



Offering document

Version:

1.2.

Author:

KEEPP AS(Latvia)

Purpose:

Informative document for investors regarding the public offer of KEEPP AS Class B shares

Expanded:

on 20 January 2021, at the request of the investors, affecting the following items:

- More detail about the price breakdown (10)
- Income projections based on load (12)
- Keep competitors and advantages (16)
- About advantages for current investors (17)
- About Latvia as a location and a destination for investments (17)

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Definitions

Keepp – Keepp AS, a share company (stock corporation) registered in the Republic of Latvia with registration No 40203261641 and registered office at: 19 Ganību Dambis, Rīga, LV-1005, Latvia.

Shareholders' Agreement – Keepp AS shareholders' agreement that supplements the Articles of Association and defines Class A and B shareholders' rights and duties. All Keepp AS shareholders enter into the Shareholders' Agreement at the time of purchase of shares.

Class A shares – Keepp nominal shares in a dematerialised form with the right to participate at the Keepp shareholders' meeting and vote pro rata to their number of held shares, the right to receive dividends and to the liquidation quota.

Class B shares – preferred shares in a dematerialised form with the right to receive dividends and to the liquidation quota.

SWOT analysis – analysis of strengths, weaknesses, opportunities and threats.

OECD – Organisation for Economic Cooperation and Development.

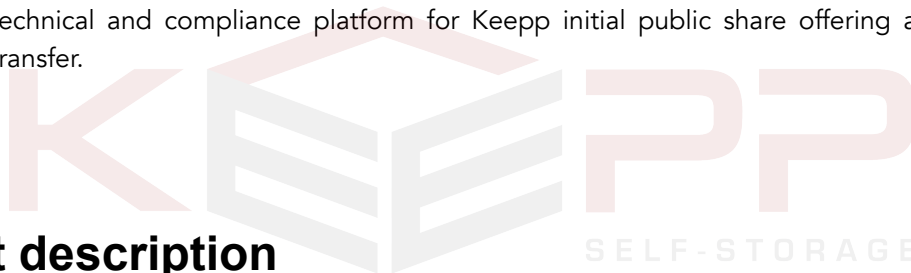
Campaign – Keepp Class B share offering, investment process and related activities within a specific time period.

Token – a dataset reflecting Keepp Class B shares on the Ethereum blockchain and on Fintelum platform.

Offering – initial issuance of Keepp Class B shares.

Project – a set of measures related to Keepp public announcement, crowdfunding and further development of intended commercial activities, in order to achieve the company's objectives as defined by the founders.

Fintelum – technical and compliance platform for Keepp initial public share offering and secondary share-token transfer.



Project description

Keepp business aims to develop a market-proven network of short- and long-term self-service storage facilities for a wide range of clients – both individuals and companies. In the first phase, the project will be expanded across Riga, Latvia. In the next phase, Keep targets the Lithuanian and Estonian markets, thus ensuring a full coverage in all three Baltic States. This fundraise is related to the first phase of business development.

Keepp was created by combining the experience and investment of two Latvian companies SIA KnK Mefab and SIA PP Property. This combination of entrepreneurial experience in metalworking, real-estate management and time and money investment into testing new business segment, together with current market trends, is at the core of the Keepp project.

Keepp aims to create self-service storage solutions that are affordable and easy-to-use. By combining accessibility and simplicity, Keepp has created a valuable service that over time will become an integral part of people's daily lives – an easily accessible and affordable storage facilities where people can safely store their personal belongings.

The concept of Keepp services from 2018 until the establishment of Keepp AS was tested in the Latvian market under the name CityBox (city-box.lv). In order to ensure the growth of the company, the company's trademark was changed, and a new commercial company Keepp AS was created. The existing investments, clients, cash flows, as well as the experience accumulated by the team were transferred into the company's capital.

Market overview

According to OECD data, 33% of apartments in the Baltics are overcrowded. The Census data compiled by the Riga City Council Development Departmentⁱ demonstrates that the absolute majority or 93% of Riga's residents live in apartment buildings. Only 5% of the population live in private residences, 2% live in semi-detached houses or two-apartment houses, and lastly 0.01% live in non-residential houses (slums, self-made buildings).

66% of all apartment buildings in Latvia are reinforced concrete panel buildings. Such structures were planned with little to no storage rooms that can be used in a practical way. Panel building statistics is similar also in Lithuania – 65% and Estonia – 57%.

The absolute majority or 92% of apartment buildings in Riga are older than 25 years. So it can be concluded that probably 92% of the population living in Riga face problems when it comes to storing their belongings.

Taking into account all the above mentioned figures, it can be concluded that about 650,000 declared residents live in Riga, of which 33% live in overcrowded apartments, which makes up about 213,400 residents, of which at least 66% live in panel buildings without storage rooms, representing at least 140,000 potential Keepp customers.

Potential client groups

- People who love recreational activities: snowboarders, skiers, cyclists and fans of other sports.
- Motorcycle owners, as motorcycles need to be stored in parking lots where the charge is equivalent to that offered by Keepp and where the storage is not a building, but an open air parking lot.
- Foreign students, who during the summer months and holidays go back to their home country and leave their belongings somewhere locally. The same category includes a group of people who occasionally spend the winters abroad.
- Legal entities that use Keepp as an archive or as a storage room for their belongings and documents that they do not need every day. This proportion will increase in the future due to the growing popularity of workspace and co-living space. Users of these spaces are also likely clients for Keepp's services.
- Owners of small apartments, including new families with prams, cradles, toys, etc.

Risk factors and SWOT analysis

Strengths	Weaknesses
<ul style="list-style-type: none">• Self-developed product / Keepp technical solution (pop-up warehouses)• Weak market competition• Almost 2 years of experience in market research with DEMO project (City-Box)	<ul style="list-style-type: none">• In Latvia and the Baltics, short-term storage solutions are at a very early stage, and it will take time for potential clients to discover such a service exists.• Market competition• Existing summer houses, garages, free storage rooms

ⁱ <https://www.rdpad.lv/wp-content/uploads/2017/10/majoklu/Paskaidrojuma%20raksts.pdf>

Opportunities <ul style="list-style-type: none"> • Become the leading short-term space rental company in the Baltics and possibly in Europe • If necessary, offer the lowest price in the market while maintaining profits • Automate processes, door shutters, security – reduce administrative costs • Establish Keepp on inexpensive and illiquid land (building lines, encumbrances, etc.) 	Threats <ul style="list-style-type: none"> • In the first 2-3 years of operations, a very aggressive pace of company growth is needed to prevent other competitors from entering the market • Possible “price battles” • Vandalism
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Strengths

At the moment, Keepp has proportionately more strengths and opportunities than weaknesses and threats. The main strength is that the Keepp project does not depend on unknown suppliers because the authors of the project developed the technology themselves.

There is currently very little competition. However, it could increase if Keepp does not enter the market rather aggressively and gain considerable market share in a relatively short period of time. We can take as an example the electric scooter rental market in Riga. Had the first market participants entered the market more aggressively than with just 100 scooters, it is possible that competitors would not have started their business at all out of fear of overproduction. To avoid such a mistake, Keepp is fundraising to develop at scale an already proven market niche with high demand and insufficient offer quality- and price-wise.

Keepp's main strength lies within the founders, who have invested money and spent 2 years in project development and market research. Thus, Keepp is several steps ahead of its competitors with its technical solution for the creation of short-term storage units. It is not possible to order and buy this product; it must be developed according to a certain technology.

Opportunities

Keepp has a real chance to become the leading short-term self-service space rental company in Latvia, later Baltics and Europe, because Keepp's solution can be exported. Standardised storage units can be produced in Latvia and then placed where necessary in a short period of time (pop-up storage rooms). There are several indications that the Keepp project will be able to reduce operating costs to a minimum, if necessary, because:

- there is no need to pay building immovable property tax (IPT), which has to be paid for warehouses or other types of storage facilities;
- a product designed by Keepp, ordered from a related manufacturing company means the lowest possible initial investment and future liabilities;
- planned future automation will further reduce administrative costs;
- illiquid land can be leased from the land owners at a low price, or, in the best of cases, at the rate of the land property tax.

Weaknesses

Since Keepp is one of the first comers into this industry, it will take some time before consumers become aware of the existence of such a service. This will require resources in terms of time and money.

Threats

The Keepp project will require a particularly active market penetration, to circumvent competition. Reducing the natural threat of competition depends on the pace of Keepp's growth, and it can be reduced by re-investing some of the profits each year.

Providers of traditional storage-room rentals or other self-storage services will not be able to approach the price of Keepp. However, if service providers similar to Keepp enter the market, a price battle is possible.

Illegal activities such as vandalism, arson, damaging of property and theft are another threat. However, given that nowadays surveillance systems are improving rapidly, there is a reason to believe that this can be solved with properly managed CCTV surveillance systems.

Conclusions

The authors of the Keepp project see that the threats can be mitigated by the company's strengths. Using its own technical solution and being independent of the capacity or interests of other producers, Keepp can determine production capacity and its volume. Keepp can find out about material price changes in a timely manner as it controls the entire development process. This will allow Keepp to be faster and prevent competitors from entering into the market without a fight.

Given the modern trend of declining vandalism and the effectiveness of law enforcement agencies, the risk of vandalism is not high. As a company, Keepp will insure its property, and the overall security of Keepp will be provided by video surveillance, which will serve as both a deterrent and detention mechanism for potential offenders.

Although almost everyone has access to a place for storing their belongings – summer house, countryside property, relatives' houses, etc., getting to the mentioned places requires some time and other costs.

Example: let's imagine Anna, a marketing specialist, who has moved to the capital, from a small town in Latvia. Anna is working and at the same time studying public relations at the university. Anna rents a one-room apartment in Riga and uses car sharing every day, but she is also passionate about doing sports on weekends. Wakeboarding, cycling, hiking, etc. Anna has problems because there is no place for her equipment as the apartment is too small, and renting a two-room apartment in Riga is too expensive – she cannot afford it. Anna needs a storage room where to keep her sports equipment – Keepp is the perfect solution. Anna can enjoy living in an uncrowded apartment, and does not have to limit her activities on weekends, or drive 120 km to her hometown to pick up her snowboard. Using Keepp makes Anna happy, because she knows that she has her belongings available at any time, and in close proximity. Also, Anna will feel at ease inviting her friends to the apartment because it will no longer be filled to the brim with her belongings.

About the company: combining the acquired knowledge and experience of SIA KnK Mefab and SIA PP Property, in the autumn of 2020 AS Keepp was established with the equity capital of EUR 340,000. The company's principal activity is the rental and management of short-term storage facilities. More information can be viewed on Latvian Company Register <https://www.ur.gov.lv/lv/legal-entity/?id=40203261641>

Summary of risks

Keep management actively manages and mitigates the various risks and will try to eliminate risk factors altogether. However, it is important to state the main risks associated with investing in securities overall, the specific company and business in general.

Basic risk – the investor should be aware that the value of the purchased equity securities and the dividend income are subject to fluctuations. The value of the shares purchased may decrease to zero and dividend income is not guaranteed.

Liquidity risk – the securities of small-capitalisation companies may be illiquid and there may be no possibility to sell them. Other shareholders (except in very limited exceptional cases) are not obliged to repurchase the securities.

Technology risk – shareholders' shares will be accounted for, inter alia, through the use of innovative blockchain technology. Although this technology is already widely used in other capital raising processes in the world, the possibility of errors cannot be ruled out.

Start-up risk – investing in start-up companies is often associated with increased risk because the team and product are new and there is no pre-existing market demand. In most cases, however, the failure of start-ups is due to a lack of financial resources.

Information risk – information about the company's financial position in the periods between the annual reports is provided on a voluntary basis and may be insufficient to assess the true financial position.

Corporate governance risk – preferred shares do not in normal circumstances give the right to participate in the management of the company, including voting at the shareholders' meeting and nominating members of the supervisory board, which reduces the possibility to influence the processes in the company.

Counterparty credit risk – the raw materials needed for the development of the project will be ordered from a small number of suppliers. If any of them defaults or become insolvent, this can have a significant impact on the company's own capitalisation and solvency.

Product / service risk – a new and innovative product is being launched on the market, the demand of which has not yet been fully tested by the general public.

Competition risk – although the product offered by the company is innovative, other competitors may enter the market, which can satisfy the market demand more successfully with correspondingly higher funding and marketing budget.

Legal risk – the national legal framework regarding the investment process or the services provided by the company may change negatively, including with regard to tokenised securities.

Tax risk – negative changes are possible in national regulations regarding capital gains tax on dividends or other types of income tax that reduce profitability accordingly.

Other risks – force majeure, political, economic and other risks (such as the Covid-19 pandemic) which are currently difficult to predict but which may have a significant impact on business in the future.

Team

- **Kristaps Laipnieks** – chairman of the management board. Kristaps is the manager of several companies. Responsible for finances, business development and customer acquisition. Almost 10 years of experience in the metalworking industry, several years of experience in real estate management. Experience in developing new projects and attracting funding. <https://www.linkedin.com/in/kristaps-laipnieks-b28672b5/>
- **Kārlis Jansons** – member of the board and head of internal operations. Kārlis is the manager of several companies. Responsible for production management, efficiency and quality systems. Almost 10 years of experience in the metalworking industry, several years of experience in real estate management. Experience in LEAN implementation, CRM systems, etc. <https://www.linkedin.com/in/k%C4%81rlis-jansons-a8418a138/>
- **Reinis Grunte** – member of the supervisory board and a lawyer. Reinis has more than 10 years of experience in the legal field. TGS Baltics lawyer specialising in commercial law. <https://www.linkedin.com/in/reinis-grunte-530ba9a6/>
- **Liza Aizupiete** – member of the supervisory board and head of the Fintelum platform with more than 10 years of experience in the financial sector. Liza's participation in Kepp supervisory board is aimed at ensuring the presence of an external supervisor in decision-making and representing the interests of investors. <https://www.linkedin.com/in/lizaa/>
- **Jānis Motte** – member of the supervisory board, lawyer and insolvency administrator. Almost 10 years of experience in the legal field. Lawyer at "Legal balance", debt collection, client research (AML and CFT).
- **Ričards Krūze** – artist and project manager. Rīčards has experience in creating companies' visual identity and marketing activities. Participated in the companies "Pilsētvides serviss", "KeoBeo", "Tracky" ("Rīgas satiksme"), etc. project management and planning. Experience in implementing "smart solutions". <https://www.linkedin.com/in/rkruze/>

Management experience

Kristaps Laipnieks and Kārlis Jansons, who are part of the Kepp management team, have established and managed a metal processing company for 7 years since 2013. Both managers have successfully reached export markets and established cooperation with several global companies. Both have extensive experience in developing and managing various complex projects.

Both managers are experienced in creating, testing and improving new products. Technical participation in several projects. For example: gizzo.co, brumbrum.me, hgkracing.com, azeron.eu, etc. Experience in real estate management and development in Riga. Experience in legal matters. Experience in design development and selection of potential clients.

Company structure

Kepp is a share company (stock corporation, *akciju sabiedrība*, AS) registered in Latvia with registration No 40203261641 and registered address - Ganību dambis 19, Rīga, LV-1005, Latvia. The company was founded in 2020 with a share capital of EUR 340,000, divided into 340,000 Class A shares with a nominal value of EUR 1.00 per share. The company has no debt.

Class A shares are owned by SIA PP Property, registration No 40203049473, and registered address at Ganību dambis 19, Rīga, LV-1005, Latvija, where the ultimate beneficiaries are Kristaps Laipnieks (50%) un Kārlis Jansons (50%).

In accordance with the Latvian Commercial Law, the shareholders' meeting elects a supervisory board, which in turn appoints and controls the work of the management board. The management board is responsible for the day-to-day operations of the company.

Offering

Type of investment: Purchase of Keepp Class B shares, represented by a digital token on the Ethereum blockchain

Share type: Class B share-token (equity-token)

Token moniker: KEP

Jurisdiction: Republic of Latvia

Investment currency: EUR

Accepted currencies for payments: EUR, BTC, ETH

Price per share: 2.50 EUR, which consists of a nominal value of EUR 1.00 and a markup of EUR 1.50

Minimum investment from one investor: 50 EUR (or equivalent in another currency)

Maximum investment from one investor: 100,000 EUR (or equivalent in another currency)

Minimum amount of investment sought: EUR 350,000

Maximum amount of investment sought: 850,000 EUR

Float ratio: 50% for EUR 850,000 investment

Expected annual dividend yield: approximately 15% (relative to the amount invested).

Keepp Class B shares are offered in accordance with the Commercial Law and Article 3(16) and Article 16.1 of the Financial Instruments Market Law, therefore the Company is not subject to the obligation to prepare and submit for approval a prospectus or simplified offer document to the Financial and Capital Markets Commission of Latvia.

Bonus

Persons who invest at least EUR 1,000 will qualify to receive a 20% discount, available upon request on all keepp.lv services for 12 months. This bonus will be applied to each individual or company from the moment the product is available from the second half of 2021.

Shares

Keepp Class B shares are preferred shares, the obligations and rights of their holders stems from the Shareholders' Agreement, Keepp Articles of Association and the Commercial Law of the Republic of Latvia. Preferred shares give each holder a preferential right to receive dividends. Keepp shareholders are obliged to pay dividends to Class B shareholders on a regular basis and with priority, i.e., Class B shareholders are entitled to be the first to receive dividends in proportion to the shares held.

Conclusion of a shareholders' agreement

By purchasing Class B Shares, each shareholder joins the Keep Shareholders' Agreement, which is available on demand or at the company's website www.keepp.lv. Pursuant to the Shareholders' Agreement, the holders of Class B shares have the right not only to receive dividends, but also to prepare, submit and express recommendations, proposals, offers and / or other opinions to the Company's Management Board to promote the Company's business development and financial performance.

Price justification

Keepp share capital is increased by EUR 850,000, of which EUR 340,000 is transferred to the share capital and EUR 510,000 is a share premium. As a result of the increase of the share capital, 340,000 new class B shares are issued; the price of one share is EUR 2.50. The purchase price of a share consists of its nominal value of EUR 1.00, which is transferred to the share capital, and a premium of EUR 1.50, which is the additional value of the share and is not included in the share capital of Keepp. There is a mark-up for each share because the value of one share is greater than its face value. The funds included in both the share capital and the premium are used only for the development of Keepp business, they are not considered to be Keepp profit and are not payable to shareholders.

The investment of the new shareholders will be used in accordance with the business plan, where movable property of the respective value will be purchased. In return for the investment, the new shareholders receive a share of the company (in the form of share-tokens) and the opportunity to receive dividends in the future. The company undertakes to use the funds raised properly and undertakes to pay dividends in accordance with the shareholders' agreement.

During the development of the project, which took two years, 30 individual storage units were set up making it possible for the Keepp team to study consumer habits, industry trends and the market as a whole. So far, Keepp has invested more than 5000 working hours into researching the project, developing the technical solutions, managing the demonstration project, and creating know-how. Having assessed the current actual costs, the further expected costs and the future costs, the Keepp team has found that a share mark-up with a factor of 2.5 is appropriate for the invested time, resources, current profits and the profits the company will be able to pay every investor in the future.

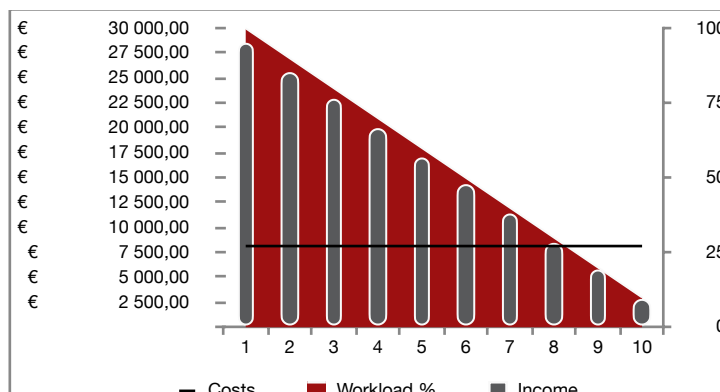
Keepp sees it possible to complete the project, quickly achieving the set income targets, resulting in high return on investment in the form of dividends. Based on the amount of investments, and assuming the use of some of the income to expand the number of storage units, the company will strive to achieve a profitability of at least 15%, which could be higher, depending on the occupancy. With a 15% return on investment, the investors will be fully repaid within less than 7 years. One must also take into account the company share market price increase, which will occur as the company experiences rapid growth. There are also plans for a second and third funding campaign, as a result of which the nominal value of the company will change based on the market situation.

Cashflow

Income, EUR			Y0	Y1	Y2	Y3
		Starting balance	850 000	179 570	202 805	188 577
		VAT				
	Operating income					
	Rental income (1,100 units for EUR 24,80 + VAT/unit)	21%	215 760	327 360	327 360	327 360
	Rental income from 30 various units	21%	10 800	10 800	10 800	10 800
	Rental income reinvestment from 1st Year @ EUR24,80+VAT/unit	21%	0	0	29 760	29 760
	Rental income reinvestment from 2nd Year @ EUR24,80+VAT/unit	21%	0	0	0	44 640
		Total	226 560	338 160	367 920	412 560
	Other income					
	Moving service fee	21%	1 730	2 400	2 640	3 120
	Service fee for utilisation	21%	270	360	420	600
		VAT received	60 225	89 891	97 802	109 668
		Total income	288 785	430 811	468 782	525 948
Expenses, EUR						
	Variable costs					
	Purchase of premises	0%	0	65 000	97 500	0
	Stationery	21%	240	240	240	240
	Tools	21%	120	120	120	120
	Technical operations staff	0%	14 000	16 800	16 800	16 800
	Energy	21%	1 560	1 800	2 160	2 640
	Transportation	21%	15 960	1 440	1 920	2 160
	Marketing	21%	37 000	14 000	6 000	6 000
		Total	68 880	34 400	27 240	27 960
	Fixed costs					
	Permanent working staff	0%	19 200	30 400	38 400	38 400
	Transportation	21%	49 000	600	600	600
	Insurance	0%	960	960	1 200	1 200
	Telecommunications	21%	720	720	720	720
	Road and building repairs	21%	0	0	600	600
	Equipment repairs	21%	0	0	1 200	1 200
	Rent for land and buildings	21%	27 000	36 000	43 200	50 400
	Unit maintenance and repair fees	21%	1 100	1 320	1 560	2 160
	Accountant and accounting software	21%	5 740	6 600	6 600	8 400
	Enterprise resources management system	21%	0	1 800	1 800	1 800
	Project management for Baltic expansion	0%	0	3 000	16 000	24 000
		Total	103 720	81 400	1 118 800	129 480
	VAT pre-payment		36 609	35 067	47 715	26 667
	Dividends according to shareholder agreement		0	115 500	119 000	132 900
	Investor bonus			10 000	10 000	10 000
	Project management for Latvia development		32 400	0	0	0
	Crowdfunding campaign management		51 000	0	0	0
	Storage unit production		649 150	0	0	0
	VAT payable		17 457	66 208	69 675	76 044
		Total expenses	959 215	407 576	483 010	403 051
		Period balance	-670 430	23 235	-14 228	122 897
		Final balance	179 570	202 805	188 577	311 474

Workload vs. revenue

Costs	Workload %	Income
€ 8 150,00	100	€ 28 530,00
€ 8 150,00	90	€ 25 677,00
€ 8 150,00	80	€ 22 824,00
€ 8 150,00	70	€ 19 971,00
€ 8 150,00	60	€ 17 118,00
€ 8 150,00	50	€ 14 265,00
€ 8 150,00	40	€ 11 412,00
€ 8 150,00	30	€ 8 559,00
€ 8 150,00	20	€ 5 706,00
€ 8 150,00	10	€ 2 853,00



* these figures represent revenue on a monthly basis, including VAT collected.

Reporting

Keepp AS undertakes to regularly, at least once a quarter, publish a report of the Management Board on the work performed, as well as a short report on financial indicators. The Keepp project will make this and other information available either on its website keepp.eu, keepp.lv and / or on the website of the compliance and technical partner fintelum.com. Reports will only be available to active shareholders.

Dividends

Pursuant to the Shareholders' Agreement, the holders of Keepp Class A shares are obliged to pay out at least 50% of the Company's profit to all holders of Keepp Class A and B shares after each reporting year. If Keepp has made a profit for two consecutive financial years, but Class A shareholders have decided not to pay it and to re-invest 100% profits into the development of Keepp, Class B shareholders will acquire full voting rights in proportion to the number of shares held until all dividends withheld from previous years are paid.

When dividends are paid, the holders of Class B shares receive them before the other shareholders. Dividends are paid to the bank account specified by each shareholder. Depending on the Investor's country of residence, Keepp may withhold the taxes provided for in the laws and regulations of the Republic of Latvia before paying dividends.

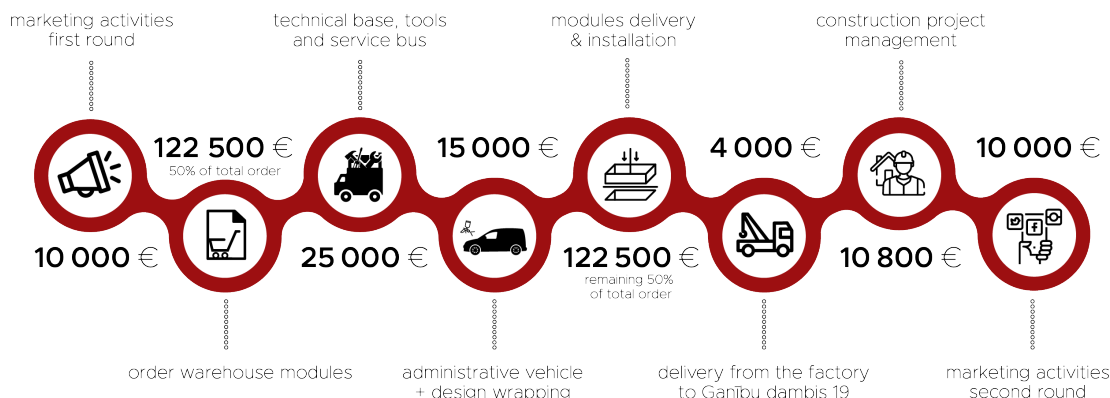
Rules

Investments are not accepted from individuals or legal entities established in the sanctioned countries, from countries at high risk of money laundering and terrorist financing, and from otherwise restricted jurisdictions (including the United States). Only legally obtained funds may be used to purchase Keepp shares, for which proof may be required in case of doubt. The investor must be at least 18 years old to be able to participate in Keepp fundraise.

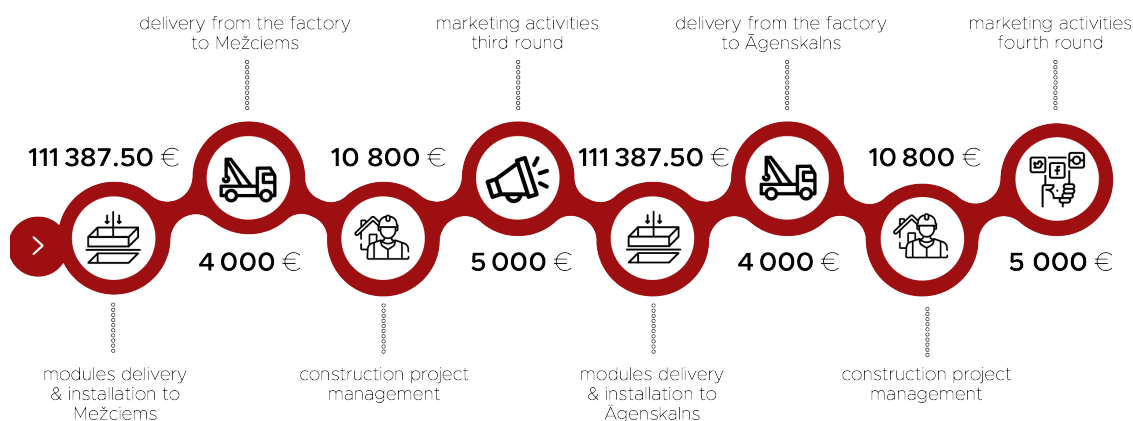
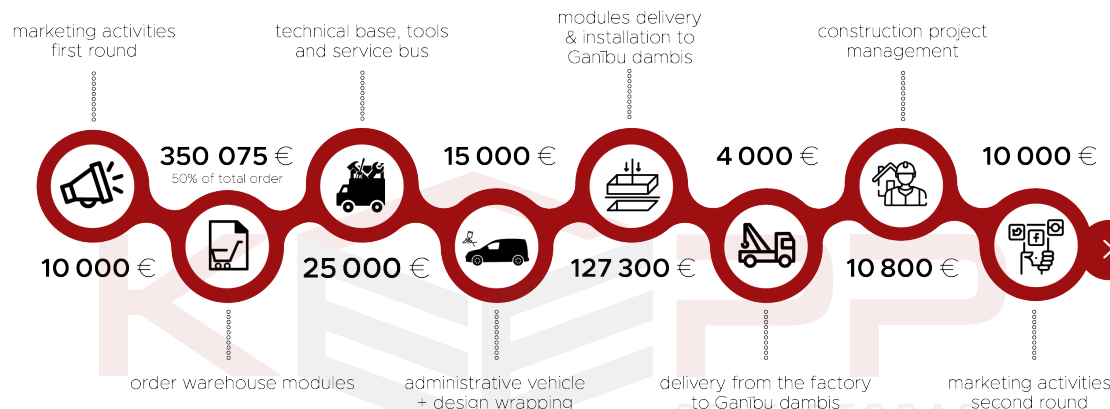
Development plan

The project begins with an announcement phase, followed by an approximately 2 or more months fundraising period. The goal of the fundraising period is to attract funding in the amount of EUR 850,000. If the maximum funding sought is not attained, the Project has provisions for minimum investment in the amount of EUR 350,000. The Project will be able to attain lesser goals with the minimum target amount. During the fundraising period, the Project authors will be undertaking the Project marketing activities.

KEEPP SELF-STORAGE 350 000 EUR INVESTMENT INFOGRAPHIC



KEEPP SELF-STORAGE 850 000 EUR INVESTMENT INFOGRAPHIC



Campaign

The project's campaign sets off with an announcement on the website keepplv and on fintelum.com platform, which will last for approximately 1 month. During this time, the market interest in the Keepp project will be assessed by registering the data of the interested parties. It is then planned to launch the second phase of the campaign - the fundraise, during which the target maximum amount of EUR 850,000 will be sought in investments. If however, the minimum amount of EUR 350,000 is not attained within 4-6 months, the invested funds are returned to the investors with the lowest possible expenses in the process of transaction (EUR, BTC, ETH transfer fees). During the public offer, Keepp undertakes the legal process of the company capital increase with the Register of Enterprises of the Republic of Latvia. At the end of the campaign, the capital is increased according to the attracted amount. All investors who have successfully passed the KYC/AML verification and have respectively paid in the required amount of capital become Keepp Class B shareholders. Shareholder register is maintained by the company Management Board as well as share-tokens are recorded and displayed electronically within the fintelum.com platform.

Exit strategy

The Shareholders' Agreement, which investors enter into with the purchase of shares, is binding for all shareholders. In order to ensure the further development of the Company, the Shareholders' Agreement provides rules for share buy-out. The share buy-out rules only enter into effect in certain cases and if there is no or insufficient activity in the planned secondary market. In normal circumstances shareholders will be able to use the secondary market to sell the shares owned by them or to buy additional shares. However, the secondary market does not guarantee 100% shareholders participation. Thus, the Shareholders' Agreement provides mechanisms for Class A shareholders to redeem all remaining Class B shares at a fair price or to transfer them to other trading platform (e. g., Nasdaq Exchange).

Secondary market

The secondary market for Keepp shares (tokens) may be provided depending on the interest of investors. The secondary market would be provided in the form of bid/ask bulletin board within the fintelum.com platform.

FAQ (frequently asked questions)

- What is the investment process?

Individuals and legal entities can buy Keepp Class B shares at the time when the public offer is announced on the Company's website keepplv and on the fintelum.com website and platform. The investment process consists of getting acquainted with the information material, such as the present offering document; the KYC/AML process; and paying in capital according to the share purchase invoice. The invoice is generated at the end of the application process. All technical and compliance processes are provided with the help of the fintelum.com platform – either directly from the [Keepplv](http://keepplv) project website as an iframe, or from the fintelum.com website and is available to all registered Fintelum users. The payment procedure depends on the selected payment currency. For EUR, the investor uses their internet bank, making a transfer in EUR. For BTC or ETH, the investor uses their cryptocurrency wallet or ex-

change account and perform an external blockchain payment in the respective currency. The investment in cryptocurrencies is accepted and converted into EUR units, in order to ensure the requirement of Latvian law.

- **I am not a professional investor, but I have savings, can I invest?**

Yes, any individual with certain restrictions, see Rules, has the right to get acquainted with Keepp public offering and decide on the amount to be invested. It is important for everyone to read all available materials and be aware of the potential risks, as well as to use only freely available funds that are not related to debt commitments or other encumbrances.

- **What are the advantages of investing in this type of project?**

By investing in shares of an active business company in the form of crowdfunding, investors have the opportunity to participate in the development of the property storage business in Latvia and the Baltics, as well as later in Europe. Besides, in order to attract additional interest in the particular business, persons who invest at least EUR 1,000 (one thousand) will be eligible to a 20% discount on all keep.lv services for 12 (twelve) calendar months.

- **What are the main risks and advantages of investing in a company's shares?**

When investing in a company's shares, the biggest advantage is the opportunity to participate in the company's growth with the right to dividends. Unlike investing in debt securities, which are based on a more or less fixed interest rate, investing in shares does not provide a fixed return. However, it offers an opportunity to get higher or lower expected dividends depending on the development of the company.

- **What is the minimum and maximum investment amount?**

The minimum investment amount is EUR 50 (fifty euro), the maximum investment amount is EUR 100,000 (one hundred thousand euro). The minimum investment amount in order to qualify for 20% discount on keep.lv services for twelve months is EUR 1,000 (one thousand euro).

- **What currencies is it possible to invest in?**

Euro (EUR), Bitcoin (BTC), Ether (ETH).

- **What are the competitors of Keepp, and what distinguishes Keepp from them?**

On the Latvian market, the biggest competitors are BOX Noliktavas, Self Storage, and a few other smaller players. Self Storage offers an indoor storage solution in the Krasta Street area. The information available suggests that they are close to 100% of their storage capacity. The biggest disadvantage of this service provider is the high lease price, and the inconvenient location of their storage facilities.

BOX Noliktavas is the oldest small storage provider in Latvia, having facilities in a number of locations in Riga. What distinguishes it is the fact that BOX Noliktavas was the first on the Latvian market, and now enjoys best visibility here.

Keepp has studied the development of the market over the last two years, and has assessed the strengths of its offer compared to that of its competitors. The first one is the price: the pricing policy offered by Keepp is much more accessible and affordable to the average person in Latvia. Second, Keepp's self-service storage facilities are available 24 hours a day, and will be set up in areas where people tend to gather, making it easier to access storage. Third, the storage units will be designed paying attention to details and ergonomics, taking advantage of Keepp team having much experience in metalworking, and two years of storage market research.

- **What is a Keepp customer profile? Who is the main consumer Keepp is targeting?**

Profiles of Keepp potential customers are very different, they are representatives of different age groups, representatives of different interests, however we can predict which will be a group of people who will use Keepp service most actively. We anticipate that Keepp main customer will be families. For example, a family with 1 to 2 children living in an apartment in Riga apartment building. A family with an active lifestyle and a moderate monthly income.

- **Are garages and similar warehouses considered direct or indirect competitors?**

As mentioned in the SWOT analysis, garages and similar warehouses are considered indirect competitors. This is indirect competition, since this is an already existing option. It is chosen by people who have access to this type of garage (new garages are built rarely), and their use does not require too much effort or time.

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- **Whether location of Kepp warehouses should be agreed with the municipality/building authority. Is there a risk that it is too long, expensive or impossible, and respectively would interfere with the planned development plans? What are the bureaucratic obstacles in the next countries where it is planned to develop Kepp?**

Kepp must observe the Government Regulation No. 529 of 02.09.2014 – Building construction regulations. Identifying possible scenarios, we anticipate that the coordination of each warehouse point with the relevant institution will take up to 6 weeks. In Estonia and Lithuania – 2 to 4 weeks.

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- **How will Kepp attract the target audience?**

In order for the residents to be able to express their opinion, the establishment of neighbourhood associations is becoming more popular. Associations represent the interests of local people and address various neighbourhood issues. Kepp plans to carry out marketing activities by visiting neighbourhood associations and to promote the services provided by Kepp within them. Then place outdoor advertisements in the elevators, stairwells and corridors of apartment buildings, as well as participate in industry exhibitions.

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- **What are the advantages for the investors in this campaign, compared to the future campaigns?**

When you invest in the shares of a company, the risk and the reward grow exponentially over time. The expected returns depend on the time when the investor becomes a shareholder. The earlier you invest, the more you get from the shares as dividends. Furthermore, the mark-up on shares relative to the expected returns is lower for the initial investors. Each subsequent round of investments is expected to involve a higher mark-up, thus reducing the net returns. Also, compared to newcomers wishing to become shareholders, current investors will have an advantage in joining future funding campaigns.

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- **Why invest in Latvia?**

Founded in 1918, Latvia regained its independence in 1990, becoming an EU member state in 2004, and joining the Eurozone in 2014. Latvia is a member of NATO, UN and OECD with a population of 1.9 million. Latvia is home to many well-educated specialists in various fields. Although its market is not big, it can meet local demands, and offer a broad range of exportable products and services. Latvia's gross domestic product grows 2 to 4% every year (pre-COVID-19), which is a sign of stable, growth-oriented economy. Latvia has a productive start-up environment where innovative ideas can successfully develop. Thanks to the relatively low workforce and overhead costs, ideas and products developed in Latvia can be successfully exported to neighbouring countries within 3 to 5 years. In terms of tax competitiveness, Latvia is third best among OECD countries. Businesses are only subject to a 20% corporate tax (effective rate 25%), only payable when distributing the dividends.

Contact information

For questions regarding KEEPP project please write to info@keep.lv

For technical or compliance questions please write to support@fintelum.com

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