

**MOOTRAL**

**Confidential Private Placement Memorandum**

**Mootral Holdings  
Limited**

**MOOTRAL**

## Confidential Private Placement Memorandum (“PPM” or “Memorandum”) for Mootral Holdings Limited (the “Company”).

SAFE (Simple Agreement for Future Equity)

Minimum Amount: \$10,000  
Maximum Amount: \$1,000,000<sup>1</sup>

Mootral Holdings Limited (the “Company”), a Limited Company incorporated in England and Wales, is offering (this “Offering”) is offering a minimum amount of \$200,000 and up to a maximum amount of \$1,000,000 (the “Maximum Offering Proceeds”)<sup>1</sup> of Simple Agreements of Future Equity (SAFEs) (the “Securities”) on a best efforts basis as described in this Memorandum. The Securities are being offered and sold only to “accredited investors” as defined in Rule 501(a) of Regulation D under the Securities Act of 1933, as amended (the “Securities Act”). The offering price per Securities has been arbitrarily determined by the Company.

### Important Notices:

**This Memorandum is confidential and for your use only. It may not be reproduced. This Memorandum is submitted to the prospective investor to provide certain information about the Company and the Securities in connection with the proposed private placement of the Securities and may not be used for any other purpose.**

These are speculative Securities which involve a high degree of risk. Only accredited investors who can bear the loss of their entire investment should invest in the Securities.

The Securities offered hereby have not been registered under the Securities Act or under the securities laws of any other state or jurisdiction in reliance upon the exemptions from registration provided by the Securities Act and Rule 506 of Regulation D<sup>2</sup> promulgated thereunder, and the comparable exemptions from registration provided by other applicable securities laws.

The Date of this Memorandum is July [DATE], 2021.

The Company reserves the right to waive the minimum Securities subscription for any investor. This Offering is not underwritten. The Securities are offered on a “best efforts” basis by the Company. All proceeds from the sale of Securities will be deposited in an escrow account maintained for the benefit of the investors by Prime Trust, LLC (see *Plan of Placement* (Section 13)), until the time their subscription is accepted by the Company. After the sale of the Securities, proceeds will be delivered directly to the Company’s corporate account and be available for use by the Company at its discretion.

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<sup>1</sup> The Company reserves the right to amend this Offering and this Memorandum to increase the Maximum Offering Proceeds.

<sup>2</sup> Regulation D is found under Title 17 of the Code of Federal Regulations, part 230, Sections 501 through 508. The legal citation is 17 C.F.R. §230.501 et seq.

The Company reserves the right to pay expenses related to this Offering from the proceeds of this Offering (see *Use of Proceeds* (Section 5)). This Offering will terminate on the earliest of: (a) the date the Company, in its discretion, elects to terminate this Offering, or (b) the date upon which all Securities have been sold, or (c) such date as may be extended from time to time by the Company, but not later than 180 days thereafter (the “**Offering Period**”).

This Offering is not underwritten. The price of the Securities offered has been arbitrarily set by the Management of the Company (as set forth in Section 7, the “**Management**”). There can be no assurance that any of the Securities will be sold.

Neither the Securities and Exchange Commission nor any state regulatory authority has passed upon the accuracy or adequacy of this Memorandum or endorsed the merits of this Offering. Any representation to the contrary is unlawful.

Due to the fact that these Securities have not been registered under the Securities Act or other applicable securities laws and are being sold in reliance upon an exemption from registration afforded under the Securities Act, there are restrictions on their transferability or resale by an investor. Any transfer, sale or other disposition of the Securities requires the prior written consent of the Company and any transfer must comply with the Securities Act, including any available exemptions from registration under the Securities Act. While Rule 144 under the Securities Act provides an exemption from registration under the Securities Act in connection with the resale of limited amounts of Securities in certain circumstances, the exemption under Rule 144 may not be available to investors because the Company does not now, and does not intend in the future, to make available the public information required by Rule 144. Additionally, a trading market for the Securities may not develop sufficiently to satisfy the “broker’s transactions” requirement of Rule 144. In the absence of the availability of Rule 144, any disposition of the Securities will require registration or compliance with an exemption from the Securities Act and applicable state securities laws. The Company is not obligated to register for sale under either federal or state securities laws the Securities purchased pursuant hereto, and the issuance of the Securities is being undertaken pursuant to Rule 506 of Regulation D under the Securities Act. Each prospective investor should proceed on the assumption that they alone must bear the economic risks of the investment for an indefinite period.

There is no trading market for the Company’s Securities and there can be no assurance that any market will develop in the future or that the Securities will be accepted for inclusion on the New York Stock Exchange, Nasdaq or any other trading exchange at any time in the future.

The offering price of the Securities has been arbitrarily established by the Company and does not necessarily bear any specific relation to the assets or potential earnings of the Company or any other recognized criteria of value.

### ***Information contained within this Memorandum***

No person is authorized to give any information or make any representation not contained in the Memorandum and any information or representation not contained herein must not be relied upon. Nothing in this Memorandum should be construed as legal or tax advice. Each investor should consult its own personal counsel, accountant, financial planners, and other advisors as to the legal, tax, economic and related matters concerning the investment described herein and its suitability as an investor.

The Management has provided all of the information stated herein. The Company makes no express or implied representation or warranty as to the completeness of this information or, in the case of projections, estimates, future plans, or forward-looking assumptions or statements, as to their attainability or the accuracy and completeness of the assumptions from which they are derived, and it is expected that each prospective investor will pursue his, her, or its own independent investigation.

The estimates of the Company's performance in this Memorandum are necessarily subject to a high degree of uncertainty and may vary materially from actual results.

Other than the Management, no one has been authorized to give any information or to make any representation with respect to the Company or the Securities that is not contained in this Memorandum. Prospective investors should not rely on any information not contained in this Memorandum.

This Memorandum does not constitute an offer to sell or a solicitation of an offer to buy to anyone in any jurisdiction in which such offer or solicitation would be unlawful or is not authorized or in which the person making such offer or solicitation is not qualified to do so. This Memorandum does not constitute an offer if the prospective investor is not qualified under the Securities Act or other applicable securities laws.

This Offering is made subject to withdrawal, cancellation, or modification by the Company without notice and solely at the Company's discretion. The Company reserves the right to reject any subscription or to allot to any prospective investor less than the number of the Securities subscribed for by such prospective investor.

### ***Distribution of this Memorandum***

The information contained in this Memorandum is confidential and proprietary and has been prepared solely for the information of the person to whom it has been delivered by or on behalf of the Company strictly for such persons' confidential use solely to evaluate a potential investment in this Offering. Distribution of this Memorandum to any person other than the prospective investor to whom this Memorandum is delivered by the Company and those persons retained to advise them with respect thereto is unauthorized. Any reproduction of this Memorandum, in whole or in part, or the divulgence of any of the contents without the prior written consent of the Company is strictly prohibited.

### ***Investigation and due diligence***

By acceptance of this Memorandum, prospective investors recognize and accept the need to conduct their own thorough investigation and due diligence before considering a purchase of the Securities. The contents of this Memorandum should not be considered to be investment, tax, or legal advice and each prospective investor should consult with their own counsel and advisors as to all matters concerning an investment in this Offering. Each investor should consult its own personal counsel, accountant, financial planners, and other advisors as to the legal, tax, economic and related matters concerning this Offering and its suitability as an investor.

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During the course of this Offering and prior to any sale of the Securities, each offeree of the Securities and his or her professional advisor(s), if any, are invited to ask questions concerning the terms and conditions of this Offering and to obtain any additional information necessary to verify the accuracy of the information set forth herein.

Such information will be provided to the extent the Company possess such information or can acquire it without unreasonable effort or expense.

***Opportunity to ask questions:***

Each prospective investor will be given an opportunity to ask questions of, and receive answers from, the Management concerning the terms and conditions of this Offering and to obtain any additional information, to the extent the company possesses such information or can acquire it without unreasonable efforts or expense, necessary to verify the accuracy of the information contained in this Memorandum.

If you have any questions whatsoever regarding this Offering, or desire any additional information or documents to verify or supplement the information contained in this Memorandum, please write or call.

The Company's telephone number is +44 1495 292700 and its email is investorrelations@mootral.com.

## **Section 1: Summary of the Offering:**

The following material is intended to summarize information contained elsewhere in this Private Placement Memorandum (the "**Memorandum**"). This summary is qualified in its entirety by express reference to this Memorandum and the materials referred to and contained herein. Each prospective subscriber should carefully review the entire Memorandum and all materials referred to herein and conduct his or her own due diligence before subscribing for the Securities.

### **The Company**

Mootral Holdings Limited (the "**Company**") is a private limited company incorporated on January 27, 2021 in England and Wales with company number 13161424. The Company has its registered office at Units G&H Roseheyworth Business Park North, Abertillery NP14 1SX, Wales, United Kingdom.

Mootral as a business started in April 2018 in Switzerland as Mootral SA (now the commercializing subsidiary of Mootral Holdings Ltd) and in 2021 the financial holding company was redomiciled to the UK.

The Company is an Agritech company that develops innovative, scalable and sustainable solutions for tomorrow's agricultural system, tackling 2 imminent issues, i.e. (1) greenhouse gas emissions, and (2) food safety/antibiotic overuse. The Company has three (3) direct subsidiaries, Mootral SA, incorporated in Switzerland and located in A-One Business Center, Z.A. La Piece 1-A5, 1180 Rolle, Switzerland; and Mootral Ltd and Mootral Innovations Ltd, both companies incorporated in the United Kingdom ("**Subsidiaries**") and situated at the same address as the Company. The Company has no legal presence in the United States apart from it being the location of one of the co-founders, an outsourced business development team & scientific support, and commercial relationships with farmers.

Mootral Holdings Limited owns and operates 100% of the outstanding capital stock of its Subsidiaries.

## **Characteristics of being a Limited Company**

The Company is a limited company incorporated under the laws of England and Wales. A limited company under the laws of England and Wales:

- has its own legal identity separate from its shareholders;
- is not a partnership;
- is technically different than a limited liability company (LLC) in the U.S.; and
- in the event of a limited company's insolvency any money invested in the Company can be lost.

## **Our Business**

The Company is engaged in Agritech and develops innovative, scalable and sustainable solutions for tomorrow's agricultural system. The Company has two solutions, (1) Mootral ruminant, and (2) Grazexin.

**Mootral Ruminant:** A natural feed supplement that significantly reduces methane emissions from cattle, while improving health and performance of the animals. The Company's proprietary VERRA approved VCS (Verified Carbon Standard) methodology allows it to generate carbon credits out of enteric methane reduction from cattle that are fed Mootral Ruminant. The proceeds of these credits are used to subsidize and eventually fully finance the product cost for farmers.

**Grazexin:** A natural complementary feed that lowers/eliminates the need to use antibiotics in monogastric livestock via improved gut health and reduced infection rates, resulting in a significantly higher ROI.

The Company has a target of servicing 10% of 800 million industrialized cattle (which the Company considers its serviceable addressable market), which would result in approximately \$5 billion of product sales in the next 10 years.

### **The United States:**

In the United States, the Company is represented by one of its co-founders (Los Angeles, CA), an outsourced business development team (Austin, TX), scientific support (Brookings, SD), a world leading scientific advisory board member (Davis, CA), and relationships with several renowned universities (e.g. Purdue, UC Davis, West Texas A&M), as well as commercial relationships with farmers. It is envisaged that a formal US entity will be incorporated within the next six to twelve months.

### **The United Kingdom:**

Mootral Ltd is the Company's research and development arm, located in Wales, United Kingdom, in a facility with over 16,000 sq. ft. of state of the art laboratories and pilot scale production facilities.

The Company has a highly experienced team that has several decades of experience in the discovery, isolation, stabilization, modulation and scaling of bioactive molecules of natural origin. Joint ventures in certain global territories currently under negotiation will also be with this entity.

Mootral Ltd has a subsidiary in Germany (Mootral GmbH), which serves to have an EU presence for product registration purposes. It also serves as an employer for EU based employees.

**Europe:**

Mootral SA is located in Switzerland, where the senior leadership for Operations, Commercialization and Carbon/Sustainability is located. All revenue of the Company is billed through this entity.

***Overview of our products and services***

	<b>UK</b>	<b>Europe</b>	<b>USA</b>	<b>Benefits</b>
<b>Mootral Ruminant</b>	<b>X</b>	<b>X</b>	<b>X</b>	<ul style="list-style-type: none"> <li>• Up to 38% methane reduction (depending in breed and feeding conditions)</li> <li>• 100% natural (garlic &amp; citrus extract)</li> <li>• 100% natural (garlic &amp; citrus extracts)</li> <li>• Strong IP protection</li> <li>• Increased health &amp; performance</li> <li>• Fly abatement</li> <li>• Co-financed by carbon credits</li> </ul>
<b>Grazexin</b>	<b>X</b>	<b>X</b>	<b>X</b>	<ul style="list-style-type: none"> <li>• Higher ROI and substantial reduction of medication used in monogastric livestock.</li> <li>• Performance &amp; health improvements contribute to a ROI of at least 3:1</li> <li>• Enables farmers to go “antibiotic free” and thus comply with regulatory requirements regarding the use of antibiotics and other antimicrobial agents</li> <li>• Improves animal welfare through healthier animals</li> <li>• Natural (pomegranate and green tea extracts), uniquely activated in a patented process</li> <li>• Strong IP protection</li> </ul>

Intellectual Property: The Company’s intellectual property (“IP”) extends to patents, know-how and data. The Company owns all IP related to Mootral Ruminant and the patents are in various stages of being granted in all relevant markets. The Company has licensed in all IP related to Grazexin on a globally exclusive basis. There are three patent families, which are mostly granted or close to being granted in relevant markets across the world.

## The Offering

The Company is offering a maximum of \$1,000,000 of the Securities at a price of \$1.00 per Security.

Each purchaser must execute a Subscription Agreement making certain representations and warranties to the Company, including such purchaser's qualifications as an "accredited investor" as defined in Rule 501(a) of Regulation D under the Securities Act.

## Risk Factors

The Securities are speculative and involve a high degree of risk and are only suitable for persons who can afford to lose all of their investment.

See *Risk Factors* (Section 4) in this Memorandum for certain factors that could adversely affect any investment in the Securities offered by the Company.

Risk factors include, but are not limited to, obstacles to execution of our strategy, macro-economic impacts (for example a severe global economic downturn affecting funding), operational liquidity risks (lack of funding, difficulties accessing capital to continue to conduct business), ability to compete effectively in certain targeted jurisdictions and impacts caused by global events such as the current pandemic (for example, loss of key staff).

## Use of Proceeds

The Company intends to use the net proceeds of this Offering for general corporate purposes, including expanding its team, Research & Development, sales & marketing of its products and services, new customer acquisition and working capital.

See *Use of Proceeds* (Section 5).

## Maximum Offering Proceeds

The Company has set a maximum offering proceeds figure of \$1,000,000 (the "**Maximum Offering Proceeds**") for this Offering.

Maximum Offering Proceeds will be placed in escrow as set out in this Memorandum. See *Plan of Placement* (Section 13).

## Share Allocation

Assuming the sale of the maximum number of the Securities from this Offering, the issued and outstanding Securities of the Company will be held as follows:

Zaluvida Ventures Ltd<sup>3</sup> (98%)  
Christoph Staeuble (2%)

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<sup>3</sup> Zaluvida Ventures Ltd is a U.K. company ultimately owned by the family trust of our Founder and CEO Thomas Hafner.

## **Registrar**

The Company will serve as its own registrar and transfer agent with respect to the Securities.

## **Subscription Period**

This Offering will terminate on the earliest of: (a) the date the Company, in its discretion, elects to terminate; (b) the date upon which all of the Securities have been sold; or (c) such date as may be extended from time to time by the Company, but not later than 180 days thereafter (the “**Offering Period**”).)

## **Section 2: Requirements for Purchasers**

Only the Company is authorized to provide the information contained in this Memorandum or information relating to this Offering, and no one is authorized to communicate any information to you other than what is stated in this Memorandum.

This Offering is only offered on a private placement basis and potential investors are required to inform themselves of, and to observe, any legal restrictions on their involvement in this Offering. In making an investment decision, potential investors must rely on their own examination of the Company and a potential investment in the Company, including the merits and risks involved.

All investors should carefully review this confidential Memorandum and other Offering documents provided by the Company for the fund prior to making an investment decision.

Any investment decision with respect to this Offering must be made solely on this version of the Memorandum, supplementary documents to our Memorandum, and subscription agreements.

Prospective purchasers of the shares offered by this Memorandum should give careful consideration to:

- certain risk factors described under the *Risk Factors* (Section 4) in this Memorandum;
- the speculative nature of this investment;
- the lack of a readily available market for the Securities; and
- the resulting long-term nature of any investment in the Company.

This Offering is available only to suitable “accredited investors” that:

- are allowed to purchase the Securities;
- have adequate means to accept such risks as presented by this Memorandum; and
- can purchase the Securities whilst providing for their current needs and contingencies.

## **Returning Subscription Materials for the Closing**

The initial closing of this subscription shall take place at such date and time as the Company may determine. All subscription documents should be e-signed through the crowdfunding platform

owned by OpenDeal Inc., which operates the platform for the benefit of its subsidiaries, including OpenDeal Broker LLC dba the Capital R.

Capital R and the Company reserve the right at any time to accept or reject all or any portion of any subscription in its sole discretion.

If a subscription is rejected in its entirety, all subscription documents will be returned to the Subscriber. If a subscription is accepted in whole or in part, the Subscriber will receive (i) a copy of the accepted Subscription Agreement and (ii) a copy of the executed Agreement.

## **General Suitability Standards**

The availability of exemptions from applicable securities laws for any offer and sale of the Securities depends in part on the qualifications and investment intent of the prospective purchaser.

The Securities offered will not be sold to any person unless such prospective purchaser or his or her duly authorized representative shall have represented in writing to the Company in a Subscription Agreement that:

- (1) The prospective purchaser has adequate means of providing for his or her current needs and personal contingencies and has no need for liquidity in the investment of the Securities;
- (2) The prospective purchaser's overall commitment to investments which are not readily marketable is not disproportionate to his, her, or its net worth and the investment in the Securities will not cause such overall commitment to become excessive; and
- (3) The prospective purchaser is an "accredited investor" as that term is defined in Rule 501(a) of Regulation D promulgated under the Securities Act and is suitable to invest in the Securities.

Each person acquiring Securities will be required to represent that he, she, or it is purchasing the Securities for his, her, or its own account for investment purposes and not with a view to resale or distribution.

## **Accredited Investors**

The Company will conduct this Offering in such a manner that the Securities may be sold only to "accredited investors" as that term is defined in Rule 501(a) of Regulation D promulgated under the Securities Act.

Each investor should consult its own personal counsel, accountant, financial planners, and other advisors as to the legal, tax, economic and related matters concerning the investment described herein and its suitability as an investor, including whether it would qualify as an "accredited investor." Each investor will be required to provide the necessary documents to verify their status as an "accredited investor."

## **Other Requirements**

No subscription for the Securities will be accepted from any investor unless he or she is acquiring the Securities for his or her own account (or accounts as to which he or she has sole investment discretion), for investment and without any view to sale, distribution, or disposition thereof.

The Securities acquired pursuant to this Offering are NOT FREELY TRANSFERABLE because (1) they have not been registered under the Securities Act and those laws prohibit a subsequent transfer without registration under such laws or the availability of an exemption from the registration requirements of such laws and (2) the prospective investor must adhere to additional restrictions on the transfer of the Securities in the Company's Articles of Association.

Therefore, in purchasing the Securities in this Offering, the prospective investor must be able to bear the economic risk of the investment for an indefinite period of time and if such investor, as a result of some change in circumstances arising from an event not now in contemplation, wishes to transfer Securities purchased in this Offering, it may not be able to do so.

Each prospective purchaser of the Securities may be required to furnish such information as the Company may require, determining whether any person or entity purchasing the Securities is an accredited investor who may purchase the Securities.

## **Section 3: Forward Looking Information**

This Memorandum contains forward-looking statements, such as those that discuss future expectations or state other forward-looking information, that involve risks and uncertainties. Certain statements in this Memorandum constitute "forward-looking statements" within the meaning of Section 27A of the Securities Act, and Section 21E of the Securities Exchange Act of 1934, as amended. All statements that address expectations or projections about the future are forward-looking statements.

Some of the forward-looking statements may be identified by words like "expects," "plans," "intends," "goal," "strategy" and similar expressions. Any statements contained herein that are not statements of historical fact may be deemed to be forward-looking statements. These statements are not guarantees of future performance and involve and are subject to a number of known and unknown risks, uncertainties, and other factors, many of which are beyond the Company's control, that could cause the actual results to differ materially from those contemplated by the forward-looking statements made in this Memorandum.

The forward-looking information is based on various factors and was derived using numerous assumptions. In light of the risks, assumptions, and uncertainties involved, there can be no assurance that the forward-looking information contained in this Memorandum will in fact transpire or prove to be accurate.

### **The Company's actual results may differ significantly from the forecast for several reasons.**

Important factors that may cause the actual results to differ from those expressed within may include but are not limited to: (1) the success or failure of the Company's efforts to successfully market its products and services, (2) the Company's ability to attract, build, and maintain a customer base in certain jurisdictions, and (3) the Company's ability to attract and retain quality employees.

Additional factors that might cause such differences include, but are not limited to, those discussed under *Risk Factors* (Section 4) in this Memorandum which investors should carefully consider. This list of factors is not exclusive. We undertake no obligations to update any forward- looking statements.

## **Section 4: Risk Factors**

Investing in the Securities involves a high degree of financial risk. An investment in the Securities is intended only for persons who have no need for immediate liquidity of or income from their investment and who can afford to lose all of their investment. In evaluating an investment in the Company, a prospective investor should carefully consider the risk factors described below, among other risk factors.

Potential investors are urged to consult with their financial, legal and tax advisors before deciding to subscribe for the Securities. Our operational resilience, financial condition and prospects could be materially and adversely affected by known and unknown risks.

You should carefully consider the following factors:

### **Global Events**

Major pandemics and other outbreaks or unforeseen or catastrophic events could disrupt and adversely affect the Company's operations, financial condition and business. The world has experienced, and may experience in the future, pandemics and other catastrophic events including natural disasters, extreme weather events, significant and widespread power loss, acts of war, and terrorist attacks.

### **Regarding Covid-19 risk**

The Coronavirus (COVID-19) pandemic has created significant volatility and uncertainty in financial markets and has affected a significant number of small, medium and large sized companies. The extent to which COVID-19 impacts the Company's current capital raise and ability to obtain future financing will depend on future developments which are highly uncertain and cannot be predicted, including new information which may emerge concerning the severity of COVID-19 and the actions taken by governments and their rules or guidance with regards to private businesses to contain COVID- 19 or treat its impact.

If the disruptions posed by COVID-19 continue, the Company's business and financial condition may be materially adversely affected from factors such as slower responses from third party service providers, and downward potential pressures on staff morale from the prolonged period of isolation.

### **Inadequacy of Funds**

To date, the Company generates limited revenue, and the Company does not expect to be profitable until at least 2023. The Company is therefore reliant on external financing. The Maximum offering Proceeds is limited to \$1,000,000 under the terms of this Memorandum. The Management believes that such proceeds will capitalize and sustain Mootral Holdings Limited until the closing of the Company's next equity financing round.

If only a fraction of this Offering is sold, or if certain forward-looking assumptions contained in this Memorandum prove to be insufficient, the Company may have inadequate funds to fully develop its business and may need other capital investment to fully implement the Company's future plans.

While the Company intends to focus on generating more revenue in the future, we cannot assure you how much this will be.

The Company will be reliant on external financing for operational liquidity. Future funding requirements will depend on many factors, including but not limited to the following:

- cost of expanding the Company's operations;
- financial terms and timing of any collaborations or distribution agreements which the Company may enter;
- the rate of progress and cost of development activities;
- the need to respond to technological changes and increased competition;
- costs of filing, prosecuting, defending and enforcing any patent claims and other intellectual property rights;
- cost and delays in product development that may result from changes in legal and / or regulatory requirements applicable to our products and services;
- sales and marketing efforts to bring new products and services to market;
- unforeseen difficulties in establishing and maintaining an effective sales and distribution network; and
- lack of demand for and market acceptance of our products, services and underlying technologies.

## **Obtaining Capital**

The Company may face difficulties in obtaining capital. This may include macro-economic impacts and/or global events.

The Company cannot assure you that additional capital will be available to the Company when needed, if at all, or if available, and that capital will be obtained on terms acceptable to the Company.

If the Company raises additional funds by issuing additional securities, such securities may provide for rights, preferences or privileges senior to the Securities offered to you now.

If the Company incurs indebtedness, a portion of its cash flow will have to be dedicated to the payment of principal and interest on such indebtedness. Typical loan agreements also might contain restrictive covenants, which may impair the Company's operating flexibility. Such loan agreements would also provide for default under certain circumstances, such as failure to meet certain financial covenants.

A default under a loan agreement could result in the loan becoming immediately due and payable and, if unpaid, a judgment in favor of such lender which would be senior to the rights of members of the Company.

A judgment creditor would have the right to foreclose on any of the Company's assets resulting in a material adverse effect on the Company's business, operating results or financial condition.

## Outstanding Debt

The Company has the following outstanding loans and convertible loan notes:

- A loan facility of CHF 894,247 (US \$970,676<sup>4</sup>) with CHF 300,000 (US \$325,640) currently drawn down. This loan is guaranteed by the Swiss government, with an interest rate of 0%. Repayments are to start from the end of September 2021, with a repayment of CHF 24,841 (US \$26,964) per quarter over the next 10 years;
- A long term loan of EUR 1.5m (US \$1,766,055<sup>5</sup>), with an interest rate of 1% above EURIBOR, from InQpharm, a related party that is a supplier of good and services. Repayments are scheduled to start in December 2026, at which time EUR 300,000 (US \$353,211) is to be repaid annually over the following five years;
- A convertible loan note of \$100,000 from Third Derivative, a U.S.-based accelerator, with the following terms:
  - a. Interest rate of 8% per annum;
  - b. Convertible into common stock at a 20% discount;
  - c. Conversion triggers:
    - At the next equity financing round, the note will convert at the lower of: (i) the share price of the next equity financing round, or (ii) the share price at the next equity financing round with a 20% discount;
    - At a non-qualified equity financing round, if the Company exits or liquidates with gross proceeds of less than \$1,000,000, note holders can choose to convert to shares as outlined above; and
    - On a company exit, the Company will pay the note holder 2x the outstanding principal balance, plus all accrued and unpaid interest; and
  - d. If not converted, the note is repayable upon December 1, 2022 at the option of the lender.
- A convertible loan note of EUR 2.5m (US \$2,950,000) to Bionexus LLC (initially entered into with a German family office, but subsequently acquired by Bionexus LLC, which is controlled by a connected party to the founders of the Company), with the following terms:
  - a. Interest rate of 5% per annum;
  - b. Convertible into common stock at a 20% discount and valuation cap of GBP 18,886,500 (US \$25,893,392<sup>6</sup>);
  - c. Conversion triggers:
    - In the case of a liquidity event (defined therein as an equity finance round of over EUR 10,000,000 (US \$11,800,000), a change in control, or an IPO), the note will convert to the highest class of shares at a share price at the lower of: (i) 20% discount on the pre-money valuation of the equity raise, or (ii) at the current valuation cap of GBP 18,886,500 (US \$25,893,392).
    - In the case of a voluntary conversion, the note holder has the right to convert the note to the highest class of shares at any time. This will convert the note at a valuation cap of EUR 47,000,000 (US \$55,429,450).
    - In the case of a repayment, which the Company has the right to do at any time, the note holder has the right to choose between the Company either: (i) repaying the note holder the principal amount plus double the amount of interest accrued at the time of repayment, or (ii) issuing shares to the note holder at a valuation cap of EUR 47,000,000 (US \$55,429,450), rather than cash repayment.

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<sup>4</sup> Swiss Francs have been converted to U.S. Dollars using an exchange rate of 1 CHF = US \$1.09.

<sup>5</sup> Euros have been converted to U.S. Dollars using an exchange rate of 1 EUR = US \$1.18.

<sup>6</sup> Pound Sterlings have been converted to U.S. Dollars using an exchange rate of 1 GBP = US \$1.37.

None of the Proceeds raised in this Offering will be used to repay any of the above outstanding debt. See *Use of Proceeds* (Section 5).

### **Outstanding SAFEs**

Since November 2019, investment in the Company has been through SAFEs that are on the same economic terms as those offered in this Offering. (In fact, all outstanding SAFEs are identical to the Securities, with the exception of the currency in which certain amounts are stated and notices required by local jurisdictions.) To date, investments through these SAFEs total GBP 4,072,079 (US \$5,582,820), excluding any amount shown in the progress bar of this campaign. These SAFEs will convert at the same time as the SAFEs sold in this round.

### **Legal and Regulatory Risks**

The Company's business may be subject to complex and evolving domestic and foreign laws and regulations regarding compliance areas such as farming, agriculture, environmental conservation, climate change, carbon emission and other matters.

Neither the Company nor its Subsidiaries are subject to formal approvals. The Company's products, however, are subject to regulatory approvals in the jurisdictions in which they are sold. Such approvals may already be in place, as when the ingredients in a product are already on positive approval lists, or may need individual approvals.

Many global laws and regulations are subject to change and uncertain interpretation, and could result in claims, changes to the Company's business practices, inability to launch a product, increased cost of operations or otherwise harm the Company's business.

In addition, the application and interpretation of laws and regulations are often uncertain or unclear even to subject matter experts.

The Company must remain compliant with all applicable laws and regulations. Growth into new jurisdictions can and may increase known and unknown risk that can include potentially breaching regulation or violating laws.

Legal and regulatory risks can have moderate to severe impacts on the Company such as:

- causing the Company to incur significant expenses (example external counsel or dedicated audits or forensic investigations);
- lead to reputational damage (impacting brand and goodwill);
- diverting senior management resource from operational or project-based work;
- threat of regulatory sanctions or investigations;
- ability of the Company to develop, enhance, and maintain its products and services; and
- civil and criminal penalties if the Company is found to be in significant or material breach of laws and regulations.

### **Competitors**

The Company's product and services currently consist of Mootral Ruminant and Grazexin.

Current competitors for Mootral Ruminant include DSM and Agolin. Undoubtedly, more competitors are likely to arrive as both Agritech and the research and publicity on global warming and carbon emissions continue to grow.

Current competitors for Grazexin are traditional interventions, such as antibiotics, as well as other solutions from a variety of companies to help farmers reduce/eliminate the use of antibiotics.

Some competitors may have access to significant financial resources. Moreover, there can be no assurances that the Company will compete successfully in some environments and with some products or features. For example, the Company may not be able to successfully compete in certain jurisdictions that have a prohibitively high entry to obtaining regulated status.

### **We may implement or offer new products and services**

The Company expects to continue to develop new products and services within the existing lines of business. There are substantial risks and uncertainties associated with these efforts, particularly in instances where markets are not fully developed.

In developing and marketing new lines of business and/or new products and services, the Company may invest significant time and resources. Initial timetables for the introduction and development of new lines of business and/or new products or services may not be achieved, and price and profitability targets may not prove feasible.

The Company may not be successful in introducing new products and services in response to industry trends or developments in technology, or those new products may not achieve market acceptance. As a result, the Company could:

- lose ability to attract new business;
- see customer flight;
- be forced to price products and services on less advantageous terms to retain or attract customers;
- be subject to cost increases that erode revenue; and
- loss of goodwill.

### **Business Continuity and/or disasters**

Operational resilience and business continuity can be impacted in the future by a wide variety of risks some of which are associated with future physical offices such as natural disasters such as fire, flood, or weather-related events.

Any intentional or unintentional disruption, failure, misappropriation or corruption of our App and information systems could severely affect our business. The Company, like other companies is vulnerable to repeat, targeted or sustained cyber-attacks.

Such events could have an adverse impact on the Company and our customers, including:

- reputational damage from data loss or breaches associated with data protection laws;
- degradation of service;
- service disruption (down time); and
- excessive call or email volume to the Company's customer support teams.

In addition, the Company may see future financial results adversely affected due to risks that are not limited to:

- internal or external threat actors;
- financial crime including fraud; and
- destruction, loss, misappropriation or release of confidential corporate data or intellectual property.

### **Holding Company Risk**

The Company is a holding company with no material assets other than the ownership interests in its subsidiaries and joint ventures, collectively referred to as its subsidiaries. Accordingly, cash flows and the ability to meet the Company's obligations are largely dependent upon the earnings of its subsidiaries and the payment of such earnings to the Company in the form of dividends or other distributions. The Company's subsidiaries are separate and distinct legal entities and have no obligation, contingent or otherwise, to pay amounts due pursuant to Company's senior debt, junior subordinated debt or its other obligations, or to make funds available, whether by dividends or other payments, for the payment of amounts due pursuant to the Company's senior debt, junior subordinated debt or its other obligations, and do not guarantee the payment of any of its obligations. Distributions from subsidiaries may also be limited by:

- their respective earnings, capital requirements, and required debt and preferred stock payments; and
- the satisfaction of certain terms contained in financing, ring-fencing or organizational documents.

### **Employee retention**

In order for the Company to compete and grow, it must attract, recruit, retain and develop the quality employees who are highly skilled with requisite experience.

Recruiting and retaining highly qualified employees is critical to the Company's success. Such demands carry natural risks such as intense competition for senior technology or other highly skilled employees.

Failure to attract and retain employees or to develop internal expertise may delay or halt intended development and commercialization of our products and services.

If the Company experiences significant or material risks related to hiring and retaining employees in key positions, the Company could suffer from:

- inadequate or failed (i) internal processes, (ii) people, (iii) controls, (iv) systems, or (v) external events, or breaches of legal or regulatory compliance, any of which can impact the Company's reputation and bottom line;
- delays in product development;
- loss of customers;
- drop in revenue; and
- diversion of senior resource or need for external counsel.

### **Legal and Tax**

The Company is subject to taxation in the United Kingdom and can be exposed to future global taxation issues. The Company's subsidiaries are subject to taxation in their respective jurisdictions.

Significant judgment is required in determining the Company's provision for legal and taxation liabilities.

In the ordinary course of the Company's business, there are many transactions and calculations where the ultimate tax determination is uncertain.

Although the Company understands current tax estimates to be reasonable: (i) there is no assurance that the final determination of tax audits or tax disputes will not be different from what is reflected in the Company's current tax provisions including expense amounts for and accruals, and (ii) any material differences in taxation estimates may have an adverse effect on the Company's financial position in the period or periods for which determinations are made.

The Company uses an asset and liability method which places the emphasis on the valuation of current and deferred tax assets and liabilities. Deferred income tax amounts are based on expected tax rates for the periods in which any temporary differences reverse.

### **IP rights and brand protection**

The Company faces numerous risks in relation to IP and brand protection. These include but are not limited to copyright pirating, cloning of our regulated subsidiaries, brand impersonation or infringement and external or internal threat actors who target proprietary software, technology, ideas or strategy.

The Company may face litigation based on:

- allegations of commission of a prohibited act with respect to a patented invention without permission from the patent holder; and
- allegations of violations of intellectual property rights belonging to other companies or individuals.

Any risks associated with IP and the Company's brand (including brand fatigue) may lead to impacts such as: financial risk (example loss of revenue or increased expenses), erosion of brand and /or goodwill, destruction of equity, loss of reputation and trust that can lead to customer flight.

### **Dilution**

Once the Securities are converted as described in *Description of Securities* (Section 11), each investor's percentage of ownership in the Company will be subject to dilution from future issues of shares. Such dilution may reduce any investor's control and economic interests in the Company.

See *Dilution* (Section 8).

### **Business risk**

The directors consider the Company's principal business risks to be:

- failing to generate required funding;
- loss of key management;

- poor strategy or execution of strategy;
- poor cashflow; and
- customer attrition or stagnation.

The Company is exposed to various business risks that can include but are not limited to operational and strategy plans not turning out as originally envisaged or planned or the Company not meeting set targets or inability achieve set goals.

### **Liquidity Risks**

The Company may not be able to raise sufficient capital as required to develop products to attract and retain customers as well as maintain business continuity. At the moment the Company is raising capital through Simple Agreements for Future Equity (“SAFEs”).

The Company expects that additional funds will be required in the future to execute our business plan and achieve self-sufficient profitability which is tied to customer acquisition and scale.

### **Foreign Exchange risk**

The Company actively manages its own Treasury to ensure that at all times there is available liquidity in the fiat currencies offered to customers.

The Company reports in Pounds Sterling (GBP) and revenues earned in other fiat currencies are translated into GBP at the prevailing exchange rate.

## **Section 5: Use of Proceeds**

The Company seeks to raise Maximum Offering Proceeds of \$1,000,000 from the sale of the Securities in this Offering. The Company intends to apply these proceeds substantially as set forth herein, subject only to reallocation by the Management in the best interests of the Company.

The projected use of the funds from the sale of the Securities will depend upon the total amount actually raised, but planned uses include the following:

- Marketing: Growth Marketing;
- Technology: Innovation as it relates to Products and Services;
- Scientific validation: Commercial pilot studies and studies with different breeds and feeding regimes;
- Non-Technology resourcing: Key hires to support scale as it relates to customer acquisition;
- Working capital; and
- Other Operational costs.

Use of Proceeds will also include estimated legal and other fees and expenses related to this Offering, including the payment to OpenDeal Broker LLC dba the Capital R, a FINRA-registered private placement broker-dealer, of (i) a fee equal to seven percent (7%) of the amount raised in this Offering and (ii) Securities equal to two percent (2%) of the total number of the Securities sold in this Offering. Furthermore, the Company will pay a fee of two percent (2%) of the amount raised in this Offering for payment processing and escrow services.

Other registered broker or dealers who are members of FINRA and who enter into a Participating Dealer Agreement with the Company may sell the Securities and may receive commissions.

This Offering is being sold by the Management. No compensatory sales fees or related commissions will be paid to the Management.

## Section 6: Our Business

### The Company:

- The Company is striving to tackle two imminent issues: (1) greenhouse gas emissions and (2) food safety/antibiotic overuse.
- Phase one: Product deployment is mandated and financed by the beef & dairy industry, subsidized by carbon credits.
- Phase two: Product deployment is mandated by the beef and dairy industry and financed by carbon credits.

### Business milestones:

2016	The Company began as a project funded and managed by a group of life science companies from the UK, Germany and Malaysia. Formal product development and IP work started.
	The Company actively participated at COP22 in Marrakech (Morocco), engaging with various stakeholders in policy and industry.
2017	In-vitro testing at various research institutes with first generation product to validate and better understand mode of action and efficacy.
	First trials in cows to test practicability and organoleptic impact.
	Extensive market research, stakeholder engagement, brand building, development of market mechanisms.
April 10, 2018	Formal incorporation of Mootral SA in Switzerland as a spin-out from Neem Biotech in Wales
August 2018	First formal in-vivo trials in the UK (dairy) and US (beef) showing reductions of up to 38% in dairy and 23% in beef.
2019	Further in-vivo trials, improving stability of final product for adverse conditions, commercial discussions with large players in the beef and dairy industry. First LOI with Swiss dairy product producer, subject to extensive local trials.
	First external funding secured, pursuant to a pre-seed round.
	World's first Carbon Methodology for the reduction of methane from ruminants approved by VERRA. It was entirely developed in-house.
March 2020	Trials started or about to start were abandoned, postponed or cancelled due to the Covid pandemic. First equity funding round cancelled due to the lead and the second largest investor needing to pull out.

May 2020	Substantial reduction of Opex and Capex. Interim budget developed and seed round started. Major feature in New York Times (front page) helping drive a lot of awareness.
December 2020	Generation of world's first carbon credits to help drive adoption of the company's technology.
January 27, 2021	Mootral Holdings Limited incorporated in England and Wales.
	Carbon pricing rapidly increasing at unprecedented rates. First credits sold for US\$85/ton CO <sub>2</sub> e. Massive publicity across the world reaching almost 400,000,000 viewers.
	Commercial trials started with a leading UK grocery chain and two leading European dairy product producers (dairy) and further trials secured with a leading global QSR chain (beef).
	Seed round extension started to capture growing momentum ahead of Series A funding late 2021.

## **Marketing, Communications and Growth Strategy:**

The Company growth marketing strategy has to date involved targeted digital marketing, affiliate partnership and public relation channels. In general Mootral targets demand drivers, like grocery chains, coffee shops, quick service restaurants, beef and dairy product brands, who, driven by growing consumer and other stakeholder demand, will demand the supply of methane reduced/climate friendly produce. In some cases, farmers will also adopt Mootral proactively to offer climate smart produce to their customers. The product price is subsidized by the proceeds from the sale of carbon credits. As carbon pricing increases and product costs decrease with scale, the company envisages being able to accelerate adoption by making the product available at no cost in return for farm, data enabling it to generate carbon credits.

## **Employees:**

The Company has 14 team members in the United Kingdom, Switzerland and Germany.

## **Revenue Model:**

**Mootral Ruminant:** The Company targets 10% of 800 million industrialized cattle to unlock an opportunity to sell \$5 billion of product in the next 10 years.

**Grazexin:** The Company plans to reach \$180 million in revenue by 2030. The Company plans (1) 3.8 billion chicken and \$147 million in revenue by 2030, and (2) 69 million piglets and \$32 million in revenue by 2030.

The Company plans to generate additional revenue from the development and sale of additional products and technologies in existing and adjacent categories. These could be developed in-house or licensed from other third parties.

## **Concurrent Securities Offering:**

The Company is currently conducting a securities offering in the United Kingdom via the equity crowdfunding platform Seedrs (such offering, the “**Regulation S Offering**”). The securities issued in the Regulation S Offering are identical to the Securities, with the exception of the currency in

which certain amounts are stated and notices required by the local jurisdiction. Please see <https://www.seedrs.com/mootral> for additional information regarding the Regulation S Offering.

**Regulation:**

The Company’s products are regulated in different regions by national animal feed and feed additive regulations.

**Section 7: Management of the Company**

**Board Composition:**

The Company has the following Board of Executive Directors who are company officers of Mootral Holdings Limited.

**Thomas Hafner**

*Chief Executive Officer and Director of the Company.*

Thomas has over 27 years of experience in building businesses, incubating technologies and creating completely new categories and markets from scratch in the field of biotechnology, nutraceuticals, medical devices and Agritech and has had several exits ranging from seven to nine figures.

**Catharina (Carin) Hendrika Gezina Maria**

*Director of the Company.*

Carin has over 30 years of experience as a banker and builder of businesses in nutraceuticals, medical devices and animal health, focusing on solutions to significant problems. She is an impact investor, experienced board member and chairs the board of a large international aid organization.

**Director Compensation**

The following table sets forth compensation information for services rendered by Company’s directors during the current fiscal years. The following information includes the dollar value of base salaries and certain other compensation, if any, whether paid or deferred

<b>Name &amp; Position</b>	<b>Fiscal Year</b>	<b>Salary</b>	<b>Bonus</b>	<b>Stock Awards</b>	<b>Other</b>
Catharina Hendrika Gezina Maria	2021	-	-	-	- The Company will not pay any directors compensation for their service on the Board until a completed first equity financing or

					the Company producing revenue, and even after these milestones the Company does not anticipate paying compensation to directors for their Board service.
Thomas Hafner	2021	-	-	-	- See above.

## **Board of Advisors**

The Company has established a Board of Advisors, which includes highly qualified business and industry professionals.

The Board of Advisors advises the Management in making appropriate decisions and taking effective action. However, the Board of Advisors is not responsible for the Management's decisions and has no legal or fiduciary responsibility to the Company.

### **Prof. Ermias Kebreab**

Prof. Ermias Kebreab is associate dean for global engagement in the College of Agricultural and Environmental Sciences, Sesnon Endowed Chair for Animal Science and as director of the World Food Center at University of California, Davis, USA. He is a renowned scholar and skilled administrator with extensive experience in sustainable agriculture and animal science.

### **Prof. Jamie Newbold**

Prof. Jamie Newbold is the academic director at Scotland's Rural College, UK. Prof. Jamie Newbold has published over 230 papers, which are consistently well cited, with an H-index of 54. He has filed eight patents. He is a past president of the British Society of Animal Science and past Editor in Chief of PNS for the Nutrition Society. He is a fellow of the Royal Society of Biology, a Fellow of the Learned Society of Wales and an Associate of the Royal Agricultural Society.

### **Prof. Gerhard Breves**

Prof. Gerhard Breves is a professor at the University of Veterinary Medicine Hannover and at the Institute for Physiology and Cell Biology.

### **Prof. Veerle Fievez**

Prof. Veerle Fievez is a professor of Animal Nutrition at Ghent University's Department of Animal Sciences and Aquatic Ecology. Her work is published in leading academic journals, she supervises and has supervised numerous PhD students and is editor of Animal: an international journal of

animal bioscience. She currently serves as a faculty representative in the Ghent University Research Council and is involved in various (scientific) consortia.

## **Management Team**

### **Thomas Hafner – Founder & CEO**

See above.

### **Isabelle Botticelli – Co-Founder & Chief Operating Officer**

Isabelle has more than 25 years of experience in multinational companies like UNILEVER, Novartis and GSK in various leading positions in R&D, Quality, Supply Chain and organizational transformation.

### **Chris Kantrowitz- Co-Founder & Head of North America**

Chris is a serial entrepreneur in various industries since the age of 14. He has extensive experience in growing start-ups and brings with him top-drawer networks in the areas of funding, industry and policy.

### **Dr. Bart Tas – Head of Science**

Bart has over 20 years of experience in animal nutrition science at both research institutions such as Wageningen University and Schothorst Feed Research, as well as leading animal feed organizations like ForFarmers.

## **Section 8: Dilution**

Once an investor's Securities are converted into SAFE Preferred Shares as described in *Description of Securities* (Section 11), the value of an investor's shares in the Company will be subject to dilution from future issuances of shares. The Company intends to issue additional equity to employees and third-party financing sources in amounts that are uncertain at this time, and consequently holders of the Securities will be subject to dilution in an unpredictable amount. Such dilution may reduce investor control and economic interests in the Company.

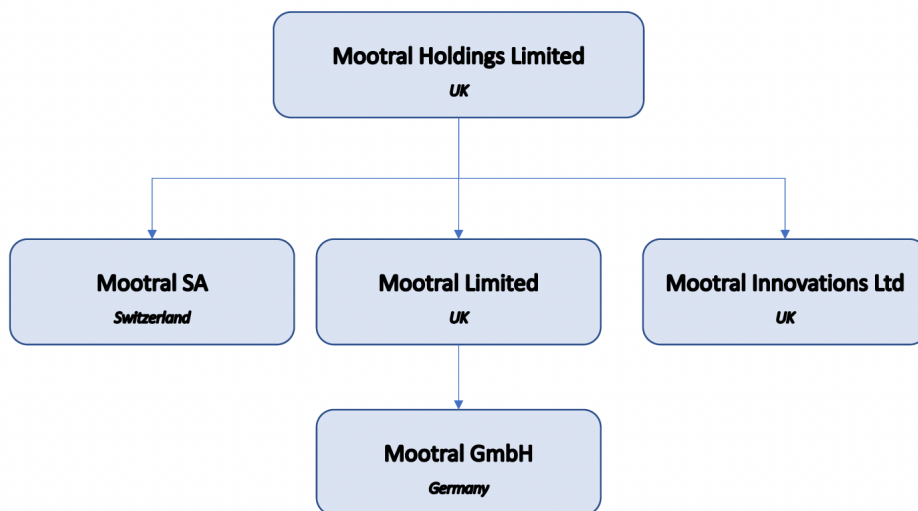
Additional financing will be needed by the Company as the Company's business progresses. Generally financing (whether in the form of loans or the issuance of other securities) is intended to provide the Company with enough capital to reach the next major corporate milestone. In certain circumstances the Company may have to resort to raising additional capital at a price lower than the current Offering price. The availability of capital is at least partially a function of capital market conditions that are beyond the control of the Company. There can be no assurance that the Company will always be able to predict accurately the future capital requirements necessary for success or that additional funds will be available from any source. Failure to obtain financing on favorable terms could erode the value of the Securities.

See also *Controlling Interests* (Section 9) for information as to shares of the Company to be awarded to officers upon the completion of this Offering.

## Section 9: Controlling Interests

The following table contains certain information as of March 31, 2021 as to the hierarchy and the organizational chart of the Company to show its holdings.

### Mootral Organisation As of 31<sup>st</sup> March 2021



The following chart shows the percentage of shares in the Company beneficially owned by (i) each person known by the Company to own beneficially more than 10% of the Company's shares, (ii) each person who is a director of the Company, (iii) all persons as a group who are directors and/or officers of the Company, and as to the percentage of the outstanding shares held by them on such dates and as adjusted to give effect to this Offering.

Name	Function	Percentage of Shares Beneficially Owned On Date Hereof	Percentage of Shares Beneficially Owned Upon Offering Completion (Assuming Maximum Offering)
Thomas Hafner	Founder; Director; CEO	98% <sup>7</sup>	98%
Catharina Hendrika Gezina Maria	Director	0%	0%
Isabelle Botticelli	Co-Founder; Chief Operating Officer	0%	0%
Chris Kantrowitz	Co-Founder; Head of North America	0%	0%

<sup>7</sup> Includes shares owned by Zaluvida Ventures Ltd, the family trust of Mr. Hafner.

Dr. Bart Tas	Head of Science	0%	0%
<b>Total</b>		<b>98%</b>	<b>98%</b>

Between the close of this Offering and the Equity Financing that will convert the Securities into SAFE Preferred Stock (“Equity Financing” and “SAFE Preferred Stock” both as defined in *Description of Securities* (Section 11)), the following awards of common stock will be made:

<b>Name</b>	<b>Percentage of Shares of Company Awarded</b>	<b>Vesting</b>
Isabelle Botticelli	2.5%	4-years vesting
Christelle Girard	1%	4-years vesting; 1-year cliff
Chris Kantrowitz	5%	None
Eileen Rueter	1.5%	4-years vesting
Dr. Bart Tas	1%	4-years vesting; 1-year cliff

It is possible that for tax reasons the above individuals may request changes to their awards.

All of the above awards will be in newly-issued common stock of the Company, and thus dilutive only to current shareholders.

The Company also plans to set aside 5% of its issued and outstanding shares for an employee equity pool. Furthermore, the Company will award warrants to purchase common stock to selected external parties in return for their contributions to the Company. At the time of this Memorandum, these warrants have not been finalized.

## **Section 10: Litigation**

The Company is not presently a party to any litigation, nor to the knowledge of the Management is any litigation threatened against the Company, which may materially affect the business of the Company.

## **Section 11: Description of Securities**

The Company is Offering a maximum of \$1,000,000 of the Securities at a price of \$1.00 per unit of SAFE.

### **Not Currently Equity Interests**

The Securities are not currently equity interests in the Company and merely provide a right to receive equity at some point in the future upon the occurrence of certain events.

### **Dividends**

The Securities do not entitle Investors to any dividends until the Securities are converted into preferred shares.

### **Conversion**

Upon each bona fide transaction or series of transactions with the principal purpose of raising capital, pursuant to which the Company issues and sells preferred stock at a fixed pre-money valuation (each an “**Equity Financing**”), the Securities are convertible into SAFE Preferred Stock. “**SAFE Preferred Stock**” means the shares of a series of preferred stock issued to the Investor in an Equity Financing, having the identical rights, privileges, preferences and restrictions as the shares of standard preferred stock, other than with respect to: (i) the per share liquidation preference and the conversion price for purposes of price-based anti-dilution protection, which will equal the Conversion Price as (defined below); and (ii) the basis for any dividend rights, which will be based on the Conversion Price.

Pursuant to the afore-mentioned conversion of the Securities, the Investor will receive the number of SAFE Preferred Stock equal to the amount the Investor paid for the Securities (the “**Purchase Amount**”) divided by the Conversion Price, which is either (1) the SAFE Price (as defined below) or (2) 80%, whichever calculation results in a greater number of shares.

“**SAFE Price**” means the price per share equal to the price per share equal to GBP 18,886,500 (US \$25,893,392). (the “**Pre-Money Valuation Cap**”) sold in such Equity Financing divided by the Company Capitalization. “**Company Capitalization**” means the sum, as of immediately prior to the Equity Financing, of: (i) all shares of Capital Stock (on an as-converted basis) issued and outstanding, assuming exercise or conversion of all outstanding vested and unvested options, warrants and other convertible securities, but excluding (A) this instrument, (B) all other SAFEs, and (C) convertible promissory notes; and (ii) all shares of common stock reserved and available for future grant under any equity incentive or similar plan of the Company, and/or any equity incentive or similar plan to be created or increased in connection with the Equity Financing.

### **Conversion Upon a Liquidity Event Prior to an Equity Financing**

In the case of the initial public offering of the Company’s common stock (the “**IPO**”) or a Change of Control (as defined below) of the Company (either of these events, a “**Liquidity Event**”) prior to any Equity Financing, the Investor will receive, at the option of the Investor, (i) receive a cash payment equal to the Purchase Amount (subject to the following paragraph) or (ii) automatically receive from the Company a number of shares of common stock equal to the Purchase Amount divided by the price per share equal to the Pre-Money Valuation Cap divided by the Liquidity Capitalization (as defined below) (the “**Liquidity Price**”), if the Investor fails to select the cash option.

In connection with the foregoing, the Purchase Amount will be due and payable by the Company to the Investor immediately prior to, or concurrent with, the consummation of the Liquidity Event. If there are not enough funds to pay the Investor and holders of other SAFEs (collectively, the “**Cash-Out Investors**”) in full, then all of the Company’s legally distributable, available funds will be distributed with equal priority and pro rata among the Cash-Out Investors in proportion to their Purchase Amounts, and the Cash-Out Investors will automatically receive the number of shares of common stock equal to the remaining unpaid Purchase Amount divided by the Liquidity Price.

A “**Change of Control**” means (i) a transaction or series of related transactions in which any “person” or “group”, becomes a “person with significant control” or “relevant legal entity” (as defined in s790C Companies Act 2006) by way of holding, directly or indirectly, more than 50% of the voting rights in the Company and having the right, directly or indirectly, to appoint or remove a majority of the board of directors of the Company, (ii) any reorganization, merger or

consolidation of the Company, other than a transaction or series of related transactions in which the holders of the voting securities of the Company outstanding immediately prior to such transaction or series of related transactions retain, immediately after such transaction or series of related transactions, at least a majority of the total voting power represented by the outstanding voting securities of the Company or such other surviving or resulting entity or (iii) a sale, lease or other disposition of all or substantially all of the assets of the Company.

**“Liquidity Capitalization”** means the number, as of immediately prior to the Liquidity Event, of shares of the Company’s capital stock (on an as-converted basis) outstanding, assuming exercise or conversion of all outstanding vested and unvested options, warrants and other convertible securities, but excluding: (i) shares of common stock reserved and available for future grant under any equity incentive or similar plan; (ii) this instrument; (iii) other SAFEs; and (iv) convertible promissory notes

### **Dissolution**

If there is a Dissolution Event (as defined below) before the Securities terminate, the Company will pay an amount equal to the Purchase Amount, due and payable to the Investor in the course of the consummation of the Dissolution Event.

A **“Dissolution Event”** means (i) a voluntary termination of operations, (ii) a general assignment for the benefit of the Company’s creditors or (iii) any other liquidation, dissolution or winding up of the Company (excluding a Liquidity Event), whether voluntary or involuntary.

### **Termination**

The Securities terminate (without relieving the Company of any obligations arising from a prior breach of or non-compliance with this instrument) upon either (i) the issuance of stock to the Investor pursuant to provisions in the SAFE on Equity Financing or Liquidity Event; or (ii) the payment, or setting aside for payment, of amounts due the Investor pursuant to Liquidity Event or Dissolution Event.

### **Voting and Control**

The Securities do not have voting rights. The SAFE Preferred Stock into which the Securities will convert do have voting rights.

The Company does not currently have any voting agreements in place.

The Company does not currently have any shareholder or equity holder agreements in place.

## **Section 12: Transfer Agent and Registrar**

The Company will act as its own transfer agent and registrar for the Securities.

## **Section 13: Plan of Placement**

The Securities are offered directly by the Management on the terms and conditions set forth in this Memorandum.

The Company is offering the Securities on a “best efforts” basis. The Company will use its best efforts to sell the Securities to investors. There can be no assurance that all or any of the Securities offered, will be sold.

Only FINRA broker-dealers may offer the Securities to residents in the United States.

OpenDeal Broker LLC dba Capital R is a FINRA registered broker dealer CRD#: 297797/SEC#: 8-70188 located at 1345 Avenue of the Americas, 15th Fl, New York, NY 10105.

Cash received in connection with purchases of the Securities will be placed into an escrow account established by the Company with Prime Trust, LLC for the benefit of this Offering at Prime Trust, LLC. Purchasers in this Offering will not have the right to revoke their purchase at any time. If a purchase is rejected for any reason, it will be refunded without interest or deduction save any applicable wire fees. Purchasers of the Securities will follow instructions for completing payment for the Securities when making their investment via the site owned and maintained for the benefit of this Offering by OpenDeal Inc., which operates the platform for the benefit of its subsidiaries, including OpenDeal Broker LLC dba the Capital R.

Prime Trust LLC, the escrow agent servicing this Offering with respect to cash wire transfers, has not investigated the desirability or advisability of an investment in this Offering or the Securities. The escrow agent makes no representations, warranties, endorsements, or judgement on the merits of this Offering or the Securities. The escrow agent’s connection to this Offering is solely for the limited purposes of acting as a service provider.

## **Section 14: Additional information**

Please be assured that as an Investor you may ask the Company questions and receive answers concerning the terms and conditions of this Offering and obtain any additional information which the Company possesses, or can acquire without unreasonable effort or expense, to verify the accuracy of the information provided in this PPM.

The telephone number for the Company is +44 1495 292700.

The email address for the Company is [investorrelations@mootral.com](mailto:investorrelations@mootral.com).

**Exhibit A**  
**Subscription Agreement**

**Exhibit B**  
**Form of SAFE**