

KEY INFORMATION DOCUMENT

Purpose

This document provides you with key information about this investment product. It is not marketing material. The information is required by law to help you understand the nature, risks, costs, potential gains and losses of this product and to help you compare it with other products.

Product

Branoko NTS 0% 31122032 EUR (the "Notes")

Date: 10 March 2023

Issuer: Branoko AG ISIN: CH1240987755

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What is this product?

Type

This product is an unrated investment product in Note form, which is linked to the performance of underlying assets - Performance Linked Notes ("PLNs" or the "Notes") of Branoko AG (the Company), a Swiss based private company that does not intend to list the Notes on any recognized stock exchange. The only way to subscribe to the Notes is either directly with the Issuer or by purchasing the bonds via the custodian of the Notes, Eurivex Ltd (the Custodian).

PLNs are similar to corporate bonds but differ in that they don't pay a fixed interest rate and the performance of the underlying assets are for the benefit or loss of the investors, after the deduction of administration and success fees from the performance income.

Branoko AG intends to invest in a diversified portfolio of IT related projects described below as the Underlying Assets.

Objectives

Branoko AG is a Joint Stock Company limited by shares (AG) incorporated under the laws of Switzerland on 17 December 2020, registered with the Commercial register under company number CHE-147.109.857, with registered office at Dammstrasse 16, 6300 Zug, Switzerland.

The Company aims to trade in all kinds of goods, in particular IT software and hardware and the provision of related services.

The Company may incorporate branches and subsidiaries in the country and abroad, as well as conduct any business directly or indirectly related to its objectives.

The Company can acquire, encumber, dispose of and manage real estate in the country and abroad. It can also carry out financing at its own or at third-party expense and enter into guarantees and sureties for subsidiaries and third parties.

Description of Underlying Assets

The Issuer will be investing in mainly three areas of activities to achieve a diversified portfolio of assets for the benefit of the Noteholders.

Digital Twin Project

The Digital Twin allows not only to obtain operational data on the state of the business, but also to simulate various development scenarios

and predict the results of changes in certain parameters.

Perhaps the most obvious example is the transition to digital twins of automakers. The cycle of restyling or creating a new car model is now

90% transferred to the virtual area. With an accurate digital twin, there is no need to create or change a particular part and test the effect on a real prototype.

And the effect is not only and not so much in reducing the time to test new ideas, but, more importantly, the process of developing and testing a product in digital form is incomparably more environmentally friendly than traditional iterations with prototypes made of metal and carbon fiber.

Artificial Intelligence (AI)

Another direction of using artificial intelligence will be the creation of a service for forecasting financial indicators and market prices of shares of public companies based on open information in XBRL format.

The idea is based on data on the application of machine learning methods by investment institutions.

According to Thompson Reuters Eikon data investment funds that use neural networks to manage investment portfolios have shown much greater efficiency compared to traditionally managed portfolios.

Branoko's idea is to create an advanced deep learning neural network configured to work with data in XBRL format.

The medium-term goal of the development of the idea is to take into account all available data about the company when building a forecast of its financial and economic condition and its market value as a result.

Business to Business (B2B) Services

As part of the expansion of the B2B services provided, Branoko has made great progress in creating a platform for the exchange of information between companies – a social network for companies.

The difference from the existing well-known services will be a completely different level of information protection.

The availability of tools for structuring corporate information and the possibility for companies participating not only in the exchange of information in the XBRL format, but also the use of online services for analyzing this information and building forecasts described earlier.

Branoko's partners created a prototype of a B2B platform, which was successfully tested within the framework of one of the largest non-profit international business associations.

Income for investors will be formed due to the paid subscription of organizations to participate in the platform. With the participation of 1,000 members and an annual subscription price of €2,000, the income from the platform will reach €2 million per year.

Use of Issue proceeds

The use of proceeds from the issue will be as follows:

The Company will be issuing up to 25,000 PLNs (Notes) of €1,000 nominal value each for a total fund raise objective of €25 mln in order to realize its three main areas of activities described above - the B2B Platform, the AI Financial forecast and the Digital Twin projects.

The Issuer also wishes to have up to €10 mln in funds that the Board of Directors will use to purchase existing patents, as well as the right to use specialized software to accelerate its own development plans, which are heavily dependent on development of its intended software.

An amount of up to €2.6 mln will be allocated for Working Capital purposes, to cover unforeseen expenses and any additional operational expenses as the need may arise.

From 2027 onwards, the Company will be cash flow positive and will finance its operations from free cash flow derived from operations. Additional details regarding the cash flow projections can be seen in the financial report section of this Information Memorandum.

The allocation and use of funds in each of the three main areas of activities can be seen below:

Branoko use of proceeds					
B2B platform					
Expenses	2023	2024	2025	2026	2027
Acquisition	200,000				
Patent		100,000			
Marketing	300,000	300,000	200,000	200,000	200,000
Support-Admin	100,000	100,000	100,000	200,000	200,000
Total	600,000	500,000	300,000	400,000	400,000
Income					
Platform subscription	50,000	100,000	250,000	500,000	1,000,000
Total	50,000	100,000	250,000	500,000	1,000,000
Deficit/Surplus	-550,000	-400,000	-50,000	100,000	600,000
AI financial forecast					
Expenses	2023	2024	2025	2026	2027
Adaptation	50,000				
XBRL specialists	200,000	200,000	200,000	200,000	200,000
Freelance programmers	120,000	120,000	120,000	120,000	120,000
Commercialisation		550,000			
Development software			300,000		
Marketing				200,000	200,000
Total	370,000	870,000	620,000	520,000	520,000
Income					
Sales of application licences				100,000	200,000
Sales of converted data			50,000	100,000	150,000
Subscription to forecasts and recommendations		100,000	200,000	300,000	500,000
Total	100,000	100,000	250,000	500,000	850,000
Deficit/Surplus	-370,000	-770,000	-370,000	-20,000	330,000
Digital Twins					
Expenses	2023	2024	2025	2026	2027
Hardware/mining	3,000,000	1,000,000	1,000,000	1,000,000	1,000,000
Programmer salaries	750,000	750,000	750,000	300,000	200,000
Patent law specialists	500,000	500,000	500,000	300,000	200,000
Total	4,250,000	2,250,000	2,250,000	1,600,000	1,400,000
Income					
Patent royalties		10,000	50,000	100,000	150,000
Sales of Digital Twins development			50,000	200,000	500,000
Total	10,000	10,000	100,000	300,000	650,000
Deficit/Surplus	-4,250,000	-2,240,000	-2,150,000	-1,300,000	-750,000
ALL PROJECTS	-5,170,000	-3,410,000	-2,570,000	-1,220,000	180,000
Funding needs for first four years until cash flow turns positive					12,370,000
Amount allocated for purchase of existing patents-use of systems					10,000,000
Working capital needs					2,630,000
Total funding needs					€ 25,000,000

Method of calculation of NAV

The Issuer will combine the performance of all underlying assets into one ledger resulting in one unified Net Asset Value (NAV) for the Company. The NAV will be based on the revaluation of the underlying assets every year.

It will be impossible to separate the performance of different underlying assets from others, which means, there is no possibility for investors to follow the performance of different underlying assets separately. They will have to rely on the reporting and calculations made by the Issuer.

The Issuer intends to charge Administration fees to cover its operational expenses. This will be a direct expense of the Issuer and will be deducted from the NAV.

Success fee

The Issuer is entitled to charge a 20% success fee on an annual basis when the performance of the NAV exceeds the 12-month EURIBOR rate, calculated as the performance indicator on 31 December of a calendar year compared to 2 January of the same year.

If the Company loses money over a period, the Directors must get the NAV above the high-water mark before receiving a performance bonus from the assets under management (AUM).

Terms and Conditions

The PLN issue has the following characteristics:

Type: Performance Linked Notes (the "Notes")

Date of Issue: 2 January 2023

Maturity Date: 31 December 2032

Issue Price: 100% at par

Currency: EUR

Denomination: €1,000

Min Subscription: €125,000

Total issue size: 25,000 Bonds of €1,000

Total value of issue: €25,000,000

Interest: Not applicable

Interest payment dates: Not applicable

Redemption Terms at the option of Issuer: The Issuer may, at its discretion, redeem partial and/or all the Notes at their NAV value, net of the success fee of the issuer, only after 2 January 2028

Redemption Terms at the option of Noteholders: Noteholders may redeem part or all the Notes at their NAV value, net of any success fee of the issuer only after 2 January 2028, subject to the Issuer's Board of Directors approval and availability of funds

Notes Guarantee: The PLNs are not guaranteed

Security: There is no security provided by the Issuer on the PLNs

Listing and Admission to Trading: The PLNs are not listed and there is no intention by the Issuer to list the Notes on any stock exchange

Registry: Clearing and settlement of the PLNs are with Eurivex Ltd or directly with the Issuer.

Investor Target: The PLNs are offered only to professional and well-informed investors via private placement.

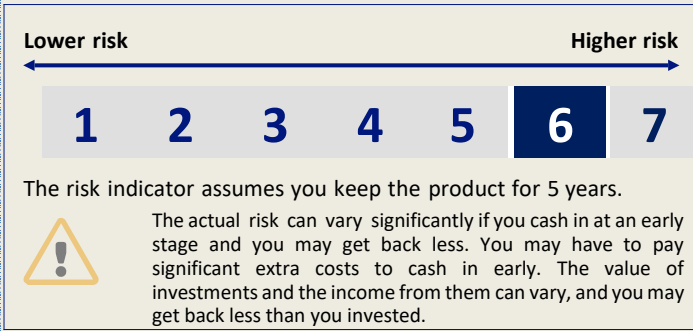
Selling restrictions: The PLNs have not been and will not be registered under the Securities Act and will not be offered or sold within the United States of America.

The Notes will be sold in other jurisdictions (including the European Economic Area) only in compliance with applicable laws and regulations.

Custodian: The Notes will be held in safe-custody by Eurivex Ltd, an EU investment firm, regulated by the Cyprus Securities & Exchange Commission (CySEC), number 114/10.

What are the risks and what could I get in return?

Risks



We have classified this product as 6 out of 7, which is the second highest risk class. The summary risk indicator is a guide to the level of risk of this product compared to other products. It shows how likely it is that the product will lose money because of movements in the markets or because the Issuer is unable to repay your investment.

Performance scenarios

Scenario		5 years (Mandatory Holding Period)
Nominal investment amount of €125,000		
Stress Scenario	What you might get after costs Average return/loss over nominal amount	€0 -100%
Unfavourable Scenario	What you might get after costs Average return/loss over nominal amount	-€20,000 -3.43%
Moderate Scenario	What you might get after costs Average return/loss over nominal amount	€50,500 7.02%
Favourable Scenario	What you might get after costs Average return/loss over nominal amount	€124,500 14.82%

This table shows the money you could get over the minimum period of investment, under different scenarios, assuming you invest €125,000. The scenarios shown illustrate how your investment could perform. You can compare them with the scenarios of other products.

The scenarios presented are an estimate of future performance at the end of the 5 year minimum mandatory holding period.

The scenarios are based on the projections of the first 5 years and assuming a steady growth factor and a risk adjusted required return for such products.

In the Unfavourable scenario it is assumed that the B2B platform achieves 50% of the targeted performance, and the Digital Twins project fails altogether.

The Stress scenario assumes that all three projects fail and the Issuer is unable to make any payments to the Noteholders.

The Moderate and Favorable scenarios are based on the 5 year projected figures stated above but with different growth factors for the profits.

The chart rates the potential losses from future performance at a high level, and poor market conditions are very likely to impact the amount you could get back. Changes to tax laws/treaties may adversely affect returns on your investment.

The risk indicator assumes you keep the product for 5 years, which is the minimum holding period. The actual risk can vary significantly if you cash in at an early stage and you may get back less. Market developments in the future cannot be accurately predicted. The scenarios shown below are only an indication of some of the possible outcomes based on recent returns. Actual returns could be lower.

Be aware of currency risk. The price of the underlying assets may be in a different currency, so the final return you will get depends on the exchangerate between multiple currencies. This risk is not considered in the risk chart indicator.

The Company is exposed to general risks such as market risk, credit risk and liquidity risk.

Even though Noteholders may redeem part or all the Notes at their NAV value after 2 January 2028 - subject to Issuer's Board approval and availability of funds - you are warned that this product cannot be terminated in the event that the Issuer has no available funds to repay your investment in case you change your mind.

This means it is difficult to estimate how much you will get if you cash out before the maturity of the Notes. You will either be unable to exit, or you will have to pay high costs or exit at a loss if you decide to do so.

The figures shown include all the costs of the product itself but may not include all the costs that you pay to your advisor or distributor. The above assumptions are made on the basis that well-informed investors will send their contributions directly to the Issuer's bank account without additional costs.

Your maximum loss would be that you will lose all your investment, assuming all three projects fail.

The figures do not take into account your personal tax situation, which may also affect how much you get back.

What happens if Branoko is unable to pay out?

In the event of payment failure on maturity, the Notes will be in default. If such a case occurs and continues unremedied in relation to any Note, then a Noteholder may declare by notice only to the Issuer that each Note held by it is to be redeemed at its Redemption value. In such a case those amounts become immediately due and payable. There is always the risk that the redemption value may be less than the original amount invested.

The Custodian of the Notes is not in a position to help investors in case of default and will not be able to refund your investment since all the monies are transferred to the Issuer when an investment is made and only the Notes are held in custody.

What are the costs?

Composition of costs

The table below shows the impact each year of the different types of costs on the performance of the product at the end of the recommended holding period and the meaning of the different cost categories.

This table shows the impact on return per year			
One-off costs	Entry costs	0.00%	The Issuer will not apply any entry costs.
	Exit costs	0.00%	The impact of the costs of exiting your investment when it matures. The Issuer will not apply any exit fees.
On-going costs	Brokerage costs in Secondary Market	1.00%	There are no brokerage fees for primary subscription, but fees of up to 1% apply for successful trades made in the Secondary market.
	Other ongoing costs	0.05%	The Investment firms or Custodians will apply custody fees for holding custody of the bonds. The custody fees are payable annually and can range from 5 to 35 bps.
Incidental costs	Performance fees	0.00%	The impact of costs which are variable to the performance. The Issuer will not apply any performance fees.
	Carried interest	0.00%	The Issuer will not apply any carried interests.

Costs over time

The total costs take into account one-off, ongoing, and incidental costs.

The amounts shown here are the cumulative costs of the product itself. The figures assume you invest 125,000 EUR. The figures are estimates and may change in the future.

The person selling you or advising you about this product may charge you other costs. If so, this person should provide you with information about these costs and show you the impact that all costs will have on your investment over time.

Nominal amount of €125,000	10 years (Recommended Holding Period)
Total Costs*	€0
Impact on Return (RIY) per year	0%

- It is assumed that Investors subscribe directly to the Issuer or in the primary issuance of the Notes and we have not calculated the custody fees, which will be paid by the Issuer. Since brokerage fees apply only for successful trades made in the Secondary market, such costs have not been taken into consideration.

How long should I hold the investment?

This product is designed to be held until maturity, you should be prepared to stay invested for the full 10 years. As Noteholder you may not receive the money that you invested if the performance of the underlying assets is not adequate.

How can I complain?

If you ever need to complain about the service you have received, please contact the Issuer directly through the website <https://branoko.com>
 Email: branokoag@gmail.com Tel: +41 78 252 03 89.

Other relevant information

This Key Information Document has been produced by the Management of the Issuer. You can get other information relating to this Product, including the offering document, latest annual report and the latest price of notes, from the Issuer, Branoko AG of Dammstrasse 16, 6300 Zug, Switzerland.