

The acquisition of this security entails considerable risks and may cause the complete loss of the capital invested.

MEGAFANSTORE

Megafanstore Marketing Ltd. **Whitepaper Security Tokens And Public Offering of Shares**

**For up to 60,000 New Shares at 1.50 Euros
And Private Offering to 149 Individuals of New Shares at 1.30 Euros**

**And a Total up to 1 Million Security Tokens
To Deliver to Existing Shareholders of Megafanstore Marketing Ltd.**



Important information about the whitepaper – the offering and the legal background

The acquisition of this security entails considerable risks and may cause the complete loss of the capital invested.

The public offer of shares of Megafanstore Marketing Ltd. is in Germany. The shares of Megafanstore Marketing Ltd. are publicly offered in Germany. The offer is not subject to prospectus rules, since the offer is less than 100,000 euros per year, also turns the other offer within the framework of the Family Friends program to a target group of max. 149 investors. As the Company is headquartered in London, tokenisation and offering are generally the responsibility of the UK Regulatory Authority FCA: Financial Conduct Authority. However, this classifies the offering of security tokens (especially tokens on shares) as fundamentally not subject to regulation, but refers to the respective regulatory provisions in the respective country of the offer as well as to the fundamental compliance with disclosure guidance and transparency rules as well as the consideration of AML and KYC requirements.

On 15 April 2019, the Federal Financial Supervisory Authority published a general assessment of security token offerings and tokens as a separate security class.

Tokens as a separate class of securities

Tokens of this type represent a security class of their own (sui generis) because they have been converted into investments which can be traded on the financial market by tokenisation, and they must therefore be classified as securities. The “substance over form” approach, which was developed by the European Securities and Markets Authority (ESMA), further clarifies this. According to this approach, the material components, rather than the formal name of a financial instrument, are always the decisive factors.

Criteria for classification as a security

The general rule for classification of a financial instrument as a security within the meaning of section 2 no. 1 WpPG is that it be transferable, negotiable on the financial market and encompasses rights comparable to securities. A securitisation in the form of a certificate, which ensures the marketability of

financial instruments in the case of traditional securities, is not required for a token to be classified as a security.

The term “securities” is to be interpreted uniformly due to the desired EU-wide supervisory convergence; both the WpHG and the WpPG use the term „securities“ as defined by the second European Financial Markets Directive (Markets in Financial Instruments Directive II -MiFID II), thus transposing this legal definition into national law (Article 4(1) no. 44 of the MiFID II). If rights comparable to those associated with securities are attached to a token, then the token facilitates increased marketability through simplified transferability and greater negotiability (but without necessarily being a certificate in the legal sense).

Transferability

In technical terms, token transferability requires that the token can be transferred to other users. For a security to be transferable in terms of its class it is also required that the legal content or technical nature of the security remains unchanged when it is transferred to another acquirer. This is generally not a problem for common token standards.

Negotiability

The deciding factor for negotiability on the financial markets is that a token is sufficiently standardised and homogenously designed. The type of transfer is not relevant to the “negotiability” criterion. The rights attached to the token must remain the same and must be identifiable in transactions by type and quantity. A standard such as the legal protection of good faith is not necessary for the assumption of the status of a security – at least for the supervisory concept of negotiability on which the WpPG and WpHG are based. Crypto trading platforms are also considered financial markets as regards the term “securities”, since the term “financial market” is to be interpreted broadly in accordance with European law.

No Approval from Regulation Authority

The information memorandum has not been approved by the FSA in accordance with section 87A of FSMA **and had not been made available to the public in accordance with Rule 3.2 of the prospectus Rules so far.**

The memorandum also has not been approved by the German Regulator, as there is an exemption for this offering. Nevertheless the Company is in contact

with the regulator and seeks to file a prospectus and get approved by a regulator within the next 6 months.

Only the Issuer is responsible for this document.

The shares neither the tokens have not been and will not be registered under the U.S. Securities Act or under any securities law of any state or other jurisdiction of the United States and may not be offered or sold in the United States except in transactions exempt from or not subject to the registration requirements of the Securities Act and in compliance with any applicable state securities laws. Accordingly, the Issuer has offered in the past shares only outside the United States.

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1 Summary

This summary should be read as an introduction to this memorandum. Any decision to invest in the security tokens (shares) should be based on the consideration of this memorandum as a whole by the investor. Where a claim relating to the information contained in this memorandum is brought before a court, the plaintiff investor might, under national legislation of the relevant EEA State, have to bear the costs of translating the whitepaper before the legal proceedings are initiated. Civil liability attaches to those persons who are responsible for the summary, including *any translations of the summary, but only if the summary is misleading, inaccurate or inconsistent when read together with other parts of the memorandum.*

1.1 Company overview

Megafanstore Marketing Ltd. is a company based in the UK and active with partners in Germany and the UK. Megafanstore focuses on the distribution of fan merchandise by sports teams, in particular football. Megafanstore operates the online platform www.megafanstore.com. The products are also offered globally via Amazon. Due to the structure of the Megafanstore, the total amount of fixed costs remains relatively low. Megafanstore is also active in Consulting and Trading with merchandising and sports apparel and footwear. Megafanstore also acts as an agent for the The Great Branding Company Ltd and offers tailored merchandising products to sports clubs. Megafanstore is additionally active in the field of 3D figurines, 3D avatars and 3D Mini-movies. In the future it is planned to develop with partners a virtual 3D world as well as an exchange for sports betting using the blockchain technology.

1.1.1 Competitive strengths

Megafanstore has already set up the entire technical infrastructure and marketing structure and has agreements with key partners, e.g. The Great Branding, a leading firm in the area of merchandising articles and official UEFA licence holder for merchandise. With 3DyourBody GmbH a leading company in the area of 3D scans and 3D figurines is a partner. Also a joint company with GMEX Technologies (GMEX Group), a global leading company in the area of blockchain and exchanges is planned.

1.1.2 Business strategy

Megafanstore offers various fan articles in the online store. Emphasis will be placed on the retail marketing of official licensed UEFA Champions League products. Here is partly a unique selling point, as many products are offered with almost no competitors in Megafanstore. The offer of official UEFA products should be expanded accordingly. It will partner with The Great Branding UEFA's official merchandising licence holder. Megafanstore can also provide sports clubs and other clients with merchandising collections from The Great Branding and act as an agent for The Great Branding.

Megafanstore has found a partner for the Chinese marketplace to explore the potential with UEFA products, UEFA co-branded products and merchandising products of clubs.

In the area of 3D figures there is a collection of the best football players in Europe in preparation to be offered as a merchandising product. In addition, the 3D Mini Fan, the scan of sports fans in cooperation with 3DyourBody is offered (8 stores in Germany). Own stores in cooperation with local partners are planned in the UK and USA.

1.2 The offering

Megafanstore Marketing Ltd. offers publicly in Germany 60,000 new bearer shares of the Company for the price of 1.50 euros. In addition, additional bearer shares are being offered to a target group of less than 149 persons in the framework of a Family Friends program at an issue price of 1.30 euros. The offering is not subject to prospectus rules, as the total amount of the public offering is limited to less than € 100,000 per annum.

1.2.1 Delivery of shares as tokens

In addition, the Company has decided to tokenise further 731,200 existing shares and to deliver the share-representing tokens to the shareholders at the request of the respective shareholders.

The Issuer will not charge the shareholder any costs or fees for the issue of the token-based shares. However, the investor incurs costs in connection with the wallet used by him, such as fees and transaction costs incurred when the issuer

relinquishes crypto currency / crypto assets as a result of the subscription.

The same applies to the costs of transfers of fiat money to the Issuer, which the investor also has to bear. Such fee and cost surveys are made to the investor not by the Issuer, but by third parties.

1.2.2 Free flow of tokens

As of 10 December there are approximately 30,000 MEGA tokens delivered to the shareholders, these tokens are freely tradable on Stellar Decentralised Exchange. The number of free trading tokens could increase immediately once existing shareholders request tokens to deliver which represent their shares.

1.2.3 Description of the token

The token is the Megafan token symbol MEGA on the Stellar blockchain. A MEGA token represents a bearer share of Megafanstore Marketing Ltd., Company House # 10427248:

<https://stellar.expert/explorer/public/asset/MEGA-GBQM2ECTTLQBLVDJCMQJKQTVQBNTSPOQFKKDZOHA6PZFZAQF6IMWRSMQ>

1.2.4 Public offer of Megafanstore shares

The Megafanstore shares (Megafan token) may be subscribed during the offer period by submitting a purchase application (subscription form) to the Issuer. In addition to personal data containing the address, the full name and the date of birth, he must indicate the intended amount of Megafanstore shares he wishes to subscribe to.

The receipt of payment by the Issuer will be confirmed to the investor by e-mail by the Issuer. Upon acceptance of the subscription and receipt of the "payment" (EUR), a corresponding number of shares will be registered in the UK Company House and also generated on the blockchain under the asset "MEGA" on the Stellar Blockchain.

1.2.5 Delivery of the tokens (MEGA) to the shareholders

After the end of the respective (interim) offer period, the Megafan tokens may

be credited to the respective investor's wallet as requested by the shareholder. The shareholder must sign a transfer slip and, as with the subscription slip, enter his personal details and sign them. Afterwards, the MEGA tokens can be transferred to the personal wallet.

The condition for the delivery, however, is that a trustline is set up by the wallet owner with the Issuer account of the Megafan tokens on the Stellar blockchain, this is done by accepting a confirmation link. The trustline is a kind of security certificate that is actually the Megafan token or the transfer of the token from the regular issuer account of the MEGA Megafan tokens.

From this time on, the shareholder can have the Megafan tokens. The respective transaction via the Stellar Blockchain is comprehensible for everyone and can be clearly assigned to an investor or his public wallet address.

1.2.6 Trading of MEGA token at decentralised exchange

The Mega Fan Token (MEGA) is registered in the Stellar Blockchain and therefore tradable. Trading takes place via wallets connected to the decentralised exchange. In particular, because of the strict KYC and AML regulations, which can no longer be strictly adhered to by decentralised trade, there is currently no unanimous opinion as to whether trading on a decentralised exchange violates regulatory requirements or not. At a minimum, regulators are aware that security tokens are traded on decentralised exchanges and tolerate it. Another point not conclusively clarified is the possible access of US investors via the decentralised exchange to securities tokens.

1.2.7 Promotion activities for the offer or token

The offer may be advertised in Germany. In other jurisdictions, this depends on the respective assessments of the relevant regulatory authorities. In the US, JAPAN, Canada or UK, the offer or token may not be promoted.

1.2.8 Summary of the share capital registered in Company House

The Company has 731,200 allotted ordinary shares. And a total paid in capital of 180,100 euros. At an extraordinary shareholder meeting at 30 October 2017 the Company made a resolution to issue additional 5million shares in the following 5 years. 231,200 shares from this resolution have been allotted since

the resolution. The Company has received all proceeds from the new allotted shares in the past and will receive all proceeds from the sale of the offered shares in the future.

1.2.9 Registered shares at Company House and capital increase

Shares	Price	Capital Paid in	Total Capital Paid in
570,000	0.1 Euro	5,700 Euro	
10,000	0.80 Euro	8,000 Euro	
70,000	1.00 Euro	70,000 Euro	
20,000	1.30 Euro	26,000 Euro	
40,000	1.50 Euro	60,000 Euro	
731,200 shares			180,100 euros

Total allotted shares in Company House registered: as of 10 December 2019
731,200 shares

1.2.10 Directors of the Company

Directors are:

Andreas Schmidt, born 4 July 1967, Berlin

Uwe Waldenmeyer, born 4 June 1966, Düsseldorf

1.2.11 Valuation of the Company

There is no independent valuation of the business model available, the valuation of the past financings was set by the management, the valuation for next financing rounds also will be set by the management. The valuation during the past financing rounds has been between 500,000 and 950,000 euros. The valuation at the current status is about 1.1 million euros.

1.3 Summary of risk factors

The Company and the Directors consider the following risks to be material for potential investors, but the risks listed below do not necessarily comprise all

those associated with an investment in the Company and are not set out in any order of priority. Additional risks and uncertainties currently unknown to the Company and the Directors (such as changes in legal, regulatory or tax requirements) or which the Company and the Directors currently believe are immaterial, may also have a materially adverse effect on the financial condition or prospects of the Company or on the trading price of the shares. Prior to investing in ordinary shares, prospective investors should consider, together with the information contained in this document, the risks attached to an investment in the Company, including in particular, the following risks:

1.3.1 Risks relating to the Issuer's shareholding and corporate structure

Public shareholders may not be able to determine the outcome of a shareholder vote. The Issuer is a company incorporated under, and thereby subject to, the laws of England and Wales and investors may encounter difficulties in enforcement against the Issuer and/or members of its Board of Directors or Senior Management.

1.3.2 Risks relating to the businesses of the Company

- The Company is a formed entity with a short operating history and low revenues and no dividend history.
- The Company may be unable to obtain or renew required rights and concessions, licences, permits and other authorisations and/or such concessions, rights, licences, permits and other authorisations may be suspended, terminated or revoked prior to their expiration;
- The Company depends on its key personnel. If the Company is unable to attract and retain key personnel, its business may be materially adversely affected;
- The profitability of operations and the cash flows generated by these operations are significantly affected by the fluctuations in the price, cost and supply of inputs;
- The Company depends on adequate infrastructure
- The Company's insurance coverage does not cover all of its potential losses, liabilities and damages related to its business and certain risks are uninsured or uninsurable.

- The Company's planned expansion with new products are only plans and might not be realized.
- The Company may be subject to litigation;
- The development of the Company's business may require substantial capital expenditure and lead times to operate which in the longer term may require external financing that may not be available (financial capability and additional financing)

1.3.3 Dependence on business partners

The Company has significant business relationships with some of its business partners in order to implement the business model. This is especially true for The Great Branding and 3DyourBody. Should any of these business relationships be discontinued for any reason, this could have a significant negative impact on the Company.

1.3.4 Risk due to licence losses

The Company or major co-operation partners hold licences or rights that are material to the implementation of the Company's business model. Should licencing rights cease to exist or be terminated for any reason whatsoever or no longer exist, this could have a significant negative impact on the Company.

1.3.5 Rely on software and services licensed from other parties

Components of the service and product offerings include various types of software and services licenced from unaffiliated parties. If any of the software or services licensed from others or functional equivalents thereof were either no longer available to the Company or no longer offered on commercially reasonable terms, it would be required to either redesign the services and products to function with software or services available from other parties or develop these components by the Company. In either case, the transition to a new service provider or an internally-developed solution could result in increased costs and could result in delays in the product launches and the release of new service and product offerings. Furthermore, the Company might be forced to temporarily limit the features available in the current or future products and services. If the Company fails to maintain or renegotiate any of these software or service licences, it could face significant delays and diversion

of resources in attempting to license and integrate functional equivalents.

1.3.6 Market risks

Currency and exchange rate risks

Movements in foreign exchange rates could have a negative impact on the Company's revenues or cost base. This could have a materially adverse impact on the business;

Interest rate risks

Movements in interest rates could have a negative impact on the Company's revenues or cost base. This could have a materially adverse impact on the business;

1.3.7 Risks relating to the shares

- Prior there has been no significant public market for the shares or tokens and there can be no assurance that an active market will develop.
- The price of the shares/ tokens may fluctuate considerably.
- Sale of substantial number of shares
- The Issuer's ability to pay dividends to its shareholders is uncertain.
- Risks arising from the shares / tokens traded on a stock market or decentralised exchange not regulated by the EU and national legislation
- Shareholders in countries with currencies other than the euro face additional investment risk from currency exchange rate fluctuations in connection with their holding of shares.
- If analysts do not publish research or reports about the business of the Issuer or if they down-grade the shares, the share price and trading volume could decline.
- Investors may suffer dilution if they are unable to participate in future pre-emptive equity offerings.

1.4 Selected financial information

1.4.1 Working capital

The Issuer is of the opinion that the Company might have sufficient working capital for its present requirements, that is, for a period for at least 12 months following the date of this whitepaper, but due to the risks of unexpected expenses and costs as well as uncertainties in general the shareholders and prospective shareholders should not count on the company having sufficient working capital for the next 12 months.

1.4.2 Dividend policy

Subject to the availability of future profits, the Issuer will first reinvest those profits in the development of its business activities. If in the future more profits are available than needed for reinvestments, the Issuer intends to start paying out dividends. However, there can be no assurance that in the future any dividends of a certain amount or any dividend at all will be distributed.

2 General information about blockchain technology

2.1 Definition blockchain and distributed ledger technologies

Due to the nature of the blockchain, implementing distributed ledger technology also introduces new and specific risks that are not present in more traditional centralised systems.

The successful introduction and deployment of a new technology depends on the appropriate management of the risks associated with this technology. This is especially true if this technology is more than an application and part of the organisation's core infrastructure. Distributed ledger technologies (DLT) have the potential to become the backbone of many core platforms in the near future. The blockchain protocol is a special case of DLT where the consensus protocol creates a fixed account book for all transactions shared by all participants. This framework enables near-real-time transfer of assets (e.g. assets, records, identity) between subscribers without the need for a central broker. Each transfer of value between two parties and the associated debits and credits are recorded for all parties in the blockchain ledger. The cryptographic consensus

protocol ensures the immutability and irreversibility of all transactions posted on the ledger.

2.2 Blockchain types

For blockchains, there are two types: Unauthorized and allowed chains. Unauthorized blockchains allow any non-reviewing party to join the network, while approved blockchains are created by consortia or an administrator that rates the entity's participation in the blockchain framework.

Regardless of the type of blockchain, the business logic is coded with smart contracts. Smart contracts are self-executing code in the blockchain framework that allows for direct processing, eliminating the need for manual intervention to execute transactions. They rely on data from outside entities called "oracles" and can respond to data associated with a public address or other intelligent contract in the blockchain. Blockchain technology promises to increase efficiency or reduce costs, but it carries certain risks. Businesses need to understand these risks and the associated safety precautions in order to take advantage of this technology. In addition, it is important to understand the evolution of regulatory guidelines and their implications. These blockchain risks can be roughly divided into three categories:

Standard risks: Blockchain technologies expose banks to risks that are similar to those of current business processes, but introduce nuances that businesses must consider. Value transfer risk: Blockchain enables peer-to-peer transfer of values without a central intermediary. The transferred value can be assets, identity or information. This new business model exposes the interacting parties to new risks previously managed by central intermediaries.

Intelligent contract risks: Intelligent contracts can potentially encrypt complex business, financial, and legal agreements in the blockchain and can result in a risk associated with the one-to-one mapping of these agreements from the physical to the digital framework.

2.3 Stellar blockchain

The Stellar blockchain is a bank and money transaction specialized blockchain protocol. At startup, Stellar was based on the Ripple protocol, which was

overloaded after some changes to the critical consensus code to the Stellar network. In 2014, Stellar was launched based on the Ripple blockchain. In 2015, Ripple's HardFork was released, the code and whitepaper for this new algorithm was released in April 2015, and the upgraded network went live in November 2015.

Functionality

Stellar is an open source protocol for currency exchange. [9] Different servers execute a software implementation of the protocol and use the Internet to connect to and communicate with other Stellar servers, creating a global network for the exchange of values. Each server stores a record of all accounts in the network. These records are stored in a database called ledger. Servers suggest changes to the GL by proposing transactions that move accounts from one state to another by balancing the balance or by changing a property of the account. If all servers match the set of transaction for the current GL, a process called consensus is performed. The consensus process takes place at regular intervals, typically every two to four seconds. This keeps the copy of the ledger of each server synchronous and identical.

2.3.1 Stellar cryptocurrency: Lumen (XLM)

The Stellar platform has its own cryptocurrency, the lumen (XLM). A lumen is a digital unit that corresponds to an asset within the Stellar network. Any US dollar or euro that is to be transferred via the Stellar platform will be transferred to lumen. This means that the cryptocurrency can act as a bridge between two different currencies, but also between different assets. Each transaction within the Stellar network costs 0.00001 lumens. This also protects the network against DDoS attacks because they are too expensive at a certain point in time. DDoS attacks, such as botnets, which are otherwise characterised by no cost to the attacker in terms of resources or money, thereby become much less likely.

2.3.2 Tradability of Stellar lumens

Stellar lumens / XLM is one of the most well-known and established cryptocurrencies on the market and is traded on the major crypto exchanges such as Coinbase, Binance or Kraken. Market capitalisation is \$ 1.2 billion and daily trading volume (as of Oct. 2019) is \$ 100-200 million.

2.3.3 Tradability of tokens based on Stellar

The Stellar network offers a trading centre for tokens generated based on the Stellar blockchain. The daily trading volume on Stellarport is between \$ 2 million and \$ 5 million. The trading centre is characterised by a completely transparent order book, all buying and selling orders can be viewed. In addition, all trades of the last 24 hours are displayed with the corresponding trading volume.

2.3.4 Wallets with access to the Stellar network

In order to access the Stellar network a compatible wallet is needed. Popular wallets are for example Stellarport.io Stellarx.com, Solar Wallet or the Interstellar Wallet.

2.4 Risk of blockchain

Blockchains fall under two types: Permissionless and permissioned chains. Permissionless blockchains allow any party without any vetting to participate in the network, while permissioned blockchains are formed by consortiums or an administrator who evaluate the participation of an entity on the blockchain framework.

Regardless of the type of blockchain, the business logic is encoded using smart contracts. Smart contracts are self-executing code on the blockchain framework that allow for straight-through processing, which means that no manual intervention is required to execute transactions. They rely on data from outside entities referred to as “oracles,” and can act on data associated with any public address or with another smart contract on the blockchain.

While the blockchain technology promises to drive efficiency or reduce costs, it has certain inherent risks. It is imperative that firms understand these risks and the appropriate safeguards in order to reap the benefits of this technology. Additionally, it's important to understand the evolution of regulatory guidance and its implications.

These blockchain risks can be broadly classified under three categories:

- **Standard risks:** Blockchain technologies expose institutions to risks that are similar to those associated with current business processes but introduce nuances for which entities need to account.

- **Value transfer risks:** Blockchain enables peer-to-peer transfer of value without the need for a central intermediary. The value transferred could be assets, identity, or information. This new business model exposes the interacting parties to new risks that were previously managed by central intermediaries.
- **Smart contract risks:** Smart contracts can potentially encode complex business, financial, and legal arrangements on the blockchain, and could result in the risk associated with the one-to-one mapping of these arrangements from the physical to the digital framework.

2.5 Wallet and private key

The wallet required by the investor must be compatible with Stellar blockchain. If Megafan tokens are transferred to an incompatible wallet, eventually the investor will no longer be able to access and dispose of the Megafan tokens. This will mean a total loss of its investment for the investor.

The investor bears full responsibility regarding the decision on the correct (compatible) wallet. The investor alone is also responsible for the secure storage of the private key of its wallet necessary to receive and dispose of tokens. The loss or theft of the private key is equivalent to the loss of all tokens assigned to the wallet. although there is a trustline necessary to transfer the tokens it is not impossible to lose the asset.

2.6 DDoS attacks

By a so-called Distributed Denial of Service (DDoS) attacks, attackers can overload a network or a blockchain with a high number of requests and/or transactions and (temporarily) render the network or the corresponding blockchain unusable. The maximum number of transactions per second on the Stellar blockchain used by the Issuer is currently approx. 1,000. If a critical transaction number is exceeded for a longer period of time due to a DDoS attack, token holders would not be able to receive dividend payments or transfer their tokens.

2.7 Risk of criminal offences

Due to the system, security token offerings are subject to increased

susceptibility to fraud, money laundering and terrorist financing. This increases the investor's risk of losing the capital it has invested, also due to necessary measures taken by the authorities against the operators or other persons involved in such illegal transactions.

3 Risk Factors

Prospective investors should be aware that an investment in the shares or security tokens(tokens) involves a high degree of risk and should be made only by those with the necessary expertise to appraise the investment. Prior to making an investment decision, prospective investors in the shares should consider carefully, among other things and in light of their financial circumstances and investment objectives, all the information in this whitepaper and, in particular, the risk factors set forth below. Each of the risks highlighted below could have a material adverse effect on the business, operations, financial condition or prospects of the Issuer and/or the Company, which in turn could have a material adverse effect on the market price of the shares, the amount of dividend that may be available or the rights of investors in the shares and, as a result, investors could lose part or all of their investment.

The Issuer believes that the factors described below represent the principal risks inherent in investing in the shares, but this section is not intended to be exhaustive and an investment in the shares may be impaired by events the occurrence of which, in the view of the Issuer, is so unlikely that they should not be considered significant risks based on information currently available to the Issuer or which it may not currently be able to anticipate. Additional risks affecting businesses generally, risks not presently known to the Issuer and risks that the Issuer currently believes to be immaterial may also impair the Company's business operations. In addition, if a combination of risks occurs, the effect on the Issuer may be greater than if each risk had occurred independently of each other. Prospective investors should make their own independent assessment of all risk factors and should read the detailed information set out elsewhere in this whitepaper.

3.1 Risks relating to the Issuer's shareholding and corporate structure

The Issuer is incorporated under, and subject to, the laws of England and Wales

and investors may encounter difficulties in enforcement against the Issuer and/or members of its Board of Directors or Senior Management. The Issuer is a company incorporated under the laws of England and Wales and all but one of the members of its Board of Directors and Senior Management are residents of the United Kingdom.

The rights of the shareholders of the Issuer will be governed to a large extent by the laws of England and Wales, including the UK Companies Act and other laws and regulations applicable to companies incorporated under the laws of England and Wales.

English company law has certain features that differ from other jurisdictions' company law: certain of the rights granted, and obligations imposed on, the shareholders and/or the Issuer and/or the members of its Board of Directors under English law, including (inter alia) in respect of the transferability of the shares, the ability of the Issuer to pay dividends, the ability of the shareholders to dismiss the members of the Board of Directors, and the provisions governing takeovers and public offers and the disclosures that may be required to be made by the shareholders and/or the Issuer and/or its subsidiaries may present significant differences with those that would be applicable to a company incorporated in other jurisdictions. The protection afforded to the shareholders of the Issuer under English law may not be the same as that afforded to the shareholders of a company incorporated in other jurisdictions.

3.2 Risks relating to industry for merchandising fan article industry

A decline in consumer spending may unfavourably impact the Company's business, financial condition and results of operations.

The Company's business depends on consumer demand for the products it offers. All of the Company's product categories – merchandising articles, 3D Avatars and 3D mini-figurines are discretionary products, which are highly dependent on trends in consumer spending and, consequently, are sensitive to a number of factors that are beyond the Company's control. Factors that influence consumer spending include, among others, general macro-economic and global political conditions (particularly in the United Kingdom, the United States, Germany and China), consumer confidence in future economic and political conditions, the potential impact of Brexit, inflation and interest rates (which

could increase the cost of credit), foreign exchange rates, tax rates, custom duties and tariffs, trade policies, adverse weather conditions, pandemics, travel disruption, terrorism, acts of war or other exogenous events or fear of such events, tourism levels (particularly by high net worth individuals), employment levels, disposable consumer income and availability and cost of credit (in particular because a substantial part of the Company's customers use credit to purchase its products).

Adverse changes in factors affecting discretionary consumer spending could reduce consumer demand for the Company's products, which could lead to a decrease in sales. A decrease in sales may be proportionately greater than the level of any wider economic decline as customers may choose to delay making exclusive purchases, or may purchase less expensive alternative products. In addition, the Company may respond to a decrease in consumer demand by increasing discounts or initiating marketing promotions to reduce excess inventory, which could have a material adverse effect on its business, financial condition and results of operations.

Uncertainty regarding current global economic conditions may also increase the volatility of the market value of the Company's securities.

3.3 Risks relating to the businesses of the Company

The Company depends on its key personnel. If the Company is unable to attract and retain key personnel, its business may be materially adversely affected and therefore also its share price.

The success of the operations and activities of the Company is dependent to a significant extent upon the contributions of a number of the Company's management and its highly skilled team of contractors. There can be no certainty that the services of such key personnel will continue to be available to the Company.

Factors critical to retaining the Company's present staff and attracting and recruiting additionally highly qualified personnel include, inter alia, the Company's ability to provide competitive compensation arrangements. If the Company is not successful in retaining or attracting highly qualified individuals in

key management positions or highly skilled contractors, its business may be materially adversely affected.

The profitability of operations and the cash flows generated by these operations are significantly affected by the fluctuations in the price, cost and supply of inputs.

The Company may not achieve its estimates.

The Company prepares estimates of future production for particular operations. No assurance can be given that future estimates will be achieved. The Company's results may vary from estimates for a variety of reasons.

The Company's insurance coverage does not cover all of its potential losses, liabilities and damages related to its business and certain risks are uninsured or uninsurable.

The Company's business is subject to a number of risks and hazards generally, including adverse environmental conditions, industrial accidents, labour disputes or slowdowns.

Although the Company maintains insurance to protect against certain risks in such amounts as it considers to be reasonable, its insurance will not cover all the potential risks associated with its operations. The Company may also be unable to maintain insurance to cover these risks at economically feasible premiums. Insurance coverage may not continue to be available or may not be adequate to cover any resulting liability. Losses from these events may cause the Company to incur significant costs that could have a material adverse effect upon its financial performance, and results of its operations and its share price.

3.4 General market risks

The Company is subject to litigation risks.

All industries, including the manufacturing industry, are subject to legal claims, with and without merit. Defence and settlement costs can be substantial, even with respect to claims that have no merit. Due to the inherent uncertainty of the litigation process, there can be no assurance that the resolution of any particular

legal proceeding will not have a material adverse effect on the Company's financial position or results of operations and therefore a negative effect on its share price.

The development of the Company's business may require substantial capital expenditure and lead times to operation which in the longer term may require external financing that may not be available (financial capability and additional financing). There is a material risk that the company may need to and may be unable to raise enough funds.

The Company in the longer term may elect to raise funds through the issuance of equity securities or the issuance of debt instruments or other securities convertible into ordinary shares. Any such additional equity financing may be dilutive to shareholders, and debt financing, if available, may involve restrictions on financing and operating activities. There can be no assurance that additional funding required by the Company will be made available to it and, if such funding is available, that it will be offered on reasonable terms.

If the Company is unable to obtain additional financing as needed, it may be required to reduce the scope of its operations or anticipated expansion, which may have a material adverse effect on the Company's business, revenues, financial condition, results of operations or prospects or the trading price of the ordinary shares. The Company cannot predict the size of future issuances of equity securities or the issuance of debt instruments or other securities convertible into shares or the effect, if any, that future issuances and sales of the Company's securities will have on the market price of the Company's ordinary shares.

The Company thinks it currently has sufficient financial resources to carry out its planned exploration and development programs beyond the end of 2019.

The ability of the Company to arrange additional financing in the future will depend, in part, on the prevailing debt and capital market conditions as well as the business performance of the Company.

Failure to obtain sufficient financing may result in delaying or the indefinite postponement of the development of new products and new business fields. There can be no assurance that additional capital or other types of financing will

be available if needed or that, if available, the terms of such financing will be favourable to the Company. If the Company raises additional funds through the sale of equity securities, shareholders may have their equity interest in the Company diluted.

3.5 Currency and exchange rate risks

Movements in foreign exchange rates could have a negative impact on the Company's revenues or cost base. This could have a materially adverse impact on the business.

3.6 Interest rate risks

Movements in interest rates could have a negative impact on the Company's revenues or cost base. This could have a materially adverse impact on the business.

3.7 Risks relating to the shares

Prior there has been only a limited public market for the shares and there can be no assurance that an active market will develop.

The shares have not been previously listed on an organized market place and, prior to the offering, there has been no significant public market for any of the shares.

As a consequence, there can be no assurance that an active trading market will develop or that the market price for the shares will not decline.

If no active and liquid market for the shares develops, shareholders could have difficulties selling their shares and the market price for the shares could decline below the price of their investment. In the past, the prices of shares offered publicly for the first time have been subject to considerable fluctuations that may not have reflected the business or financial success of the particular company.

The share price of the shares may fluctuate considerably.

In recent years, the stock markets have experienced significant fluctuations that often have had nothing to do with the results of the companies whose shares have been traded thereon. Market fluctuations and economic conditions (in particular given the current financial crisis) may increase the volatility of the shares.

The market for the blockshares (shares) ore may be influenced by economic and market conditions and, to varying degrees, interest rates, currency exchange rates and inflation rates in other European and other industrialised countries. As a result, the price of the shares following the offering may be highly volatile. Factors that may affect the share price include but are not limited to:

- developments that impact the financial results of the Company and fluctuations in the financial results of the Company;
- changes in market expectations about the valuation of the Company;
- investors' perception as to the success and impact of this offering and the strategy described in this whitepaper;
- changes in general conditions in the economy or the financial markets and other developments affecting the Issuer, its subsidiaries or its competitors; and
- potential litigation or regulatory action involving the Issuer and/or its subsidiaries or industry sectors influencing the businesses of the Issuer and/or its subsidiaries.

There can be no assurance that events in Germany, the United Kingdom, Austria, Switzerland, Europe or elsewhere will not cause market volatility or that such volatility will not adversely affect the price of the shares or that economic and market conditions will not have any other adverse effect.

Sale of substantial number of shares following the offering

Sales of a substantial number of shares in the public market following the offering, or the perception that these sales could occur, could adversely affect the prevailing market price for the shares and materially impair the Company's future ability to raise capital through offerings of the shares or securities relating to the shares. Upon completion of the offering, the Issuer will have a total of up

to 1 million shares (security tokens) in issue, of which up to 1 million shares (offered shares) will be freely tradeable. If a large number of shares is sold in the public market at once, the market price of the shares could fall significantly.

The Issuer's ability to pay dividends to its shareholders is uncertain.

The ability of the shareholders to receive dividends depends on and is restricted by a number of factors, including, but not limited to, the following:

- the progress of the business;
- the Issuer's distributable reserves; and
- restrictions contained in any future financing arrangements of the Issuer and/or its subsidiaries.

As a matter of English law, the Issuer can pay dividends only to the extent that it has distributable reserves available.

There can be no assurance that distributable reserves will be available in any given fiscal year. Even if there are sufficient distributable reserves available, the Directors may not recommend a dividend and/or the shareholders may decide not to approve a dividend for a variety of reasons. Any of these factors, individually or in combination, might prevent the Issuer from paying dividends. Since the Issuer's ability to pay dividends is dependent on such factors, an investment in the shares may not be suitable for all investors, in particular those with fixed or low incomes who rely on investment income to cover living expenses.

However, the Issuer is currently subject to the provisions of the UK City Code on Takeovers and Mergers. Further, the European Regulation (EC) No. 1606/2002 which prescribes the application of international accounting standards for issuers listed at “organised” or “regulated markets” is not applicable for issuers listed at Entry Standard. Therefore, issuers listed at Entry Standard can apply the respective national accounting rules. Accordingly, the Issuer intends to prepare its accounts and reports in accordance with UK GAAP.

Shareholders in countries with currencies other than the euro face additional investment risk from currency exchange rate fluctuations in connection with their holding of shares.

The Issuer reports in euro. The shares will be denominated in euro, although prices for the shares will be fixed in Stellar lumens. An investment in shares therefore will expose the investor to foreign currency rate risk.

The trading market for the shares will be influenced by the equity research and reports that industry or securities analysts publish about the Company or its business. The Issuer does not control these analysts. If one or more of the analysts who may cover the Issuer downgrade the shares, the price of the shares would be likely to decline. If one or more of these analysts cease coverage of or fail to publish reports regularly on the Company, the shares could lose visibility in the market, which in turn could cause the trading volume in the shares or their price to decline. Investors may suffer dilution if they are unable to participate in future pre-emptive equity offerings.

Under English law, shareholders usually have pre-emption rights to subscribe on a pro rata basis for cash issues of new shares. In the event that the Issuer was to carry out such issues in the future, certain shareholders may not be able to participate in such issue and would accordingly have their percentage interest in the Issuer diluted.

3.8 Qualified advice

The information contained in this whitepaper does not replace any qualified advice that may be required from a third party. An investment decision should not be made solely on the basis of the information in this section or memorandum, as the information contained herein cannot replace advice and information tailored to the needs, objectives, experience and knowledge and circumstances of the individual investor. Otherwise, there is a risk that the investor may acquire an investment that is unsuitable for him.

4 General information

4.1 Responsibility for the content of this memorandum

The Directors, Andreas Schmidt, and Uwe Waldenmeyer and the Issuer accept responsibility for the information contained in this document. To the best of the knowledge of the Directors and the Issuer (who have taken all reasonable care

to ensure that such is the case), the information contained in this document is in accordance with the facts and does not omit anything likely to affect the import of such information.

4.1.1 Litigation

With respect to No member of the Company is there, nor has at any time in the 12 months immediately preceding the date of this document been, engaged in any governmental, legal or arbitration proceedings, and the Company is not aware of any governmental, legal or arbitration proceedings pending or threatened by or against the Company or any member of the Company, nor of any such proceedings having been pending or threatened at any time in the 12 months immediately preceding the date of this document in each case which may have, or have had in the recent past, a significant effect on the Company's financial position or profitability.

4.1.2 Shareholder structure

The Company has issued 732,000 ordinary shares

related to Andreas Schmidt (Director)	150,000 shares
Uwe Waldenmeyer (Director)	25,000 shares
Thomas König	150,000 shares
Stefan Ossenkop	30,000 shares
Hendrik Klein	30,000 shares
Oliver Seidler	30,000 shares
Margareta Wich	30,000 shares
Dr. Siebholz	25,000 shares
Reto Herger	20,000 shares
Lutz Nickel	20,000 shares

The Main 10 shareholders are holding about 500,000 shares of the total of 732,000 allotted shares.

All the other shareholders are holding each less than 3 % of the shares issued. There are total of approximately 40 shareholders.

All shareholders have the same voting rights and there are no arrangements which can lead to a change of control of the Company.

4.2 Forward-looking statement

Statements under several sections of this whitepaper may contain, and the Company's officers and representatives may from time to time make, statements that are, or may be deemed to be, forward-looking statements. These statements are not historical facts but instead represent the Company's belief regarding future events many of which, by their nature, are inherently uncertain and outside the Company's control.

These statements may address, among other things, the Company's financial condition, results of operations, prospects, strategies, dividend policy and business, including its strategy for growth, product development, regulatory approvals and market position. All statements other than statements of historical facts are, or may be deemed to be, forward-looking statements. Forward-looking statements are statements of future expectations that are based on management's current views and assumptions and involve known and unknown risks and uncertainties that could cause actual results, performance or events to differ materially from those expressed or implied in such statements, including those discussed elsewhere in this whitepaper and in the Company's other public filings, press releases, oral presentations and discussions. Forward-looking statements may include, among other things, discussions concerning the potential exposure of the Company to market risks, as well as statements expressing management's expectations, beliefs, estimates, forecasts, projections and assumptions.

Forward-looking statements in this whitepaper may be identified by the use of forward-looking terminology, including the words "anticipate", "aim", "believe", "continue", "could", "estimate", "expect", "goals", "intend", "may", "objectives", "outlook", "plan", "probably", "project", "risks", "seek", "shall", "should", "target", "will" or "would" or, in each case, their negative or other variations or comparable terminology or by discussions of strategies, plans, objectives, targets, goals, future events, intentions or beliefs. Forward-looking statements, as they relate to events, and depend on circumstances that may or may not occur in the future, involve known and unknown risks and uncertainties. Forward-looking statements are not guarantees of future performance.

Prospective investors should not place undue reliance on these forward-looking statements. Each forward-looking statement is only made as of the date of the specific statement and none of the Issuer, any of its subsidiaries, the Selling Shareholders or the Over-Allotment Shareholder or the Underwriters, as the case may be, intend, nor assume any obligation (and expressly disclaims any such obligations to), to update or revise forward-looking statements as a result of new information, future events or otherwise, except as required by the prospectus rules, or otherwise required by law or regulations.

Many factors may cause the results of operations, financial condition, and dividend policy of the Issuer and/or the Company and the development of the industries in which the Company compete to differ materially from those expressed or implied by forward-looking statements, including the risks and others described in the section entitled "Risk factors" are not exhaustive. Other sections of this whitepaper describe additional factors that could adversely affect the results of operations, financial condition, and dividend policy of the Issuer and/or any of its subsidiaries and/or the Company and the development of the markets in which the Company operates. You are urged to read the sections of this whitepaper entitled "Risk factors", "Operating and financial review" and "Industry overview and trends" for a more complete discussion of the factors that could affect the future performance of the Company and the industry in which it operates.

New risks can emerge from time to time, and it is not possible to predict all such risks, or to assess the impact of all such risks on the business of the Company or the extent to which any risks, or combination of risks and other factors, may cause actual results to differ materially from those contained in any forward-looking statements. Given these risks and uncertainties, prospective investors should not rely on forward-looking statements as a prediction of actual results and the Company's results could differ materially from the forward-looking statements.

4.3 Documents available for inspection

For the duration of the validity of this whitepaper, copies of the following documents will be available for inspection during normal business hours on any weekday (Saturday, Sundays and public holidays excepted) at the Issuer's office at:

Registered address: UK 329-339 Putney Bridge Road, London SW15 2PG

- (i) the Articles of Association of the Issuer;
- (ii) the unaudited financial statements of 30.12.2018

4.4 Notice and information policy

According to the Articles of Association of the Issuer, notices to shareholders may validly be

- (i) sent in hard copy by post or other delivery service or
- (ii) sent in electronic form or
- (iii) made available on a website.

The Issuer publishes financial information and press releases in the electronic media on its website at www.megafanstore.com/ir.

Any notices containing or announcing amendments or changes to the terms of the offering or to this whitepaper will be announced through electronic media and, if required, published in the form intended for prospectuses, i. e. on the website of the Issuer with a printed version available at the offices of the issuer.

4.5 Offering restrictions

The securities nor the security tokens have not been and will not be registered under the US Securities Act of 1933, as amended, or with the securities regulatory authorities of any state of the United States of America and, subject to certain exceptions, may not, directly or indirectly, be offered, sold, given away, inherited or delivered in the United States of America.

This memorandum does not constitute an offer in any jurisdiction in which such offer would be unlawful. The Offer does not apply to investors to whom U.S. or Canadian tax laws apply. Persons who come into possession of this whitepaper must comply with the distribution rules applicable in their respective country.

4.6 Dividends and dividend policy

All shares will have the same dividend rights as other shares. The shares will be

entitled to dividends paid, if any, for and as from the financial year ending 31 December 2018 for which a dividend may be paid in 2018 and thereafter.

Subject to the availability of future profits, the Issuer intends to apply part of any such profits in investing in the development of its new business activities. If profits are available in the future, the Issuer intends to distribute between 45 % and 50 % of the annual net profits attributable to equity holders as dividends. However, there can be no assurance that in the future any dividends in this range or any dividend at all will be distributed or that the Issuer's dividend policy may not be changed. The Board of Directors may revisit the Issuer's dividend policy from time to time.

The declaration of future dividend payments will depend on the performance, financial position and future prospects of the Issuer and/or the Company and other relevant factors, including, cash flow, tax and other legal considerations. Further, the Issuer and/or its subsidiaries, may be restricted from paying dividends under future financing arrangements. The Issuer can provide no assurance that it will declare and pay any dividends in the future. See the section entitled "Risk factors" for a discussion of certain of the risk factors that may prevent the distribution of dividends.

Any dividends paid will not be subject to any deduction or withholding in respect of UK Tax.

4.7 Working capital statement

The Issuer is of the opinion that the Company might have has sufficient working capital for its present requirements, that is, for a period for at least 12 months following the date of this whitepaper, but due to the risks of unexpected expenses and costs as well as uncertainties in general the shareholders and prospective shareholders should not count on the company having sufficient working capital for the next 12 months.

4.8 Inception of the Company

Megafanstore Marketing Ltd. was founded in October 2016 and registered with number 08579439 in the UK Companies House. The number of shares in the foundation amounted to 0.5 million. shares with

nominal value of 0.1 Euro in 2017 and 2018 has been several financing rounds with capital increase of 120,000 shares for 1 Euro and registered in the UK Companies in 2019 there has been financings between 1 euro and 1.50 euro a share and 50,000 has been registered at Company House.

5 Description of the Issuer

5.1 Description of Issuer, share capital and shares

Set out below is certain information concerning the Issuer's share capital and brief summaries of certain significant provisions of the Articles of Association relating to the shares. This description does not purport to be complete and is qualified in its entirety by reference to statutory law and the Articles of Association in effect on the date of this whitepaper.

5.1.1 General corporate information

Name, registered office, location, incorporation and duration

Registered address:

UK 329-339 Putney Bridge Road, London SW15 2PG

System of law and legal form

The Issuer is a public limited company incorporated in England and Wales.

Purpose and activity

Although under English law a company may specify in its constitutional documents the corporate purpose of that company, it is not required to do so. In the case of the Issuer, no corporate purpose is stated in the Articles of Association.

Accounting reference date and other information from the Registrar Of Companies

The accounting reference date of the Issuer is 31 December of each year. Under current UK legislation, the Issuer is required to file its accounts with the Registrar of Companies in England and Wales by no later than six months after such date.

Options, warrants, convertible and exchangeable bonds

None.

No participation certificates and profit sharing certificates

The Issuer has not issued any non-voting equity securities, such as participation certificates or profit sharing certificates.

Own shares

As of the date hereof, neither the Issuer, nor any of its subsidiaries, hold, directly or indirectly, any of the shares of the Issuer.

Acquisition rights over authorised but unissued capital or undertaking to increase the capital of the issuer

None.

5.2 Description of the shares

5.2.1 Voting rights

The following description of the shareholders' voting rights is made subject to the provisions of the section entitled "Offering and Sale". Voting rights are exercised at a general meeting in one of two ways:

On a show of hands — subject to the restrictions that may be attached to the shares (as described under "— Restrictions On Voting Rights"):

every shareholder who is present in person shall have one vote;

(b) subject to paragraph (c), every proxy present who has been duly appointed by one or more shareholders entitled to vote on the resolution has one vote;

(c) a proxy has one vote for and one vote against the resolution if (i) the proxy has been duly appointed by more than one shareholder entitled to vote on the resolution and (ii) the proxy has been instructed by one or more of those shareholders to vote for the resolution and by one or more of those shareholders to vote against it.

On a poll — subject to the restrictions that may be attached to the shares (as described under "Restrictions on voting rights"), every shareholder present in person or by proxy shall have one vote for every share held.

The number of votes required to pass a particular resolution depends on whether the resolution is required to be passed as an ordinary resolution or special resolution: Ordinary resolutions (such as the declaration of a bonus issue or the removal of a Director) proposed at a general meeting must be approved by a simple majority (i. e. more than 50 %) of the votes cast at the shareholders' meeting, whether by a show of hands or on a poll.

Special resolutions (such as the alteration of the Articles of Association, reductions of capital or changes of name) must be passed by a three-quarters majority of the votes cast at the shareholders' meeting, whether by a show of hands or on a poll.

Restrictions on voting rights

No shareholder shall be entitled to vote in relation to its shares if all moneys presently payable by him in respect of those shares have not been paid (as at the date of the memorandum, all the shares are fully paid-up). A Shareholder holding shares in respect of which there has been a default (whether by that person or by another person whom the Board of Directors has reasonable cause to believe is interested in the shares held by that person and on whom the Board of Directors has served a section 793 notice) in providing the Issuer with the information concerning interests in those shares required to be provided under section 793 of the UK Companies Act (see section 793 notice under "— Shareholder Notification and Disclosure Requirements") shall (for so long as the information is not supplied and for up to seven days thereafter) not be entitled to vote in respect of those shares in relation to which the required information has not been supplied.

5.2.2 Restrictions on transfer of shares

There are no restrictions of transferring the shares

5.2.3 General meeting of shareholders

The following description of shareholders' meetings is subject to the provisions of the section entitled "Offering and Sale" as regards the shares held through a custodian

Notice of general meetings

Form of notices

Notice of a general meeting must be given to shareholders:

- (a) in hard copy form;
- (b) in electronic form; or
- (c) by means of a website provided that shareholders are separately notified of the publication of the notice on the website and that the separate notification specifies the place, date and time of the meeting and whether it will be an annual general meeting. If at any time the Issuer is unable effectively to convene a general meeting by notices sent through the post as a result of the suspension or curtailment of postal services in the United Kingdom, notice of a general meeting may be sufficiently given by advertisement in the United Kingdom. Any notice given by advertisement in this manner shall be advertised in at least one newspaper having a national circulation in the United Kingdom. If advertised in more than one newspaper, the advertisements shall appear on the same date. Such notice shall be deemed to have been sent to all persons who are entitled to have notice of meetings sent to them on the day when the advertisement appears. If the posting of notices to addresses throughout the United Kingdom, becomes again practicable at least seven days before the meeting, the Issuer shall send confirmatory copies of the notice by post.

Timing for notices

An annual general meeting shall be called by at least 21 clear days' notice. Subject to the provisions of the UK Companies Act, all other general meetings shall be called by at least 14 clear days' notice. Subject to the provisions of the UK Companies Act, to the provisions of the Articles and to any restrictions imposed on any shares, the notice shall be sent to all the shareholders, to each of the Directors and to the auditors.

Contents of notices

Subject to the provisions of the UK Companies Act, the notice shall specify the date, time and place of the meeting (including without limitation any satellite meeting place, which shall be identified as such in the notice) and the general nature of the business. If any resolution is to be proposed as a special resolution, the notice shall contain a statement to that effect together with the full text of the special resolution.

There should appear with reasonable prominence in every such notice a

statement that: (a) a shareholder is entitled to appoint another person as his proxy to exercise all or any of his rights to attend, speak and vote at the general meeting and may appoint more than one proxy in relation to a meeting provided that each proxy is appointed to exercise rights attaching to a different share or different shares held by him; and (b) a proxy need not be a shareholder of the Issuer.

Power to call a general meeting

The Board may call general meetings whenever and at such times and places as it shall determine. On the requisition of shareholders pursuant to the provisions of the UK Companies Act, the Board of Directors shall convene a general meeting in accordance with the requirements of the UK Companies Act.

Ability to requisition meetings and propose resolutions

Shareholders representing at least 5 % of the paid up share capital of the Issuer carrying the right to vote (excluding any paid up capital held as treasury shares) may require the Directors to call a general meeting. Any such request must state the general nature of the business to be dealt with at the meeting and may include the text of a resolution that may be properly moved and is intended to be moved at the meeting. In relation to the Issuer's annual general meeting, shareholders may require the Issuer to give notice of a resolution which may properly be moved and is intended to be moved at that meeting if they satisfy either of the following tests:

(a) they are shareholders representing at least 5 % of the total voting rights of all shareholders who have a right to vote on the resolution at the annual general meeting to which the requests relate (excluding any voting rights attached to any shares held as treasury shares); or

(b) they comprise at least 100 shareholders who have a right to vote on the resolution at the annual general meeting to which the requests relate and who hold shares on which there has been paid up an average sum, per Shareholder, of at least EUR 100.

The shareholders' request must be received by the Issuer not later than six weeks before the annual general meeting to which the request relates or, if later, the time at which notice is given of that meeting.

A resolution may be properly moved at a general meeting unless it would, if passed, be ineffective (whether by reason of inconsistency with any enactment or the Issuer's constitution or otherwise), it is defamatory of any person or it is frivolous or vexatious.

Attendance at meetings

The Board of Directors may resolve to enable persons entitled to attend a general meeting to do so by simultaneous attendance and participation at a satellite meeting place anywhere in the world. The shareholders present in person or by proxy at satellite meeting places shall be counted in the quorum for, and entitled to vote at, the general meeting in question, and that meeting shall be duly constituted and its proceedings valid if the chairman of the general meeting is satisfied that adequate facilities are available throughout the general meeting to ensure that shareholders attending at all the meeting places are able to:

- (a) participate in the business for which the meeting has been convened;
- (b) hear and see all persons who speak (whether by the use of microphones, loudspeakers, audio-visual communications equipment or otherwise) in the principal meeting place and any satellite meeting place; and
- (c) be heard and seen by all other persons so present in the same way.

The chairman of the general meeting shall be present at, and the meeting shall be deemed to take place at, the principal meeting place.

The Board of Directors may make arrangements for persons entitled to attend a general meeting or an adjourned general meeting to be able to view and hear the proceedings of the general meeting or adjourned general meeting and to speak at the meeting (whether by the use of microphones, loudspeakers, audio-visual communications equipment or otherwise) by attending at a venue anywhere in the world not being a satellite meeting place. Those attending at any such venue shall not be regarded as present at the general meeting or adjourned general meeting and shall not be entitled to vote at the meeting at or from that venue. The inability for any reason of any shareholder present in person or by proxy at such a venue to view or hear all or any of the proceedings of the meeting or to speak at the meeting shall not in any way affect the validity of the proceedings of the meeting.

The Board of Directors may from time to time make any arrangements for controlling the level of attendance at any venue (including without limitation the issue of tickets or the imposition of some other means of selection) as it in its absolute discretion considers appropriate, and may from time to time change those arrangements. If a shareholder, pursuant to those arrangements, is not entitled to attend in person or by proxy at a particular venue, he shall be entitled to attend in person or by proxy at any other venue for which arrangements have been made. The entitlement of any shareholder to be present at such venue in person or by proxy shall be subject to any such arrangement then in force and stated by the notice of meeting or adjourned meeting to apply to the meeting.

The right of a shareholder to participate in the business of any general meeting shall include without limitation the right to speak, vote on a show of hands, vote on a poll, be represented by a proxy in relation to any of such rights, and have access to all documents which are required by the UK Companies Act or the Articles to be made available at the meeting. A Director shall, notwithstanding that he is not a shareholder, be entitled to attend and speak at any general meeting and at any separate meeting of the holders of any class of shares in the capital of the Issuer. The chairman may invite any person to attend and speak at any general meeting of the Issuer if he considers that such person has the appropriate knowledge or experience of the Issuer's business to assist in the deliberations of the meeting.

Shareholders' inspection rights

The following description of the shareholders' inspection rights is subject to the provisions of the section entitled "Offering and Sale". A shareholder may pursuant to and subject to the conditions set out in the UK Companies Act, inspect certain of the Issuer's records, including (among other things) minutes of general meetings of the Issuer, copies of all resolutions of the Issuer passed otherwise than at general meetings, the Issuer's register of shareholders and certain other statutory registers and copies of directors' service contracts. These records are available for inspection at the Issuer's registered office for at least two hours between the hours of 9.00 a.m. and 5.00 p.m. on each working day. Otherwise, no Shareholder shall (as such) have any right of inspecting any accounting records or books or documents of the Issuer except as conferred by UK law or authorised by Directors or an ordinary resolution of the Issuer.

Shareholders' right to bring derivative actions

The following description of the shareholders' right to bring derivative actions is subject to the provisions of the section entitled "Offering and Sale".

Under the UK Companies Act, an individual shareholder may bring an action in the shareholder's name, for the benefit of the Issuer, where the wrong complained of is in respect of any actual or proposed act or omission involving negligence, default, breach of duty or breach of trust by a Director. A shareholder must obtain the consent of the court to bring such an action and any damages awarded in respect of such an action may only be awarded to the Issuer.

The Board of Directors may, if authorised by an ordinary resolution of the shareholders of the Issuer, offer any shareholder the right to elect to receive shares by way of scrip dividend instead of cash in respect of the whole (or some part, to be determined by the Board of Directors) of any dividend. Any dividend which has remained unclaimed for 12 years from the date when it became due for payment shall, if the Board of Directors so resolves, be forfeited and cease to remain owing by the Issuer.

5.2.4 Ordinary capital increase

Based on the resolution at an extraordinary shareholder meeting at 15 October 2017 where the company is allowed to issue additional 5 million shares in the following 5 years. The Company may offer consists of an public offering of the offered shares in the Federal Republic of Denmark, Germany, the United Kingdom, Austria and Switzerland as well as private placements of the offered shares in certain jurisdictions outside Germany, the United Kingdom, Austria and Switzerland to selected institutional investors. All offers and sales will be made in reliance on Regulation S under the US Securities Act.

5.2.5 Repurchase of own shares

Subject to the provisions of the UK Companies Act, and without prejudice to any rights attaching to any existing shares or class of shares:

- Shares may be issued that are to be redeemed or which at the option of the Issuer or the holder are liable to be redeemed, on such terms and in such manner as may be provided by the Board of Directors; and
- the Issuer may purchase any of its own shares of any class at any price (whether at par or above or below par) and such purchase can be financed

entirely from distributable profits or from the proceeds of a fresh issue of shares made for the purpose of financing the purchase.

Notices

The following description of notices under the UK Companies Act and the Articles of Association is made subject to the disclosures made under the section entitled "Offering and Sale".

According to the Articles and subject to the UK Companies Act, notices to shareholders may validly be

- (i) sent in hard copy by post or other delivery service or
- (ii) sent in electronic form, to such address (if any) for the time being notified for that purpose to the person sending the notice by or on behalf of the person to whom the notice is sent or
- (iii) by making them available on a website.

A shareholder whose registered address is not within the United Kingdom and who sends to the Issuer

- (i) an address within the United Kingdom at which a notice or other document may be sent to him in hard copy form or
- (ii) an address to which a notice or other document may be sent in electronic form, shall (provided that, in the case of electronic form, the Issuer so agrees) be entitled to have notices or other documents sent to him at that address but otherwise:
 - (a) no such shareholder shall be entitled to receive any notice or other document from the Issuer; and
 - (b) without prejudice to the generality of the foregoing, any notice of a general meeting of the Issuer which is in fact sent or purports to be sent to such shareholder shall be ignored for the purpose of determining the validity of the proceedings at such general meeting.

5.2.6 Liquidation

Except as provided by the rights and restrictions attached to any class of shares, the holders of the shares will under general law be entitled to share in any surplus assets in a winding up in proportion to their shareholdings. The Board of Directors shall have power in the name and on behalf of the Issuer to present a petition to the court for the Issuer to be wound up. If the Issuer is wound up, a liquidator may, with the sanction of a special resolution and any other sanction

required by the UK Insolvency Act 1986, divide among the shareholders in specie the whole or any part of the assets of the Issuer and may, for that purpose, value any assets and determine how the division shall be carried out as between the shareholders or different classes of shareholders.

5.2.7 Squeeze-out

Under the UK Companies Act, an offeror in respect of a “takeover offer” (as defined in section 974 of the UK Companies Act) for the Issuer has the right to buy out minority shareholders where he has acquired (or unconditionally contracted to acquire) not less than 90 % in value of the shares to which the offer relates and not less than 90 % of the voting rights carried by those shares. The offeror’s notice to acquire shares from minority shareholders must be given within three months of the last day on which the offer can be accepted. The squeeze-out of minority shareholders is completed at the end of six weeks from the date of the notice. The consideration offered to the shareholders whose shares are acquired compulsorily under the UK Companies Act must, in general, be the same as the consideration that was available under the takeover offer.

Ability of minority shareholders to require an offeror to purchase their shares

In addition, where there has been a takeover offer for all the shares in the Issuer, minority shareholders who hold shares to which the offer relates and who have not accepted the offer can require the offeror to purchase those shares provided that at any time before the end of the period within which the offer can be accepted, the offeror has acquired (or has unconditionally contracted to acquire) not less than 90 % in value of all voting shares in the Issuer, which carry not less than 90 % of the voting rights. An offeror must give the remaining shareholders notice of their right to be bought out within one month of that right arising. The offeror may impose a time limit on the rights of minority shareholders to be bought out, but that period cannot end less than three months after the end of the acceptance period or, if later, three months from the date on which notice is served on shareholders notifying them of their rights to be bought out. If a shareholder exercises his/her rights, the offeror is entitled and bound to acquire those shares on the terms of the offer or on such other terms as may be agreed.

5.2.8 Offering and sale of shares in the future

The future offering may consist of (i) a public offering in Germany, the United

Kingdom, Austria and Switzerland and (ii) a private placement of the offered shares in certain jurisdictions outside Germany, the United Kingdom, Austria and Switzerland to selected institutional investors. All offers and sales will be made in reliance on Regulation S under the US Securities Act. Shareholders, investors and depository banks should advise themselves of applicable laws and regulations relating to the offer and purchase of the offered shares.. The offered shares have not been and will not be registered under the US Securities Act, or under the securities laws of any state of the United States and, accordingly, they may not be offered, sold, resold, granted, delivered, allotted, taken up, or transferred in the United States (as defined in Regulation S), except pursuant to an exemption from the registration requirements of the US Securities Act.

5.2.9 Market making

The Issuer may in the future engage an investment bank or trading firm as a market maker on an ongoing basis in order to help in improving liquidity and reducing the potential spread between prices offered for the purchase and prices offered for the sale of shares. However, there is no assurance that the Issuer will engage such market maker nor that such engagement would have such effects.

5.3 Board of Directors

The business of the Issuer shall be managed and conducted by the Board of Directors, which may exercise all the powers of the Issuer that are not required to be exercised by the shareholders, subject always to the provisions of the Articles of Association of the Issuer and the UK Companies Act. The Board of Directors is ultimately responsible for managing the Issuer and has both supervisory and executive functions, including formulating, reviewing and approving the Issuer's strategy, budgets and corporate actions. The Board of Directors meets as often as business requires but not less than six times a year.

1. Andreas Schmidt , Berlin born 4 July 1967
Mr. Schmidt has 30 years' experience in financial markets and building up companies, especially in the area of marketing and advertising.
2. Dipl.-Ing. Uwe Waldenmeyer – BOD – is one of the pioneers in the field of distribution of merchandising articles (B2B and B2C) in Germany. His many

years of professional experience form the basis for a significant network in the entire industry, in particular to football clubs, sponsors or major manufacturers of sporting goods. These include baseball, football and basketball clubs from the United States.

Conflicts of interest and other statements

In 2018 and 2019, the Company's operations were conducted primarily through the online store licensed to Zeo Trade & Development Ltd. In addition, until 30 June 2019, the operational activities and financings of a clearing account held by Zeo Trade & Development Ltd. were largely settled. Andreas Schmidt, the director of Megafanstore Marketing Ltd., is also the sole director of Zeo Trade & Development Ltd.

Number, appointment and retirement of Directors

Unless otherwise determined by an ordinary resolution of the shareholders, the number of Directors shall be not more than ten and not less than two.

Directors may be appointed by an ordinary resolution of shareholders of the Issuer. In addition, the Board of Directors may appoint a Director either to fill a vacancy or as an additional Director and in either case whether or not for a fixed term. Any Director appointed other than at an annual general meeting of the shareholders shall hold office only until the next following annual general meeting of the shareholders. If not re-appointed at such meeting, such a Director shall vacate office at its conclusion. Each Director must apply for reappointment (if he wishes to be reappointed) every third annual general meeting of the shareholders following his previous reappointment. A Director shall not be required to hold shares in the capital of the Issuer.

Remuneration

The emoluments of any Director holding executive office for his services as such shall be determined by the Board of Directors. The total remuneration of the Directors who do not hold executive office for their services as Directors (excluding amounts payable under any other provision of the Articles) shall be determined from time to time by the Directors except that such remuneration shall not exceed in aggregate EUR 60,000 per annum or such higher amount as the Issuer may from time to time by ordinary resolution determine.

In addition, the Directors may be paid all travel, hotel and other expenses

properly incurred by them in connection with their attendance at meetings of the Board of Directors or any committee of the Board of Directors, general meetings or separate meetings of the holders of any class of shares or of debentures of the Issuer or otherwise in obtaining professional advice in connection with the affairs of the Issuer or the discharge of their duties as directors. The Board of Directors may provide benefits, whether by the payment of gratuities or pensions or by insurance or otherwise, for any past or present Director or employee of the Issuer or any of its subsidiary undertakings or anybody corporate associated with, or any business acquired by any of them, and for any member of his family or any person who is or was dependent on him.

Disqualification and removal of Directors

The office of a Director shall be vacated if:

- (a) he ceases to be a director by virtue of any provisions of the UK Companies Act or the Articles or he becomes prohibited by law from being a director; or
- (b) he has a bankruptcy order made against him or makes any arrangement or composition with his creditors generally or applies to the court for an interim order under section 253 of the UK Insolvency Act 1986 in connection with a voluntary arrangement under that Act; or
- (c) a registered medical practitioner who is treating him gives a written opinion to the Issuer stating that he has become physically or mentally incapable of acting as a Director and may remain so for more than three months; or
- (d) by reason of his mental health, a court makes an order which wholly or partly prevents him from personally exercising any powers or rights which he would otherwise have; or
- (e) he resigns his office by notice to the Issuer or, having been appointed for a fixed term, the term expires or his office as a Director is otherwise vacated; or
- (f) he has been absent from meetings of the Board for more than six consecutive months without permission of the Board and his alternate director (if any) has not attended in his place during that period and the Board resolves that his office be vacated; or
- (g) he is requested to resign in writing by not less than three quarters of the other Directors. A Director may also, in the manner set out in the UK Companies Act, be removed from office by an ordinary resolution of the Issuer's shareholders notwithstanding any provision of the Articles or the terms of any agreement between such Director and the Issuer (but without prejudice to any claim he may have for damages for breach of any such agreement)

Votes

Questions arising at a meeting of the Board of Directors shall be decided by a majority of votes. In the case of an equality of votes, the Chairman will not have a second or casting vote.

Conflicts of interest

A Director shall not be counted in the quorum of or vote at a meeting of the Board of Directors or a committee of the Board of Directors on any resolution of the Board of Directors concerning a matter in which he has an interest (other than by virtue of his interests in shares or debentures or other securities of, or otherwise in or through, the Issuer) which can reasonably be regarded as likely to give rise to a conflict with the interests of the Issuer unless his interest arises only because the resolution concerns one or more of the following matters:

- (a) the giving of a guarantee, security or indemnity in respect of money lent or obligations incurred by him or any other person at the request of or for the benefit of, the Issuer or any of its subsidiary undertakings;
- (b) the giving of a guarantee, security or indemnity in respect of a debt or obligation of the Issuer or any of its subsidiary undertakings for which the Director has assumed responsibility (in whole or part and whether alone or jointly with others) under a guarantee or indemnity or by the giving of security;
- (c) a contract, arrangement, transaction or proposal concerning an offer of shares, debentures or other securities of the Issuer or any of its subsidiary undertakings for subscription or purchase, in which offer he is or may be entitled to participate as a holder of securities or in the underwriting or sub-underwriting of which he is to participate;
- (d) a contract, arrangement, transaction or proposal concerning any other body corporate in which he or any person connected with him is interested, directly or indirectly, and whether as an officer, shareholder, creditor or otherwise, if he and any persons connected with him do not to his knowledge hold an interest (as that term is used in sections 820 to 825 of the UK Companies Act) representing one per cent or more of either any class of the equity share capital of such body corporate (or any other body corporate through which his interest is derived) or of the voting rights available to shareholders of the relevant body corporate (any such interest being deemed for the purpose of the Articles to be likely to give rise to a conflict with the interests of the Issuer in all circumstances);
- (e) a contract, arrangement, transaction or proposal for the benefit of

employees or former employees of the Issuer or of any of its subsidiary undertakings which does not award him any privilege or benefit not generally accorded to the employees or former employees to whom the arrangement relates;

(f) a contract, arrangement, transaction or proposal concerning any insurance which the Issuer is empowered to purchase or maintain for, or for the benefit of, any Directors of the Issuer or for persons who include Directors of the Issuer;

(g) to the extent permitted by the UK Companies Act, the giving of indemnities in favour of Directors;

(h) to the extent permitted by the UK Companies Act, the funding of expenditure by any Director or Directors on

(i) defending criminal, civil or regulatory proceedings or actions against him or them,

(ii) in connection with an application to the court for relief, or

(iii) defending him or them in any regulatory investigations;

(i) to the extent permitted by the UK Companies Act, doing anything to enable any Director or Directors to avoid incurring expenditure as described in (h); and

(j) a transaction with another member of the Company.

Power to authorise conflicts of interest

The Board of Directors shall have the power under section 175 of the UK Companies Act to authorise any matter which would or might otherwise constitute or give rise to a breach of the duty of a Director under that section to avoid a situation in which he has, or can have, a direct or indirect interest that conflicts, or possibly may conflict, with the interests of the Issuer. Any authorisation of a matter under the Articles shall extend to any actual or potential conflict of interest which may reasonably be expected to arise out of the matter so authorised.

Any authorisation of a matter under the Articles shall be subject to such conditions or limitations as the Directors may determine, whether at the time such authorisation is given or subsequently and may be terminated by the Directors at any time. A Director shall comply with any obligations imposed on him by the Board of Directors pursuant to any such authorisation. For the purposes of section 175 of the UK Companies Act, a Director is authorised by the Articles to be an officer or employee of or hold shares or other securities in any member of the Company.

5.4 Related party transactions

Transactions with Directors

The Directors get a payment up to 50,000 Euro a year. There has been no other significant transaction to related parties.

Share Capital

The share capital is 731,200 allotted shares

Token symbol at Stellar blockchain: MEGA

5.5 Past offerings of shares /offering restrictions

There have been official public offerings of shares of Megafanstore Marketing Ltd in the years 2017, 2018 and 2019 which have been and are in accordance with the regulations of German securities commission.

The company is allowed by German regulator “Bafin “to sell the for the value of below 100,000 Euro in an official private placement to retail shareholders in Germany a year. The public offer relates to a volume of less than 100,000 euros a year and is not subject to the prospectus requirement.

Family & Friends

In addition to the public capital increase, further capital increase has been offered to existing shareholders as part of a Family & Friends program at a discounted price. The Family & Friends program is aimed exclusively at shareholders of Megafanstore Ltd. and thus to a group of less than 149 persons and is thus exempted from the prospectus obligation.

Prospective investors in the offered shares must familiarise themselves and comply with all applicable laws and regulations relating to the offer, sale, and transfer of the offered shares.

Offer Restrictions

The shares (security tokens) have not been and will not be registered under the US Securities Act of 1933, as amended, or with the securities regulatory authorities of any state of the United States of America and, subject to certain exceptions, may not, directly or indirectly, be offered, sold, given away, inherited or delivered in the United States of America. This whitepaper does not

constitute an offer in any jurisdiction in which such offer would be unlawful. The offer does not apply to investors to whom U.S. or Canadian tax laws apply. Persons who come into possession of this whitepaper must comply with the distribution rules applicable in their respective country. Anyone wishing to subscribe to the blockshares and receive Megafan tokens -

6 Megafanstore Marketing Ltd. business strategy / market

6.1 Global merchandising market for sports

According to the report of Zion Market Research, the global licensed sports merchandise market was valued at around USD 31,2 billion in 2017 and is expected to reach approximately USD 48,7 billion. By 2024 sports licensing is one of the fastest growing categories, worldwide. The rise in the number of sports leagues may help growth in licensed sports merchandise industry. Moreover, sports merchandise also help with marketing.

The global licensed sports merchandise market can be segmented on the basis of product category, distribution channel, and price range. The product category includes apparel and footwear, accessories and gifts, toys and games, and others. Apparel and footwear held significantly the largest share among all others. In terms of the distribution channel, the licensed sports merchandise market is classified into e-commerce or online stores, offline stores, department stores, specialty stores, and others. Offline stores include mass stores, supermarkets, etc. Consumers most possibly select offline stores sector for purchasing licensed sports goods. Growing awareness about e-commerce and online sales also sets a notable impact on licensed sports merchandise market. By pricing, the global licensed sports merchandise market is segmented into premium price range and economic price range.

6.2 Global market for 3 D printing / figurines / avatars

According to the new research report "3D Printing Market by Offering (Printer, Material, Software, Service), Process (Binder Jetting, Direct Energy Deposition, Material Extrusion, Material Jetting, Powder Bed Fusion), Application, Vertical,

Technology, and Geography - Global Forecast to 2024", the overall 3D printing market is expected to grow from USD 9.9 billion in 2018 to USD 34.8 billion by 2024, at a CAGR of 23.25 %. The ease in the development of customised products, reduction in manufacturing cost and process downtime, government investments in 3D printing projects, and development of new industrial-grade 3D printing materials are the key factors driving the growth of this market. The printing and scanning of humans is a part of this market and will probably grow faster than the whole market.

6.2.1 Global market for avatars and Virtual Reality

Out of the 3D printing market the market for avatars and Virtual Reality will rise. Photorealistic 3D avatars will bring a significant change to the economy. A multi USD billion market will emerge.

Photorealistic full-body scans can be used in the near future, in e-commerce applications, for fitting or ordering exact clothing sizes; consumers can track muscle development from fitness training. Facebook already started to implement 3D posts. Facebook brings AR and VR together with this new feature. Audiences can interact with and explore visual details of 3D images, objects, and videos directly in their news feeds. Users can drag and drop 3D objects and images into their news feeds by uploading an industry standard glTF 2.0 image from a 3D Scanner or a 3D app.

Facebook 3D posts were first announced at the Facebook F8 Conference in May 2018, with a full rollout in summer 2018. Right now, they're only available for organic posting, but it's an exciting step for the use of 3D in advertising. The Facebook algorithm also prioritises content that encourages active and meaningful interaction among users, rather than passive scrolling. 3D posts are more interactive than other types of Facebook content because users can play and engage with these objects in their feeds. Following its recent support of 3D file formats allowing for 3D posts, Facebook Spaces is Facebook's new virtual reality (VR) environment in which people can interact with their friends face to face – or avatar to avatar, at least.

The Virtual Reality (VR) market is still in development, but is speeding up: Facebook started already and other operating system providers such as Apple and Microsoft are integrating AR (Augmented Reality) and VR features into their

systems. Additional VR glasses are becoming more powerful, lighter and cheaper.

6.3 Business strategy Megafanstore

Megafanstore focuses on the distribution of fan merchandise by sports teams, in particular football. Megafanstore operates the online platform www.megafanstore.com and a B2B shop on the leading European marketplace. The products are also offered globally via Amazon. Due to the structure of the Megafanstore, the total amount of fixed costs remains relatively low. Megafanstore is additionally active in the field of 3D characters, 3D avatars and 3D Mini-movies. Another important business area is the e-sports sector.

6.3.1 Strategy in the field of fan products (merchandising products)

Fan culture is a mass phenomenon in the whole world. Football, but also sports like basketball or football in the US, inspire millions of fans. Meanwhile, a real competition has emerged among the supporters of clubs that show a certain choreography and clothing.

Coveted fan souvenirs include jerseys, scarves and flags as well as cups, mobile phone shells, bed linen and miniature stadiums or trophies.

With The Great Branding, the exclusive licence partner of UEFA, Megafanstore Ltd. Contractually a far-reaching cooperation fixed. Great Branding has been a UEFA official partner for 17 years and produces official licensed products for more than 100 football clubs.

With its three Champions League, European Championship and Europa League competitions, UEFA has nearly 2 billion followers worldwide, more than NFL, NHL and NBA combined. For the supply of exclusive distribution partners for the US and China, Megafanstore will receive a compensation of the turnover per year, which will be generated from the proceeds of the entire Champions League edition in these countries. Megafanstore additionally acts as a reseller in online markets for the official UCL Champions League products.

Based on the existing online-store www.megafanstore.com Megafanstore will build up a multi-channel B2C selling structure as well as sophisticated marketing online-marketing structure and social media marketing.

6.3.2 Strategy in the field of 3D figurines

Crowning a fan's existence is the possession of an own 3D miniature sculpture with the cup in hand. A lifelike clone of one's own person. Megafanstore will market the 3D Minifan (www.3dminifan.de): Football fans have the opportunity to create a 3D sculpture of themselves with a trophy or a club symbol (e. g. a trident) in 20 to 35 cm height, The price range for the offer will be around 250 to 600 euros. There is an exclusive deal with the 3DyourBody GmbH: Megafanstore leads through the marketing of the 8 locations in Germany customers. And build up new stores in cooperation in UK and USA.

Market advantages

The 3DyourBody GmbH from Berlin has a leading technology in the field of 3D scans, in the production of 3D figures and digital avatars. In addition, the 3DyourBody GmbH is already represented with her own stores in cities, for example in Hamburg, Cologne, Berlin, Dresden and Munich. Additional locations will open during this and next year.

6.3.3 3D avatars and 3D Mini-movies

As an additional business to the 3D characters, the creation of avatars based on the body scans and the creation of 3D Mini-movies are offered. The fan becomes a star and receives a virtual 3D role in a movie, be it in a movie with a scene in the football stadium with his favourite star or in a Hollywood blockbuster, the topics are virtually unlimited. The Megafanstore Marketing Ltd. develops in cooperation with Mediagant Entertainment a comprehensive short film database for the implementation of 3D avatars in order to create offers in this area. In addition to the free "Easy Minimovies" are various paid Mini-movies with different sound and special effects, each using an individual 3D Minifan avatar in preparation. Depending on the football fan certain scenarios can be chosen as background, for example, the stadium or fans of Old Trafford in Manchester or the fans and the Commerzbank Arena of Eintracht Frankfurt.

3D avatar for gaming

The scanned body data allows you to create virtual avatars – giving gamers the ability to create their own avatar in games and apps to upload and integrate. For example, football simulations from EA Sports have more than 100 million participating players in front of the screens worldwide. Many clubs, such as Schalke 04, have their own departments for e-sports launched.

6.4 Market entry UK

3D Minifan Flagship stores London – Megafanstore Marketing Ltd. begins offering the 3D Minifan in the Copper Box at Olympic Playground in cooperation with the London Lions Basket Ball Club and 3DyourBody. This has the advantage of sharing the cost of the store and ensuring smooth operation. In addition, 3DyourBody – the largest market for 3D characters currently in partnership and family – generates customers for 3D Minifans from the ongoing business and base marketing. In Manchester, due to its extraordinary affinity for football, there is likely to be a great deal of interest in 3D Minifans. It is home to two of the best and most traditional football clubs in the UK, as well as the National Football Museum with over 0.5 million football fans per year from around the world.

The Great Branding will use the flagship store as a showroom to show the scanners and products to all Premier League clubs. Accordingly, we expect a high number of produced 3D Minifans and 3D Mini-movies.

6.5 Fitness and bodybuilding market entry USA

Megafanstore Marketing Ltd. has begun preparations for entering the US market. The first step is to start the activities under the label 3D Bodycheck. The 3D scanning technology is particularly suitable for use by bodybuilders and professional athletes: The data obtained with laser technology are interesting for prevention, rehabilitation and muscle building, since the raw 3D avatar all muscle data can be specified to within 0.1 mm.

Training successes can thus be measured and documented accurately. Especially professional sports clubs who want to monitor their athletes can take advantage of the technology. It is intended to start in cooperation with a large bodybuilding studio. The raw scans can be used without variable costs. In addition, part of the scan customers will upgrade to 3D figures or avatars and/or 3D movies.

6.5.1 Fitness edition for the US market

It is intended, according to the same pattern as with the Champions League, to win branding partners for a very detailed fitness edition, i. e. especially large fitness chains with 1 million members. This is achieved in the context of the USA business in connection with the 3D Bodycheck. From this business, risk-free

earnings should then also flow to Megafanstore, for example, 5% of the turnover of all fitness items ordered by a fitness company.

6.6 Significant contracts and cooperations

- Agreement with The Great Branding on distribution of the UEFA Champions League collection in the USA and China
- Agreement with The Great Branding as a reseller of the UEFA Champions League collection
- Cooperation with The Great Branding as an agent for merchandising products
- Exclusive agreement for the marketing of the 3D Minifan with 3Dyour Body GmbH
- Agreement on the construction of the 3D business in the USA and Great Britain with 3DyourBody GmbH in Berlin
- Cooperation agreement with bet-at-home.com AG for the brokerage of betting customers

6.7 Management team advisors

Andreas Schmidt, Berlin – BOD and CEO

has been working in the business and financial publications since 1990. He was amongst others Columnist at Forbes magazine and in 1990 the youngest director of a publicly-listed company in Germany. He has a worldwide network in the financial industry – investors, funds, newsletters, websites, business magazines and newspapers.

Especially in the financial centres of Frankfurt, New York, London, Vancouver and Toronto there are excellent, long-term business relationships in the financial and media industry.

Dipl.-Ing. Uwe Waldenmeyer – BOD

is one of the pioneers in the field of distribution of merchandising articles (B2B and B2C) in Germany. His many years of professional experience form the basis for a significant network in the entire industry, in particular to football clubs, sponsors or major manufacturers of sporting goods. These include baseball, football and basketball clubs from the United States.

Steve Vestergaard – Advisor

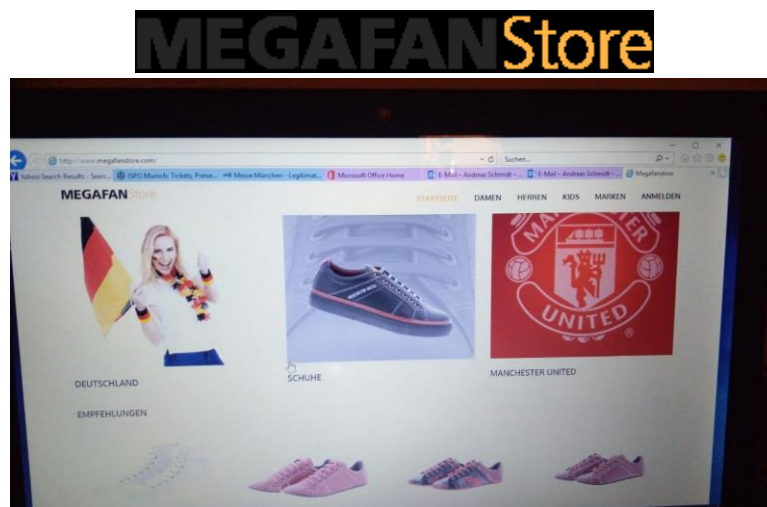
has developed 10 sports simulations in his role as game developer for Electronic Arts (EA Sports) and is a global leader in sports simulation games, game development, watermark and IT security. He has been involved in software development for 35 years and has drastically reduced the spread of illegal MP3 downloads through encryption technology for the music industry, which now has a monopoly position. He has more than 30 global patents for IT security and crypto and watermark technology. Steve Vestergaard advises Megafanstore especially in the strategic area of e-sports in connection with the 3D avatars.

6.8 Roadmap Megafanstore Marketing Ltd.

2016 / Jun. Start of sale Germany Fan Sneaker (EM 2016)



2016 / Oct. Online-Shop www.megafanstore.com established +
Founding Megafanstore Marketing Ltd.



2017 / Mar. Sale of Fan Sneaker Manchester United



2018 / Jan.

Cooperation 3DyourBody GmbH / 3D figurines

2018 / Feb.

First 3D figurines with Football fans produced



2018/ Jun.

Start of sale Germany Fan Shirt (WM 2018)



2018 / Jul.

Demo version of 3D Mini-movie „Make the fan to the star“ was launched



2018 / Sept. Cooperation with The Great Branding was signed

GREAT BRANDING

2018 / Oct. Launch of website 3D Minifan



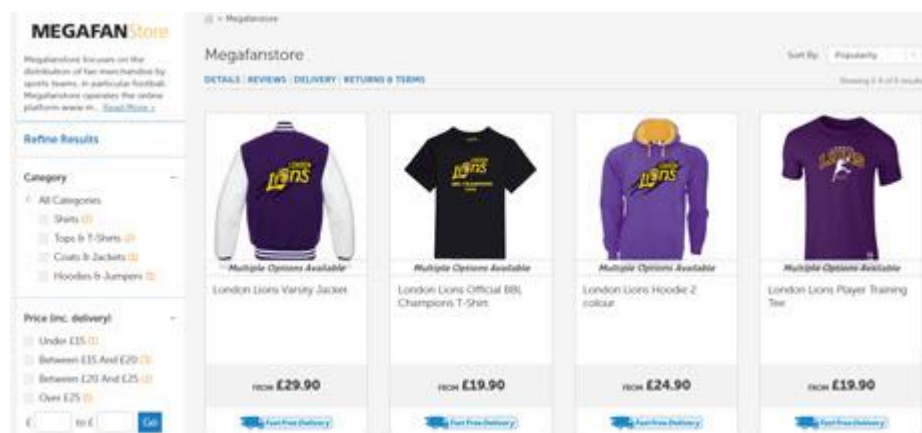
2019 / Jan. 3D Minifan avatar first published in Facebook

2019 / Feb. First UEFA Champions League merchandising products in online-store



2019 / Sept. First draft of cooperation with Chinese partners to install UEFA branded stores in China

2019 / Oct Start of UK online-shop at www.onbuy.com



2019 / Oct. First draft Capsule Collection of UCL Designs for the Chinese Market





- 2019 / Nov. First 3D Minifan store in Munich
(50 % participation with 3DyourBody GmbH)
- 2019 / Nov. Start of marketing of 3D Minifan in Germany
(6 locations at 3DyourBody stores)
- 2020 / Feb. Start of China retail stores with UEFA and Chinese
Partners "Home of Football"



- 2020 / q1 Increase online offer in Megafanstore.com online-shop
with UEFA and other sports club merchandising products
- 2020 / q1-q2 Start with 3D Minifan and scanners in UK +
Start UEFA Fan Store „Home of Football „ in UK
- 2020 / q2 Draft version of 3D Virtual World to use avatars +

advanced version of 3D Mini-movies

2020 / q2

Listing on regulated exchange and regulator approved securities prospectus

2020 / q3-q4

Increase scan station to 5 in UK +
Start scan station in US (3D Bodycheck) in Fitness Studios

2020 /q4

Start with Crypto sport betting exchange
in cooperation with GMEX Technologies



2021

Increase scan stations to 30 in cooperation with
sports clubs/fitness studios in Europe/USA

2021

Fancoin Crypto Currency as payment system for 3D Worlds

2021

Roll-out first version of Virtual 3D World for Football fans

2022

Roll-out first version of Virtual 3D World “Muscle Beach”

Business plan for the next 5 years in million of euros:

	Total revenue	variable cost	fixed cost	earning
2020	1	0.75	0.25	0
2021	3	2.1	0.4	0.5
2022	5	3.2	0.8	1.0
2023	10	6.0	1.5	2.5
2024	20	12.0	2.5	5.5

7 Taxes

7.1 Tax liability in Germany

Shareholders are subject to taxation, in particular in connection with the holding of shares (taxation of dividends), the sale of shares and the sale of subscription rights (taxation of capital gains) as well as the free transfer of shares and subscription rights (inheritance and gift tax).

7.2 Taxation of dividend payments

The Company is required to withhold dividends from withholding tax of 25% and a solidarity surcharge of 5.5 % (total 26.375 %) and withholding tax on capital gains tax. Retention and payment of capital gains tax are basically independent of the amount of the dividend payment to the shareholder for tax purposes.

7.3 Taxes on capital gains

Gains on the sale of shares are subject to taxation at the standard rate of 25 % (plus solidarity surcharge and, if applicable, church tax). Losses may only be offset by gains on the sale of shares / subscription rights in the current or a later year. The cost deduction is excluded, only the saver lump sum amounting to EUR 801.00 (EUR 1,602.00 for jointly assessed spouses), which applies to the total income from capital assets, is available.

8 Financial statements

Financial statement for the 12-month period, ended 31 December 2017 / 2018.

9 Definitions and glossary

The following definitions apply throughout this document, unless the context otherwise requires:

“Articles”	the articles of association of the Company from time to time
“Board” or “Directors”	the board of directors of the Company
“Company or Megafanstore”	Megafanstore Marketing Ltd. UK
“EEA”	European Economic Area
“EU”	the European Union
“FSA”	the Financial Services Authority
“FSMA”	the Financial Services and Markets Act 2000 (as amended)
“Issuer”	The Company as the issuer of the whitepaper
“Ordinary Shares”	the additional Shares of the Over-Allotment Shareholder that may be offered in the Offering under the Over-Allotment Option provided for by the Underwriting Agreement
“Over-allotment Shareholders”	the ordinary shares of 0.001 euro each in the capital of the Company
“Prospectus Rules”	the rules made for the purposes of Part X of FSMA in relation to offers of securities to the public and admission of securities to trading on regulated markets

“Shareholders”

the holders of Ordinary Shares

“UK”

the United Kingdom of Great Britain and Northern Ireland

“UK GAAP”

accounting principles generally accepted in the UK

Micro-entity Balance Sheet as at 31 December 2018

	Notes	31/12/2018	31/10/2017
		€	€
Fixed Assets		56,180	26,180
Current Assets		16,920	8,820
Creditors: amounts falling due within one year		(3,000)	-
Net current assets (liabilities)		<u>13,920</u>	<u>8,820</u>
Total assets less current liabilities		<u>70,100</u>	<u>35,000</u>
Total net assets (liabilities)		<u>70,100</u>	<u>35,000</u>
Capital and reserves		<u>70,100</u>	<u>35,000</u>

- For the year ending 31 December 2018 the company was entitled to exemption under section 477 of the Companies Act 2006 relating to small companies.
- The members have not required the company to obtain an audit in accordance with section 476 of the Companies Act 2006.
- The directors acknowledge their responsibilities for complying with the requirements of the Companies Act 2006 with respect to accounting records and the preparation of accounts.
- The accounts have been prepared in accordance with the micro-entity provisions and delivered in accordance with the provisions applicable to companies subject to the small companies regime.

Approved by the Board on 30 September 2019

And signed on their behalf by:

Andreas SCHMIDT, Director

This document was delivered using electronic communications and authenticated in accordance with the registrar's rules relating to electronic form, authentication and manner of delivery under section 1072 of the Companies Act 2006.

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