone, the 3D Search, THE ZENE is building an Information Clearinghouse for the whole internet, rationalizing the search process to deliver more relevant visitors to more relevant sites. THE ZENE is a bridge that spans the internet by using API, interlinking sites such as YouTube, dating sites, food blogs or tour groups, all in a flexible but purposeful site-to-site internet experience. In this way, THE ZENE not only drives volume of user traffic among internet sites; THE ZENE drives the value of user traffic by delivering the most relevant users to the most relevant sites. Last but not least, the 3D surface will be the place where the users meet, create, share and trade. Users can create different globes and identities for themselves and personalise their profile to their specific needs. The 3D surface, especially created for THE ZENE, will be a new client experience in the world of Social Media, making it more interactive.

Since the foundation in 2014 THE ZENE released several Beta Versions on the Apple App platform, evolving its innovative 3D UX design and personalised content globe creation engine. A lot has happened since then and the vision has evolved to what it is today mainly because there is currently no Web 3.0 Social Media App combining NFT sales, 3D Search and a 3D Surface on the market. This opens the possibility for THE ZENE to be a first mover. The development of the New App Release with its three cornerstones is currently being built and is expected to go live mid April 2023.

THE ZENE's managing team and Board has experience in industry strategy, financial structuring, as well as Design/UX. Their founder holds an MBA degree from INSEAD and has been in different either Consulting or Executive positions. Moreover, THE ZENE relies on its highly professional partners and leading companies of the industry such as Endava (Lead IT Partner with their world class developers), ConsenSys (world's leading Blockchain IT company), Digia (Supervising blockchain consulting), BACD.io (Tokenization of private equity placements), Factive (Marketing and AI market research experts) and Komponent (Marketing and design/creative direction).



THE COMPANY

Set out below is certain information concerning the Company, its share capital and brief summaries of certain provisions of the Articles of Association, of the CO and other Swiss statutes relating to the Tokens. This description does not purport to be complete and is qualified in its entirety by reference to the Articles of Association, the CO, and other statutes as in effect on the date hereof.

General corporate information

The Company is a joint-stock corporation (*Aktiengesellschaft*), in accordance with art. 620 et. seq. CO.

It was founded on 10 March 2014 under the name THE ZENE AG (THE ZENE SA; THE ZENE Ltd.) and registered with the commercial register of the canton of Lucerne.

Neither the Articles of Association nor operation of law limit the duration of the Company.

The Company's registered office is at Hertensteinstrasse 51, 6004 Luzern, Switzerland. The Company's principal purpose, as set out in the Articles of Association, is the development and distribution of computerised applications and products in the field of social networks and providing services in this field.

The Company's financial year ends on 31 December of each calendar year.

Group Structure

THE ZENE has no subsidiaries or branches. It is itself held directly by the shareholders and is therefore not part of a group structure.

Shareholder Structure

THE ZENE is held by various investors. The founder continues to hold 30% of the shares and manages the company as its CEO. Two anchor shareholders have been with the company since the early stages and hold 32% respectively 20% of the shares. Together, these three shareholders represent 82% of the capital and votes. The rest of the shares were allocated to various investors in the course of a series of capital increases.

Board of Directors

The responsibility for the strategic direction and supervision of the Company is with the Board of Directors.

Swiss law requires 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 CO, these non-transferable duties include in particular: (i) the ultimate management of the Company and the power to issue the necessary directives, (ii) determining the organisation of the Company, (iii) determining the overall structure of the accounting system, financial control and financial planning, (iv) the appointment and dismissal of the executive management and the persons authorised to represent the Company, (v) the ultimate supervision of the persons entrusted with the management of the Company, in particular 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 of Shareholders, as well as the implementation of the resolutions adopted by the Shareholders and (vii) the notification of a judge in case of



over-indebtedness. The CO and other Swiss federal laws contemplate other non-transferable duties, such as the implementation of Shareholder resolutions to issue new shares or the approval of statutory mergers.

The Board of Directors currently comprises two members. The table below sets out the names and positions of the members of the Board of Directors.

Ellen Nehs

Chair of the Board of Directors, Berlin

Since 2012 Founder, CEO and President of the supervisory board of THE ZENE AG

Since 2011 Co-Founder and Advisory Board Member of TIN INTERNATIONAL Ltd., Australia, Germany

Since 2008 Managing Partner and Founder of THE ZENE Capital – Switzerland

2007 Director of Hedge Fund of Fund Portfolio at Feri, Bad Homburg, Germany 2007

2005 – 2006 Vice President M&A at Thomas Cook AG, Frankfurt, Germany and London, UK

2003 – 2005 CEO and Co-Founder of ZAI AG, Switzerland

2000 – 2002 Investment Manager at ICG and AFINUM, London, UK, Munich, Germany

1995 – 2000 Project Leader at Bain & Company, Munich, London, Paris, Geneva

1992 -1998 INSEAD, Fontainebleau (MBA), Northwestern Business & Law School, Chicago (LLM), Freiburg University (Economics and Law Degree)

Thomas Staubli

Member of the Board of Directors, Meilen

1985 MBA in Economics at the University of Zürich

1986-1996 Credit Suisse in Zürich, New York, Frankfurt; several positions incl. MD at Credit Suisse in Germany and Member of the Executive Board; last position was Member of the Executive Board at Bank Hofmann AG, Zürich, a 100% subsidiary of CS, active in private banking and asset management

1997-2010 Partner at Partners Group AG in Zug; responsible for business development in Germany, Austria and Luxembourg including fundraising and product development; Thomas was instrumental in developing the group to a leading position in the field of private equity, private debt, private real estate and private infrastructure

2011-2014 Advisory Partner w/o operational responsibility at Partners Group; remains significant shareholder with close relationships to the founders and the management team as of today
Since 2015 Start of his own investment company Thoco Holding AG; significant investments in privately owned start up, venture and growth companies with focus on small caps in Europe.
Active investor with several Board positions



Management

The company is managed by Ellen Nehs, Chair of the Board of Directors. There are to the date of this offering memorandum no other employees.

Share capital and share capital changes

The Company's share capital is CHF 190'000, divided into 190'000 registered shares with restricted transferability with a nominal value of CHF 1.00 per share. The share capital is fully paid in. Until 7 November 2024, the Board of Directors is authorised to increase the capital by another 95'000 shares. (genehmigtes Kapital) Further, the General Assembly of the company has granted the Board of Directors the right to increase the capital of the company by further 95'000 shares to establish an ESOP (Employee Stock Option Plan) in the future and issue convertible loans (bedingtes Kapital). Transferability of shares is restricted in accordance with the Company's articles of incorporation. All shareholders of the Company as of the date of this Offering Memorandum (the "Existing Shareholders") are bound by a standard shareholder agreement. The Company at the date of this offering memorandum has no employee participation plan in place.

Dividends

The Company has not paid any dividends since its incorporation and is not in the position to pay any dividends until the financials will allow it according to applicable accounting rules.

Audit

Under Art. 727(2) CO, a company can opt-out from the duty to perform a regulator or limited audit if all shareholders agree and if there are no more than 10 full time employment positions on average. The Company has stated an opt-out by declaration dated 17 December 2014. The financial accounts of the Company therefore are not subject to any form of audit.

Principles for Financial Accounting

The Company's financial statements are prepared in accordance with Art. 958 seq. CO.



FINANCIAL INFORMATION

The Company has not published any financial information and does not plan to make its financial statements available to Investors.



THE TOKENS

General

TZEN are representing a contractual entitlement against the Company to participate pro-rata in the Proceeds (the “Proceeds”, as defined below) of a sale of 35'000 ordinary shares of the Company (the “Underlying”, as defined below) in the case of a sale or other disposition of the Company (the “Exit Event”, as defined below).

The total number of TZEN is 1,000,000,000 (one billion).

FOR THE AVOIDANCE OF DOUBT, TZEN ARE NOT A DIGITAL REPRESENTATION OF SHARES OR ANY OTHER EQUITY INSTRUMENTS OF THE COMPANY. HOLDERS OF TZEN ARE NOT SHAREHOLDERS OF THE COMPANY (NEITHER PRIOR NOR AFTER THE EXIT EVENT). HENCE, HOLDERS OF TZEN HAVE NONE OF THE RIGHTS CUSTOMARILY ASSOCIATED WITH THE OWNERSHIP WITH SHARES, INCLUDING THE RIGHT TO PARTICIPATE IN SHAREHOLDER MEETINGS, THE RIGHT TO RECEIVE DIVIDEND PAYMENTS OR THE RIGHT TO SUBSCRIBE IN NEW SHARE ISSUES.

Financial Rights

Each TZEN represents a contractual entitlement to participate pro-rata in the proceeds (the “Proceeds”) of a sale of 35'000 ordinary shares of the Company (the “Underlying”) in the case of a sale or other disposition of the Company (the “Exit Event”).

“Exit Event” means (i) a direct or indirect sale of equity securities in the Company as part of a change of control transaction; a change of control is assumed if one or more existing Shareholders sell shares in one transaction, or in a series of connected transactions, to a third party, if the shares subject to such transactions represent at least $\frac{2}{3}$ (66.6%) of the Existing Shares, (ii) an Initial Public Offering, (iii) a voluntary liquidation of the Company, (iv) the sale of all or substantially all of the Company’s assets or (v) any other event analogous to these events, in each case (other than in the case of clause (ii)), to the extent that such event results in any Existing Shareholder receiving proceeds in respect of its equity securities.

“Existing Shares” means the higher of (i) 190'000 registered shares of the Company, or (ii) the total number of equity securities issued by the Company at the time of the Exit Event (excluding the Underlying”).

“Underlying” means 35'000 registered shares of the Company.

“Proceeds” means, with respect to an Exit Event, all cash and cash equivalent investments received by the existing Shareholders in connection with such Exit Event, after payment of, or provision for, all underwriter fees and expenses, listing fees, printing costs, fees and expenses of accountants, lawyers and other professional advisors, brokerage commissions and other out-of-pocket fees and expenses actually incurred in connection with such Exit Event.

“Proceeds per Token” means Proceeds divided by 1,000,000,000.

The TZEN rank pari passu in relation to the financial rights represented by the token.



Issuer/Obligor

The Issuer of TZEN is the Company.

The Obligor in relation to each Tokenholder is the Company. To ensure that the company is able to meet its obligations from this Offering Memorandum, the 1'000'000'000 token will be treated as 35'000 phantom shares. The company will report a contingent liability in the annex of its annual report. The contingent liability will become an actual liability of the company in the Exit Event and shall ensure that the Proceeds in relation to the total numbers of shares shall be allocated to satisfy the contractual entitlement of Tokenholders represented by the Token.

“Phantom Share(s)” means the rights of the Tokenholder under this agreement to participate in the Exit Event, without granting an actual shareholder status.

Transaction Currency

Payment of the subscription price shall be made in CHF, EUR or ETH, the cryptographic token native to the Ethereum network. For the avoidance of doubt, ETH does not refer to Ethereum Classic. All fees and commissions charged by any intermediary involved in making payments will have to be borne by the subscriber, and the number of Tokens allocated to the subscriber will be reduced accordingly.

Form of Tokens

The Tokens will be issued as ledger-based register securities (Registerwertrechte) in accordance with Art. 973d seq. CO. Holders have no right to request conversion of registered securities or the intermediated securities into another form. Holders may request the Company to deliver an attestation certifying their current holdings at any time.

The Company and the first taker (Erster Nehmer) of the registered securities shall enter into a registration agreement substantially in the form set forth in Annex A. Any person acquiring from the first taker shall be deemed to have consented to the registration agreement.

Exercise of Rights

The Issuer will recognize and acknowledge as Tokenholders only persons who have been identified in accordance with the KYC policies enacted by the Issuer and who have been found to be in full compliance with the AML rules and regulations (together the “**KYC/AML Regulations**”) under applicable law.

Any person who acquires or holds Tokens and fails to comply with the KYC/AML Regulations established by the Issuer shall be barred from exercising any right in relation to such Tokens, including, but not limited to, the right to receive any form of payments.

Transfer Restrictions

The Token will not be transferable in the first six (6) months after Settlement (as defined below), and any transfer made in violation of this restriction shall be null and void. After the expiry of this initial period, one third (1/3) of Tokens shall become transferable each month. Subject to full compliance with onboarding and KYC procedures and notification obligations, the Tokens shall be transferable without restrictions and without approval by the Company after the expiry of nine (9) months after Settlement.



Exit Event

Upon the occurrence of an Exit Event, the Company's Board of Director shall proceed as follows:

1. A resolution shall be adopted stating that an Exit Event has occurred and defining the Proceeds, the Number of Shares and the Underlying; this resolution shall be adopted not later than three (3) months after the closing of the relevant transaction;
2. Without further delay, the Company shall notify all Tokenholders through a publication on its website of the occurrence of an exit event and request instructions for the payment of the claim.

Only persons who have been identified and who have been found to be in full compliance in accordance with the KYC/AML Regulations enacted by the Issuer will be entitled to claim and receive payment of a pro-rata share in the Proceeds.

Payment in satisfaction of the financial rights of Tokenholders shall be made by the Company within one (1) month after the earlier of the date when (i) the notification has been published or (ii) the identification of a Tokenholder has been completed.

Each Obligor shall be discharged from its obligations under this Offering Memorandum when payment has been made to the address indicated by the Tokenholder registered in the securities registry in accordance with the Registration Agreement.

Payment of the Payout-Amount shall be made in CHF, EUR or in ETH. If payment is made in another currency than CHF, the Proceeds allocated to Tokenholders shall be converted in EUR at the prevailing exchange as shown on Bloomberg (<https://www.bloomberg.com/quote/EURCHF:CUR#xj4y7vzkg>) and in ETH the prevailing exchange as shown on Coinbase (<https://www.coinbase.com/de/converter/eth/chf>) or another widely used cryptocurrency platform at 12.00 CET of the day on which settlement is made. All fees and commissions charged by any intermediary involved in making payments will have to be borne by the Tokenholder and the Payout Amount of each Tokenholder will be reduced accordingly.

Notices

All notices and communications to be given or otherwise made to a Tokenholder are to be sent electronically to the last known email (or other electronic) address of the Tokenholder on the books and records of the Company (or another electronic address that has been directed by the Tokenholder in written notice to the Company). In connection with the foregoing, each Tokenholder hereby acknowledges and agrees that:

(1) it will be the sole and absolute responsibility of each Tokenholder to advise the Company of any changes (including typographical corrections) with respect to the active email (or other electronic) notice address of the Tokenholder (including in connection with any transfer of the subject Token(s)); and

(2) the Company will assume no liability to any Tokenholder whatsoever for any notice(s) not received by the Tokenholder as a result of: (i) the Tokenholder's failure to advise the Company of any changes to his/her/its email account; and/or (ii) any electronic and/or other transmission error not caused, directly or indirectly, by the action or inaction of the Company.

(3) All notices and communications to the Company are to be sent via email to the Company at contact@thezene.com with a paper copy to be sent to:



THE ZENE AG
Hertensteinstrasse 51
6004 Luzern

Att. Tokenholder Relations

(4) General. All notices, requests and demands hereunder will be deemed to have been given or made: (i) if sent by e-mail (or other electronic method) one (1) workday following transmission, provided that evidence of such transmission is retained by the sending party; (ii) if delivered in person, immediately upon delivery; (iii) if by nationally recognized overnight courier service with all delivery fees prepaid and with instructions to deliver the next business day, one (1) business day after sending; and (iv) if by any other mail service, three (3) business days after mailing. A written notice sent to a Tokenholder will also be deemed received on the date delivery will have been refused at the address required by this Section.



THE OFFERING

Type of Offering

Subscriptions for Tokens may be submitted by any person (the “**Subscriber**”) who

(i) is eligible to make such investments under Applicable Law and the Terms and Conditions,

(ii) has completed the registration process with the Issuer via the Issuer’s website www.thezene.com/invest, and

(iii) has passed the KYC and AML process.

This Offering Memorandum is not a prospectus. The Offering is a public offering based on exemptions from prospectus requirements for small issues (e.g. Art. 36(1)(e) FinSA) and/or a limited number of investors (e.g. Art. 1(4)(b) Prospectus Regulation). Please refer to the Section “Sales Restrictions” for more information.

This Offering is not underwritten, meaning that no person has undertaken to the Company to acquire any of the Tokens.

Number of Tokens offered

The total number of Tokens offered is 1’000’000’000 (one billion). The Offering is organized in stages of 200’000’000 (200 million) each.

Total Offering Size and Use of Funds

The total amount of funds to be raised under this Offering is up to CHF 2’800’000.

The money raised through the token sale will be used for product development, including the development of THE ZENE App, and general corporate purposes.

Issue Price and Minimum Subscription Amount

The Issue Price per Token is CHF 0.0028.

The Minimum Subscription Amount per Subscriber for the first stage is 200’000 Tokens, corresponding to CHF 560.00. Subject to change at the Company’s discretion.

Subscriber Identification and Anti-Money Laundering Process

Under European and Swiss anti-money laundering legislation, the Issuer must verify the identity and permanent address of any Subscriber or of any person (including an intermediary) acting for a Subscriber. Every Subscriber will be subject to a standard Know Your Customer (KYC) process (the “**Standard KYC Process**”).

Any Subscriber who fails to complete the Standard KYC Process or who fails to satisfy KYC/AML Regulations of the Issuer shall be banned from subscribing the Token. All payments received from such a person will be rejected and returned.



Subscription

Investors wishing to participate in the Offering can subscribe Tokens by registering on www.thezene.com/invest.

The Company reserves the right, to exercise at its sole discretion, to modify, amend and/or withdraw all or a portion of the Offering and/or accept or reject in whole or in part offers to purchase Tokens or to allot to any Investor who wishes to participate in the Offering less than the amount of Tokens that are required to subscribe. The Company shall have no liability whatsoever to any offer and/or investor in the event that any of the foregoing shall occur.

Subject to the provisions of this Offering Memorandum and the Terms and Conditions, the Issuer undertakes to issue Tokens to the Subscriber, and the Subscriber undertakes to pay for the Tokens subscribed in the Issue Price.

The Subscriber acknowledges and confirms to have received, read and understood the Terms and Conditions and to agree to such Terms and Conditions.

Payments

Payment of the subscription price shall be made in CHF, EUR or ETH, the cryptographic token native to the Ethereum network. For the avoidance of doubt, ETH does not refer to Ethereum Classic. All fees and commissions charged by any intermediary involved in making payments will have to be borne by the subscriber, and the number of Tokens allocated to the subscriber will be reduced accordingly.

Payments in CHF and EUR shall be made by credit card as instructed on the Company's website. Payments in ETH shall be made first to the address of the smart contract. The procedure will be published on the Issuer's website (www.thezene.com). The smart contract will automatically record the ETH payment.

Payments made in ETH are deemed to be received according to the timestamp within the respective wallet or the smart contract.

Settlement

After receipt of the payment the Issuer shall issue Tokens to Subscribers and send Tokens to the wallet address indicated by the Subscriber, in accordance with the transfer restrictions. The number of Tokens to be allocated to each Subscriber shall be determined by the payments received from such Subscriber in CHF, net of any exchange commissions, divided by the Subscription Price. Uneven amounts will be rounded up in favour of the Subscriber to the next full Token.

Subscription Period

The Offering shall be open for Subscriptions from 8.11.22, 12.00 a.m. CET, until 23.06.23, 12.00 a.m. CET.

Responsibility Statement

The Company takes responsibility for the contents of this Offering Memorandum. To the knowledge of the Company, the information set forth in this Offering Memorandum is accurate and no material information has been omitted.



ANNEXES

Annex A: Registration Agreement

REGISTRATION AGREEMENT (ARTICLE 973D(1) CO)

1. Subject matter and scope

1.1. This registration agreement (“**Registration Agreement**”) in accordance with article 973(d) CO is entered into between the Issuer and the first acquirer of a Token from the Issuer. It shall be binding on any subsequent acquirer of a Token, whether by way of an agreement or by law (a “**Transferee**”) (jointly referred to as the “**Parties**”, and each a “**Party**”).

1.2. For the purposes of this Registration Agreement, the following definitions apply:

“Tokenization” means the representation of the object by way of a digital token which is, or will be, issued and transferred on a distributed ledger.

“Tokenholder” means a person having control (Verfügungsmacht, article 973d(2)(1) CO) over a token, including the Issuer respectively the owner, or any third party acquiring Tokens.

2. Registration

2.1 The Parties agree and consent that the ledger-based securities (Registerwertrechte) be registered in the securities ledger (Wertrechtregister) as further defined below. The ledger-based securities shall be issued in the form of Tokens, with each Token representing one ledger-based security.

2.2. The securities ledger is based on the ERC-20 standard as a smart contract. The Polygon as well as the Ethereum Blockchains serve as the base technologies and open source platforms and operate under joint management by several independent participants to protect them from unauthorised modification.

2.3. The Issuer reserves the right to substitute Tokens with new tokens, to amend the smart contract or to migrate Tokens to a new protocol if necessary to comply with legal developments and/or technical amendments of the token standard or the protocol being used, provided such substitution or amendment in no way affects the ledger-based securities and the rights represented by such ledger-based securities.

3. Effects of registration

3.1. The registration in accordance with this Registration Agreement has the following effect:

a) The ledger-based security/Token can only be transferred in accordance with the rules and procedures set forth in this Registration Agreement and the securities ledger;

b) Tokenholders shall be entitled to power of disposal over the ledger-based security/Token in accordance with the rules and procedures set forth in this Registration Agreement and the securities ledger;



c) Only persons registered in the securities ledger as a Tokenholder shall have the right to assert any claim or right represented by the ledger-based security/Token, and payment to such person shall discharge the debtor from its obligations;

d) A person who acquires ledger-based securities/Tokens from the person registered in the securities ledger as the Tokenholder in good faith shall be protected in respect of the acquisition even when the transferor had no legal power or authority to dispose of the ledger-based securities/Tokens.

3.2. Tokenholders have the right, but not the obligation, to view and verify any information regarding Tokens held by them without the intervention of a third party via a block explorer.

4. Transfer and transfer restrictions

4.1. Tokenholders may only transfer ledger-based securities/Tokens in accordance with the rules and procedures set forth in this Registration Agreement and the securities ledger.

4.2. Subject to the vesting period (as defined in the offering memorandum), the transfer of the Token and/or or the right represented by the token are not subject to any transfer restrictions.

5. Replacement of tokens

Without prejudice to the cancellation procedure set forth in article 973h CO, in case of a damage to, or loss of, a Token or the private key by a Tokenholder the Issuer has the right, but not the obligation, to (i) permanently freeze the respective Tokens and to (ii) mint and issue new tokens which shall replace the Tokens subject to the permanent freeze. The Tokenholder making the request shall be obliged to post a cash bond with the Issuer in an amount to be determined by the Issuer in order to secure any adverse claim by a bona fide acquirer of the Token. The replacement of the Token shall not constitute an increase of the total number of Tokens.

6. Severability

If at any time any provision of this Registration Agreement (or any part thereof) is or becomes invalid or unenforceable, then neither the validity nor the enforceability of the remaining provisions or the remaining part of the provision shall in any way be affected or impaired thereby. The Parties agree to replace the invalid or unenforceable provision or part thereof by a valid or enforceable provision which shall best reflect the Parties' original intention (if and to the extent possible).

7. Governing law / jurisdiction

All legal relations between the Parties shall be governed by substantive Swiss law. The place of performance and debt enforcement for a Party with domicile or place of incorporation outside of Switzerland shall be Lucerne, Switzerland. The exclusive place of jurisdiction for all types of proceedings shall be Lucerne, Switzerland.

This section shall qualify as a choice of the law governing the transfer of ledger-based securities in accordance with article 145a Private International Law Act.