

**Attention! This investment falls outside AFM supervision.
No prospectus required for this activity.**



Key information about the investment

depository receipts of shares
from Stichting Administratiekantoor Crowdfunders FairPhone

FAIRPHONE

This document was prepared on 30 January 2023 and updated on 7 February 2023

This document helps you better understand the risks, costs, and returns of the investment.

*Please note! This document and offer have not been reviewed by the AFM.
In case of discrepancies, the Dutch version of the information memorandum shall prevail.*

What is offered and by whom?

The depository receipts of shares are offered by Stichting Administratiekantoor Crowdfunders FairPhone (the "STAK"). The offeror is also the issuer of the depository receipts of shares. The issuer of the underlying shares is FairPhone B.V. ("FairPhone"). In this offer, no new underlying shares will be issued by FairPhone. The underlying shares are existing shares transferred by several existing shareholders in FairPhone who have indicated that they wish to sell part of their shares.

The issuer has no activities other than holding FairPhone's underlying shares. FairPhone's business is to design, develop, manufacture and sell smartphones that are designed and produced in a fairer and more sustainable manner. FairPhone is using commercial strategies to maximize social and environmental impact at every stage of the electronic value chain; from procurement and production to distribution and recycling.

FairPhone's mission is to establish a market for ethical consumer electronics and motivate the industry to act more responsibly.

The provider's website is www.fairphone.com.

The website of the offer is <https://www.fairphone.com/>.

What are the main risks for you as an investor?

In general, the higher the offered or expected return, the higher the risk. The offered or expected return on the depositary receipts of shares depends on the profit that FairPhone makes. There is a chance that the profit is lower than expected or even a loss, so you may be paid less return or even lose all or part of your deposit. The main reasons why FairPhone may not be able to pay out the offered or expected return or even your deposit are:

- Supply chain disruptions: There is a risk of disruptions in the supply chain because of problems relating to the development, manufacturing, delivery or logistics of the supply chain. In general, electronics supply chains are difficult and following

from that, FairPhone's supply chain as well. This has caused issues in the past for availability of parts and thereby the continuity of the production of phones. This means that FairPhone may face challenges including securing adequate volumes to meet demand and adapting supply, defects in products or related software or services and achieving required efficiencies and flexibility. Additionally, adverse events, such as geographical disruptions, natural or man-made disasters, civil unrest or health crises may have a profound impact on FairPhone's service delivery or production sites of FairPhone's suppliers/partners, which are geographically concentrated. An example of such adverse events is the continued impact of the COVID-19 crisis in China and the impact of regional and national lockdowns resulting in disruptions of our supply chain.

- **Hampered sales:** There is a risk of hampered sales because of general economic and financial market conditions, as well as unpredictable developments, which may destabilize and slow the economies in which FairPhone operates. An example is the war in Ukraine and its repercussions affecting inflationary pressures, lowering consumer confidence and household purchasing power. This means that FairPhone's projected revenue could be hampered which in turn may have a negative impact on the value of FairPhone's shares. If the value of the shares in FairPhone declines, the value of depositary receipts of shares also declines.
- **Bankruptcy:** There is a risk of FairPhone going bankrupt because it can no longer pay its bills and its creditors therefore file for bankruptcy. This means that FairPhone's shares and depositary receipts of shares will be worthless, and that you will be the last to get paid. All other creditors of FairPhone will therefore get paid earlier. Only if there are sufficient funds after that, these funds will be divided among the depositary receipts holders.

Depositary receipts of shares are not tradable on any exchange or platform and therefore have limited marketability. This means that there may not be a purchaser for your depositary receipt of shares at the moment you wish to dispose of your investment. You therefore run the risk that you will not be able to get your money back at the time you want and have to hold on to your investment longer or sell your depositary receipt of shares at a lower price. Currently, even if you wish to sell the depositary receipts of shares, you need approval from the STAK's board of directors. The STAK's board of directors shall not unreasonably withhold its approval, provided that the transfer of Depositary Receipts also requires the approval of the holder(s) of at least 70% of the shares acquired by the Investors in connection with the Transaction prior to 1 January 2025. The transfer provisions in the administration conditions of the STAK shall remain applicable.

Other important risks also exist. More information on these risks can be found in this document under the heading "Further information on the risks" on page 7 - 8.

What is the target market for this investment?

The depositary receipts of shares will be offered to current holders (who are retail and professional investors) of depositary receipts of shares as a result of a conversion of convertible loans provided to FairPhone through a crowdfunding campaign by OnePlanetCrowd that ended on 16 August 2018.

The depositary receipts of shares are suitable for investors who understand that depositary receipts of shares are financial products that may cause a loss and that because of the potential return they may face a risk. The depositary receipts of shares are suitable for investors who, among others, but not limited:

- do not need to dispose of their investment in the short term; and
- can afford to lose all or part of their investment, knowing that their investment

qualifies as freely available assets on which the investor is not dependent. Every investor should inform themselves of this entire information document. Each investor should be aware that, among others, but not limited to:

- future returns are dependent on the growth, operation and profit or loss of FairPhone;
- it is strongly discouraged to purchase depositary receipts of shares with debt. The investor should maintain sufficient liquidity to continue to meet its financial obligations in the short, medium and long term, including unforeseen expenses, without depending on the returns from FairPhone;
- FairPhone is a long-term investment with no fixed term and no guaranteed return;
- even the entire investment can be lost;
- any offer of depositary receipts of shares is part of a larger transaction in which new investors including Invest-NL and the ABN AMRO Sustainable Impact Fund purchase shares and existing shareholder Quadia purchase shares in FairPhone together with a few (other) existing shareholders of FairPhone that exercise their pre-emptive rights (the "Investors") in FairPhone (the "Transaction"). Before purchasing shares, the Investors have done research in line with their own investment policy and they have also sought professional advice. The Investors may have paid attention to different topics than what investors of depositary receipts may pay attention to. Every investor is therefore advised to seek prior professional advice before purchasing new depositary receipts of shares in this offering; and
- by subscribing to and/or purchasing depositary receipts of shares, a shareholder declares that it has considered this responsibly.

The depositary receipts of shares are not suitable for investors who including, but not limited to:

- cannot afford to lose all or part of their funds;
- do not meet the risk profile mentioned above;
- have a risk aversion; and
- have not read the underlying information of FairPhone or the depositary receipts of shares in general.

What kind of investment is this?

Participation is solely possible if you currently already hold depositary receipts of shares through the conversion of convertible loans provided to FairPhone through a crowdfunding campaign by OnePlanetCrowd that ended on 16 August 2018.

You invest in a depositary receipt for a share in the capital of FairPhone.

The nominal value of the depositary receipts of shares is EUR 0.0001. The intrinsic value of the depositary receipts of shares of FairPhone is EUR 1.40. The intrinsic value is generally the value of assets minus liabilities calculated pro rata for each depositary receipt based on a fully diluted basis. FairPhone's assets and liabilities values used here are from the balance sheet dated 30 November 2022. The price of the depositary receipts of shares is EUR 5.0840. The price of FairPhone shares for the Investors is EUR 5.0840. You are entitled to acquire an additional number of depositary receipts of shares equal to 65.64% of the number of depositary receipts of shares you already hold, rounded down to the nearest whole number, against payment of EUR 5.0840 per depositary receipt of shares (the total amount is rounded down to two decimal places) to be acquired.

This offer is part of a larger Transaction. In the Transaction, you will be given the option to (i) sell a portion of your current holdings of depositary receipts of shares; (ii) purchase an additional number of depositary receipts of shares equal to 65.64% of the number of depositary receipts of shares you already hold, rounded down to the nearest whole number, in this offering; or (iii) not exercise your rights under (i) or (ii)

and keep your current depositary receipts of shares. If you choose to participate in this offer, and thus purchase additional depositary receipts of shares, you may receive additional depositary receipts of shares in 2024 without having to pay for them if FairPhone sells and delivers fewer than 260,000 smartphones in 2023. In this case, the Investors will also receive additional shares without paying for them. If this is the case, you will then be further informed accordingly at such time.

Subject to customary exceptions, you will also have the right to subscribe for additional depositary receipts of shares if FairPhone issues new shares to investors or shareholders in a new investment round. You will be further informed accordingly at such time.

For more information about the Transaction or offering please contact Fairphone Florent Deraye (E: investment@fairphone.com and T: +31 (0)6 38 62 53 56). For more information about your rights as an investor of FairPhone, or about the process in general, please contact OnePlanetCrowd (E: info@oneplanetcrowd.nl; +31 (0)20 568 20 70 and address: Mauritskade 64 1092AD Amsterdam, the Netherlands).

The date of issue of the depositary receipts of shares is on or around **7-Mar-2023**. The term of the depositary receipts of shares is indefinite.

The expected return per year is currently EUR 0. FairPhone has not paid dividends in the past. FairPhone does not anticipate doing so in the coming years. Should FairPhone pay dividends in the future, the annual dividend may not exceed 25% of the "free cash". Free cash means the annual cumulative net cash provided by FairPhone's operating activities as determined by FairPhone's board of directors.

More information on the return can be found in this document under the heading "Further information on returns" on page 10.

What are the costs for you as an investor?

On top of your deposit you pay no issuance costs.

When selling your depositary receipt for share you pay no costs.

What will your deposit be used for?

From every euro of your deposit, EUR 0 is used to cover costs. As described above, this offer forms part of the Transaction. You will be given the option to sell part of your current depositary receipts for shares or to participate in this offer and purchase additional depositary receipts for shares. The proceeds of this offer will be received by several existing shareholders in FairPhone who have indicated that they wish to sell part of their shares. The proceeds of the Transaction, consisting of the proceeds of the shares issued to the Investors, will be invested in general corporate purposes of FairPhone, to fund FairPhone's activities, to further its mission, and to fund further growth and marketing of FairPhone.

Your deposit belongs to the assets of the STAK.

More information on the use of the deposit can be found under the heading "Further information on use of proceeds" on page 9.

Further information on the investment

In this section of the document, you will find further information about the offer and the provider. This will help you understand the specific risks, costs, and returns of the offer.

Please note! This document and offer have not been reviewed by the AFM.

Further information on the issuer

The issuer is a foundation, incorporated on **24-Dec-2018** and domiciled in Amsterdam Under the KvK number 76646971. The address of the issuer is Van Diemenstraat 200, 1013 CP Amsterdam. The website of the issuer is www.fairphone.com.

Contact person of the issuer: Florent Deraye (E: investment@fairphone.com and T: +31 (0)6 38 62 53 56).

The issuer is managed by Eva Gouwens - van den Bosch and Arnoud Tillemans.

The issuer has the following trade names: Stichting Administratiekantoor Crowdfunders FairPhone. FairPhone has the following trade names: FairPhone.

The issuer trades the following products: smartphones that are designed, developed, manufactured and sold in a fair and sustainable manner with a goal of having a lower environmental footprint and better social impact than is common in the industry.

The issuer has (financial) relationships with affiliated entities and/or persons.

FairPhone's board of directors are the same directors as the STAK's board of directors. The STAK's board of directors will ensure that whenever depositary receipt holders are entitled to payment as a shareholder of FairPhone, that they will receive the corresponding financial entitlements.

These are the main activities of the issuer:

The STAK has no activities other than holding the underlying shares of FairPhone. FairPhone's business is to design, develop, manufacture and sell smartphones that are designed and produced in a fair and sustainable manner with a goal of having a lower environmental footprint and better social impact than is common in the industry. Fairphone is using commercial strategies to maximize social and environmental impact at every stage of the electronic value chain from procurement and production to distribution and recycling. FairPhone's mission is to establish a market for ethical consumer electronics and motivate the industry to act more responsibly.

Further information on the risks

Risks associated with Intellectual Property, technology and licensing

There is a risk that FairPhone becomes subject to claims by third parties about its technology infringing their intellectual property rights, including standards essential patents because of growth of products in FairPhone's target markets, the overlap in functionality of these products and the prevalence of these products. This risk exists because a number of FairPhone's competitors and other third parties have been issued patents, and may have filed patent applications or may obtain additional patents and proprietary rights for technologies similar to those used by FairPhone in its products. Some of these patents, as well as copyright or other intellectual property rights may grant very broad protection to their owners. This means that FairPhone may receive in the future claims from third parties asserting infringement, claims based on indemnities provided by it, and other related claims. Litigation may be necessary to determine the scope, enforceability and validity of third party proprietary claims or rights or to establish our proprietary claims or rights. Some of FairPhone's competitors have, or are affiliated with companies having substantially greater resources than FairPhone, and these competitors may be able to sustain the costs of complex intellectual property litigation to a greater degree and for longer periods of time than FairPhone could. FairPhone cannot determine with certainty whether any existing third party patents or the issuance of any third party patents and intellectual property rights would require it to alter its technology, obtain licenses or cease certain activities.

Obtaining licenses: There is a risk that FairPhone is prohibited from developing or commercializing certain technologies and products unless we obtain a license from a third party because FairPhone does not own the intellectual property rights for certain technologies and products. This means that if FairPhone does not obtain such a license or not on commercially favorable terms, FairPhone's business, results of operations and financial conditions could be adversely affected and FairPhone could be required to cease related business operations in some markets and to restructure its business to focus on operations in other markets.

Risk associated with the depositary receipts of shares

Risk of dilution of interest of depositary receipts of shares: There is a risk of dilution of your interest of depositary receipts of shares because the underlying documentation of the Transaction provides that if FairPhone has to pay damages to Investors due to breach of the documentation, it must do so by issuing additional shares to the Investors, shareholders and holders of depositary receipts of shares. Depositary receipt holders and shareholders who sold their shares or depositary receipts of shares in the Transaction will be diluted in proportion to the number of shares they sold in the Transaction. This means that your interest in depositary receipts of shares, including the depositary receipts of shares you purchased in this offer, will also be diluted if FairPhone is required to make a payment in shares by breach of documentation. You will then hold a lower percentage of depositary receipts of shares which will reduce the value of your deposit in this offer.

Further information on use of proceeds

The maximum total proceeds of the offer are EUR 2,275,784.31. This will be the case if all depositary receipt holders have subscribed for the maximum amount they can subscribe for and thus, for the avoidance of doubt, no depositary receipt holders have indicated that they wish to sell part of their depositary receipts of shares.

The minimum proceeds are EUR 0. This will be the case if no depositary receipt holder has indicated it wishes to subscribe for the offering.

The proceeds will be used for payment to several existing shareholders in FairPhone who have indicated that they wish to sell part of their shares. Of the proceeds EUR 0 is used for costs.

The proceeds are sufficient for payment to shareholders who have indicated that they wish to sell part of their shares.

The deficit will be paid by the Investors pursuant to the Transaction. The amount of the deficit will not be known until 28 February 2023.

FairPhone has other costs besides the costs related to the investment.

These costs consist of costs to OnePlanetCrowd for facilitating the offering amounting to approximately EUR 12,500 and further legal and advisory fees in connection with the Transaction which are expected to amount to approximately EUR 525,000.

These costs are funded by: FairPhone as general operational costs of its business.

In addition, FairPhone has other costs. These costs include, but are not limited to: personnel costs, ICT, costs, administrative and consultancy costs, costs to the business and other operational costs. These costs are funded primarily from income from operations.

Further information on returns

The return is distributed in the form of dividend.

FairPhone has not paid dividends in the past. FairPhone does not anticipate doing so in the coming years. Should FairPhone pay dividends in the future, the annual dividend may not exceed 25% of the "free cash". Free cash means the cumulative annual net cash provided by FairPhone's operating activities as determined by FairPhone's board of directors.

The investor will receive the dividend, if paid in the future as described above, annually.

The investment generates **not** enough income before the first payout date to pay for the returns of all investors from that income.

The return is not (partially) remunerated from the deposits of (other) investors.

There are no other persons besides the investors who receive income (other than as referred to under 'expenses') from the investment.

Further information on the financial condition of the issuer

FairPhone has been operating since 25 July 2013. The following financial information is the most recent available.

Balance sheet

The date of this information is **30 November 2022**.

Shareholders' equity amounts to EUR 22,322,989 and consists of:

- Issued share capital EUR 773
- Share premium EUR 22,322,216

The loan capital amounts to EUR 4,408,405 and consists of:

- Short-term debt EUR 4,293,811
- Long-term debt EUR 114,594

The equity/debt ratio is 68/32. If (i) all depositary receipts of shares are subscribed for; (ii) EUR 1 million of the shareholder loan referred to below is converted to equity; and (iii) EUR 15 million of growth capital is received by FairPhone from Investors pursuant to the Transaction, the ratio would be 93/7.

Working capital amounts to EUR 4,766,035 and consists of:

- Cash EUR 3,532,837
- Receivables EUR 3,963,120
- Inventories EUR 16,818,581
- Current liabilities EUR 19,548,504

The amount of outstanding loans on 30 November 2021 is EUR 4,408,405 and consists of:

- shareholder loan of EUR 4,293,333, to be repaid by 31 December 2022, which will be repaid in connection with the Transaction; and
- Crowdfunders FairPhone loan of EUR 115,072, to be fully repaid on a monthly basis by 1 October 2023.

Collateral

The issuer has **no** security rights and two bank guarantees granted for a total amount of EUR 150,693.17, which consists of:

- Office space deposit of EUR 100,693.17; and
- Contract performance guarantee of EUR 50,000.

Income statement

The following information relates to 30 November 2022 (11 months) and is the most recently available information.

The turnover for this period is EUR 55,647,837
Operating expenses for the period amount to EUR 51,328,538
Other expenses for the period amount to EUR 3,836,726
The net profit for the period is EUR 482,572

The following information relates to the situation after the issue of the depositary receipts of shares

Proceeds from the offer are expected to be a minimum of EUR 0 and a maximum of EUR 2,275,784.31.

Further information on the offer and registration

The offer period begins on **31-Jan-2023** and ends on **15-Feb-2023**.

The issue date of the depositary receipts of shares is on or around **7-Mar-2023**. No new underlying shares will be issued by FairPhone.

Investors should subscribe as follows: Use the voting button in the email that will be sent on 31 January 2023 and choose Investment Option and log into (or register for) your OPC account.

You are entitled to acquire an additional number of depositary receipts of shares equal to 65.64% of the number of depositary receipts of shares you already hold, rounded down to the nearest whole number, against payment of EUR 5.0840 per depositary receipt of shares (the total amount is rounded down to two decimal places) to be acquired.