

FAQ

Questions and answers for the press

In the following we have compiled some of the most frequently asked questions from the media and the answers to them. Further information can also be found in our general FAQ (<https://innovestment.eu/en/faq>) and in our glossary (<https://innovestment.eu/en/glossary>)

What is InnoVestment?

InnoVestment is a digital investment and financing platform that combines what keeps our economy alive: companies and investors. We see ourselves as a digital investment boutique with our own marketplace - personal and committed. The Berlin-based company was founded in 2011 as a spin-off of RWTH Aachen University and is thus one of the first crowdfunding platforms to establish itself in Germany. Read more about us here:

<https://innovestment.eu/en/about-us>

What is the composition of the investors at InnoVestment?

The classic investor at InnoVestment is male, 45 years old, lives in a large German city and is self-employed. You can find a corresponding infographics here: <https://innovestment.eu/assets/documents/innovesment-infografik-en.pdf>

What role does InnoVestment play in the capital market or in the market for financing companies?

With InnoVestment, we offer a cost-effective and uncomplicated piece of the puzzle for the financing mix for companies, i.e. an attractive alternative to raising capital. Because we believe that existing financing models are still too expensive and too complex. Small and medium-sized enterprises (SMEs) in particular often have problems in raising growth capital. Banks have become even more restrictive in their lending, and mammoth projects such as an IPO are simply out of the question for many SMEs. If necessary, we can also advise companies on potential co-financiers or alternative financing channels.

How does InnoVestment's offering differ from the competitive environment?

We are specialized in the areas of sustainability (impact investing), innovation (growth and project financing) and entrepreneurship (revenue stage start-ups) thus combining three niches in our business model. In contrast to other platforms, our offer profiles are rather slim and do not include the usual features such as videos, a forum or a funding bar.

Why? Because we are convinced that people in general long for more simplicity and self-determination, as is the case with investments.

Why do private, professional or institutional investors invest their money through InnoVestment?

Since 2011, InnoVestment has provided investors with selected growth-oriented companies with innovative products or services. With their investment they support these companies in increasing their value and, if interested, follow their long-term development.

At innovestment.eu/en investors can get an overview of the investment opportunities. We attach great importance to transparency. Investors have the opportunity to expand and manage their investment portfolio easily over time. At innovestment.eu the investment conditions are fixed in advance. The standardised contract model guarantees a balance of interests and the necessary legal security.

How is the investment made through InnoVestment?

We currently offer investments in the form of subordinated loans. The investment process is completely digital. This requires a registration, in the process of which information on investment behaviour is also requested. You can read the complete investment process here (<https://innovestment.eu/en/invest-how-it-works>).

What are the risks of investing on innovestment.eu?

If the company develops positively and increases in value can be realised, investors also benefit from growth in the form of a return. However, an investment in companies is also associated with risks, especially young companies can be afflicted with financial uncertainties. In particular, if a business idea does not succeed on the market, there is a risk that investors may lose part or all of their investment.

Investors are responsible for making their own investment decisions and should base their decisions on all documents provided, such as the investor information and the investment information sheet (VIB).

Further information can be found under the risk notes <https://innovestment.eu/en/risk-warnings>.

What conditions must a company meet to seek capital through InnoVestment?

In principle, the following criteria should be met for a financing application:

- Already existing company form as GmbH, UG, AG or GmbH & Co KG
- Readiness to perform before a larger audience - online and offline
- Presentation of sustainable product quality in the recycling society

Our projects come mainly from the following areas:

- Sustainability (impact investing)
- Innovation (growth and project financing)
- Entrepreneurship (revenue stage start-ups)

What is the business model of Innovestment?

Innovestment sees itself as a link between companies and investors. Small and medium-sized companies can raise capital on innovestment.eu in an uncomplicated and transparent way. From this we develop broadly diversified investment projects with manageable terms and fixed interest rates for private and institutional investors. The use of innovestment.eu is free of charge for them (exception: the fee-based Innovestment Premium (<https://innovestment.eu/en/innovestment-premium>)). For companies that finance via Innovestment, basic costs of 5,500 euros as well as variable costs of 5 percent during the financing phase and 0.5 percent for post-processing are incurred. You can read the fee model here: <https://innovestment.eu/en/finance-how-it-works>

How will the market develop in Innovestment's opinion?

- The future will be much more international. The EU's agreement on uniform rules for European crowdfunding will soon make the alternative financing market completely independent of the European market.
new potentials open. This also applies to investors who will be able to invest across borders in the future (see also our magazine article, (<https://innovestment.eu/en/magazine/crowdfunding-takes-important-hurdle-in-eu-harmonization>)).
- The United Nations' Sustainable Development Goals (SDG) will play a major role in the development of new projects (see also our Corporate Social Responsibility page (<https://innovestment.eu/en/corporate-social-responsibility>)).
- Sustainable projects will become more and more important. This applies not only to ecological issues, but also to new technologies and innovative business ideas.
- The industry is becoming more cooperative - away from the lone fighters and towards a strong community. The crowd idea will spread to the platforms.
- Crowdfunding is no longer a marginal phenomenon, but has arrived in the mainstream. It is also the work of a new generation of entrepreneurs and investors for whom digital education is general education.

Women become the new large target group in the financial services sector. Well trained, better serving, self-confident, independent.

What strategy does Innovestment pursue to expand its market position?

- To meet the needs of companies looking for financing and investors looking for good investments, we have a very good deal flow with high quality projects. Here, we ourselves draw on ten years of entrepreneurship and also know the investor's perspective very well. We keep the needs of both sides in mind. We recognize challenges and offer solutions in connection with human handling.
- We build on cooperation. Our partner programs (<https://innovestment.eu/en/partner-programs>) (referral and ambassador programs) will be introduced for a new start. Across Europe, we are looking to join forces with other platforms to form pan-European cooperation.
- Education is one of our core topics. In our magazine (<https://innovestment.eu/en/magazine>) and at our events (<https://innovestment.eu/en/events>) we create lasting values through education and exchange of experience.
- We stay with our roots: science (<https://innovestment.eu/en/research>). Also here we form cooperations that create win-win situations. Science and practice are mutually dependent. We use the synergies.
- We think human, inclusive and independent of generation, gender or background
- The attitude makes the difference for us. Seriousness and professionalism express themselves for us above all through the respectful and appreciative treatment of our investors, entrepreneurs, partners and our team. Because customer-friendly platforms pick everyone up where they are. That - like so much more - is part of our View of the Sustainable Development Goals/SDG (<https://innovestment.eu/en/corporate-social-responsibility>).
- **Our goal:** to develop and establish a new mindset. We are rethinking finance and funding in a practical, fair and pan-European context.

www.innovestment.eu/en

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