



# Reg CF Investment Offering FAQ

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Spring 2022

# Questions?

Check here first.



INVEST IN  
**MAGFAST®**

If you have any questions about how to invest in MAGFAST's share offering, your answer is probably here.

Visit [Investors.MAGFAST.com](https://Investors.MAGFAST.com)

# MAGFAST Offering FAQ Spring 2022

## Welcome!

If you have questions, you're in the right place for answers.

The [Investor Packet](#) contains answers to your fundamental questions about **MAGFAST** and our current offering.

If you're looking for information about the company, our product family, or how to navigate account setup and investment at Netcapital, you should download your copy of the Investor Packet and peruse the information at [investors.MAGFAST.com](https://investors.MAGFAST.com).

This frequently asked questions (FAQ) document contains answers to more detailed questions on the investment process, based on the many hundreds of questions we answered individually last time we offered shares.

## Categories of questions

- Most frequent questions
- Questions about investing in **MAGFAST**
- Questions from International investors
- Questions about paying for my investment
- Other questions





## Most frequent questions

*Here are answers to some of the most important and frequently asked questions we've received.*

Q: **I'm not from the U.S. Can I invest?**

A: Yes, according to legal advice: <https://CrowdfundingAttorney.com/2018/11/05/non-u-s-investors-and-companies-in-u-s-crowdfunding/>. For more information, contact Netcapital at [Hello@Netcapital.com](mailto:Hello@Netcapital.com)

Q: **Where do I sign up for a Netcapital account so I can be ready to invest when the offering goes live?**

A: To set up your account, visit [Netcapital.com/sign-up](https://Netcapital.com/sign-up). If you already have an account, it's a good idea to visit the Netcapital site and log in (use the link at the head of the home page) to make sure your information is correct. You might also choose to set up a payment method in advance; there's more on this below.

Q: **Is there a replay of the presentation you gave about this?**

A: Yes. It's online with other relevant info at [investors.MAGFAST.com](https://investors.MAGFAST.com)

Q: **I've got other questions about setting up my account at Netcapital.**

A: The Netcapital folks are terrific. They're available at [Hello@Netcapital.com](mailto:Hello@Netcapital.com)

Q: **When can I invest?!**

A: The investment opportunity is open for a short while. The offering will close on the date shown on the Netcapital website or when the offering sells out, whichever comes sooner. Before making your decision, please review all the investor materials carefully.



Q: [What's the share price?](#)

A: SEC rules prevent us from discussing price or even the type of security in a document like this that answers other questions. In other words, we can't even state here whether this offering is for shares. Those details are at Netcapital. We can say, hand on heart, that we believe the valuation of the company is fair based on all **MAGFAST** has achieved so far, and the potential ahead.

Q: [Will the offering sell out this time?](#)

A: We can't of course know in advance what demand will be like for this second offering. Many people were unable to get into our last investment round, and it is possible that there will be strong demand this time. We do recommend only investing if this is right for you, and that you consider an investment in **MAGFAST** as part of a broader investment strategy, one that includes both risky and less risky investments. If you do plan to invest, it may be a good idea to participate early.

Q: [How liquid is this investment? Will I be able to trade it on a public exchange?](#)

A: **MAGFAST**[7] is a private company, so, like any private company, our securities will not be traded on a public exchange. We understand from Netcapital that they do, however, have plans to relaunch their 'secondary transfer feature' (STF) which is currently in beta release, allowing some liquidity. There are more details here: <https://faq.netcapital.com/what-is-the-stf>

Q: [Can I use my existing brokerage account to invest?](#)

A: Because private-company securities aren't traded on public markets, the only way to invest is through an SEC-registered portal. Netcapital is the only portal offering an investment in **MAGFAST**. The path to invest is: (a) sign up for a free account at Netcapital.com and (b) make your investment through the Netcapital website.



## Most frequent questions...MORE

Q: [What's the valuation of the company?](#)

A: The nominal value of the company has, as a result of a slightly increased price per unit and on investments received, climbed to around \$35M. Note that the increase in valuation attributed to investments multiplies our current price per unit; the price per unit is based on our own deliberations. We believe that the current price fairly and reasonable reflects progress made by the company to date.

Q: [How much of the company do I get for my investment?](#)

A: This is one of those questions we can't, under SEC rules, answer here. There are full details on the Netcapital offering page that will help answer this question.

Q: [Can I use PayPal or a credit card to make my investment in \*\*MAGFAST\*\*?](#)

A: Credit cards are accepted by Netcapital[6]. They will add a fee of around 3% to cover their card processing costs.

Payments are made directly through the Netcapital SEC-regulated interface, not via PayPal or Venmo or other payment providers.

Q: [Can I make more than one investment in MAGFAST in the same offering?](#)

A: Yes. You can return to the Netcapital website to make additional investments as many times as you like. There is no additional cost for multiple investments: Netcapital does not charge any fee to you as investor, other than the 3% credit-card processing fee if you choose to invest using your card.



Q: Will my investment get me a product, or is it simply an investment?

A: This offering is an investment in the company, not for any products. If you would like to purchase **MAGFAST** family products at pre-order prices, please visit [www.MAGFAST.com](http://www.MAGFAST.com)

Q: How long do I have to hold my investment?

A: An investment in **MAGFAST** is for the long term. Please remember that **MAGFAST** is a private company, and there's no public market for trading ownership in private companies by the general public. Netcapital's secondary trading feature might be a path for some limited liquidity - limited to trading ownership in investments made in companies listed by Netcapital. Beyond the STF, it's likely that an investment in **MAGFAST** or any private company can only be exchanged for cash (or other shares) if the company goes public or is acquired by another company.

Q: Where are the 'prospectus' and other investment materials?

A: Please start your investigation at [investors.magfast.com](http://investors.magfast.com). We offer a downloadable Investor Packet at [www.magfast.com/investorpacket.pdf](http://www.magfast.com/investorpacket.pdf) which provides key information about the company, financials, patents, business model and future plans in a straightforward, digestible format.

Q: When will I be able to make an investment? Opening and closing dates?

A: The official closing date is published on the Netcapital website, although it is possible that the round will fill up before the offering window closes.



# Questions about investing in **MAGFAST**

Q: Is there a maximum number of shares you can sell or a maximum amount you can raise in this round?

A: Yes. The limits on how much we can raise in a Regulation Crowdfunding (Reg-CF) round are set by the Federal Securities & Exchange Commission (SEC). Details of the offering size are at Netcapital.

Q: I tried to invest last time but the offering sold out before I could invest. Do I need to do anything, or will my investment go through automatically?

A: Yes, please note that you will need to make your investment yourself. No, Netcapital won't automatically process your investment from a previous offering. If you are on the waitlist from a previous offering, please check that your personal and payment information is up to date before you make your investment.

Q: How much is the minimum investment?

A: The minimum is approximately \$100 for U.S. investors, and approximately \$300 for investors outside the U.S. The minimum isn't a round number because the cost per unit investment isn't round. (We talk about 'unit investments' because SEC rules mean we can't describe here the type of security available in this round.)

Q: What's the maximum investment?

A: There is no fixed maximum investment in **MAGFAST**. There are, however, some constraints:

- First, we ask that, on the first day after the offering opens (November 18th, U.S. time), you limit your investment to no more than \$5,000. You are able to come back after the 18th and make additional investments.
- Second, the SEC has rules about how much you can invest, based on their calculation of what you can afford.



Q: Is **MAGFAST** profitable?

A: Not yet. We are fully transparent about this, as with so much else we do - both about why we haven't yet turned a profit, and how we aim to build a highly profitable world-class company. Here are some key details:

Because we have only recently started shipping (pre-orders don't count as revenue) our income statement only shows expenses at the moment. Our priorities include: (a) the manufacture and shipping of tens of thousands of units—at which point we will recognize revenue for pre-orders and new orders, (b) driving down the cost of goods, and (c) improving the efficiency of our sales and marketing campaigns.

There is a summary of our finances in the Investor Packet and more details on the offering page at Netcapital.

Q: What are your plans for the future?

A: **MAGFAST** is aiming to be a major company - perhaps even *the* major charging company in a space where there are no great brands. We believe this is possible because of the quality of our product family, and because our comprehensive system strategy, backed by patents provides a compelling reason to buy multiple products in the family.

Our ambition is more than just charging, however. There are no guarantees that we will succeed, but our longer-term goal is to use our product, marketing and strategic strengths to build a world-class consumer-electronics company with a broad range of integrated products.



Q: [What will you use this investment for?](#)

A: Our intended use of proceeds for both the minimum and maximum sums we might raise in this offering are outlined in the Investor Packet. Our biggest planned investment is in manufacturing and materials; we also expect to invest in research and development, with the goal of expanding our capacity to design and create new products in the **MAGFAST** family with greater speed and efficiency.

Q: [After this round, is it likely you will be looking for more investment capital?](#)

A: Yes, it's possible, even likely that **MAGFAST** will look for additional sources of capital as we continue to pursue our long-term goals. It is possible that we will conduct another equity crowdfunding campaign - making shares available to the general public - and/or that we might seek venture capital or private equity.

Q: [Will I have a vote in decisions about MAGFAST's future?](#)

A: No. Investment in **MAGFAST** securities does not carry voting rights; we believe it is important that the company remain nimble, particularly in these early days as a private company, a period that requires fast-paced decisions. Nevertheless, we warmly welcome your input. **MAGFAST's** strength is its family, and much of what we have done and will do is guided by your comments and ideas.

Q: [Will MAGFAST pay a dividend?](#)

A: We do not expect, while the company is still private, that we will pay dividends to shareholders. We plan to reinvest a substantial proportion of the company's future capital and possible profits to advance **MAGFAST's** plans for growth.



## Questions from international investors

Q: [What's the share price in Canadian dollars, British pounds or Euros?](#)

A: It's not truly possible for us to know the exchange rate offered or any fees charged for a foreign transaction by your bank (if you send payment via wire transfer) or credit card processor.

Q: [What do I enter instead of a U.S. social-security number?](#)

A: We're delighted to welcome international investors, as long as your country allows you to make investments in a U.S. equity-crowdfunding offering. If you have questions about setting up your Canadian Social Insurance Number or other non-U.S. version of a social security number, please specify that you are not in the U.S. If you need further help, please contact Netcapital.

Q: [How do I pay for my investment if I'm based outside the U.S.?](#)

A: Your credit card is the easiest way to invest for everyone particularly if you are outside the United States. There is a -3% processing fee charged by Netcapital. Alternatively, you can choose to pay via wire transfer.

Q: [How much will I have to pay in foreign-exchange fees to invest using Canadian dollars or another foreign currency?](#)

A: Netcapital won't charge you a foreign-exchange fee. Any fees are charged by your credit-card provider (and card providers are often able to offer very competitive rates) or by your bank if you are paying by wire transfer.



## Questions about paying for my investment

Q: [I want to set up a Netcapital Wallet so I have funds in my account ready to invest. How do I do this?](#)

A: Please be aware that it can take some days for the Wallet to be funded. You might instead like to invest through your bank account or credit card. If you choose to invest by card, it might be a good idea to phone your card issuer to let them know. We understand from Netcapital that Wallet funds can always be refunded.

Q: [I bank with a small credit union and it's not on the list of banks supported by Netcapital.](#)

A: We understand from Netcapital that, while Plaid (the secure interface they use to allow a link to bank accounts for investment) is connected with large numbers of banks and credit unions, there

are some smaller institutions that are not supported. The alternatives are of course to invest using a credit card or wire transfer.

Q: [I'm not seeing an option to set up my bank account as a means of payment. Why not?](#)

A: The Netcapital interface only offers the option to set up a bank if you are in the U.S. It's likely that this option doesn't appear because you are outside the United States or have indicated that you do not have an account at a U.S. bank or credit union.

# Footnotes

*Here are some footnotes that clarify some of the points in this packet.*

*Please remember that this packet is only one part of the story about our business and ambitions.*

*The offering will open on November 18th at 4pm Eastern, 1pm Pacific at Netcapital.*

*Please review all the materials there before you make your decision.*

[1] **MAGFAST** and the **MAGFAST** logo are trademarks of Mischievous LLC and are used under license. Apple, Lightning and MFi are trademarks of Apple, Inc. and are used by license under Made for Apple/MFi program. Qi is a trademark of the Wireless Power Consortium and is used under license.

[2] Analysts differ in their opinions as to the size of the global markets for **MAGFAST**'s products. We estimate the combined charger + power bank markets to be at least \$20 billion and probably much larger, noting, for example, that:

- The latest report by IMARC Group, titled 'Battery Charger Market: Global Industry Trends, Share, Size, Growth, Opportunity and Forecast 2020 - 2026', finds that the global battery charger market reached a value of US\$ 21.7 billion in 2020 and is anticipated to reach US\$ 34.1 billion by 2026. Source: Allied Market Research <https://www.alliedmarketresearch.com/power-bank-market>
- The market for wireless chargers is expected to grow considerably more rapidly: "The Global Wireless Charging Market size is expected to reach \$25.6 billion by 2026, rising at a market growth of 28.4% CAGR during the forecast period." <https://www.globenewswire.com/news-release/2020/05/15/2034383/0/en/The-Global-Wireless-Charging-Market-size-is-expected-to-reach-25-6-billion-by-2026-rising-at-a-market-growth-of-28-4-CAGR-during-the-forecast-period.html>

[3] This is a cross sample of competitors from our own observations and represented in market research published by third parties. Competitors vary by region.

[4] At this early manufacturing stage, our full family of products may be represented in our materials by production and pre-production units, along with hand-made prototypes, animations and CAD 3D renderings.

[5] Amy and Seymour Segnit were previously the owners of thingCHARGER, Inc. which shipped over 1/4 million units of thingCHARGERS based on that company's records, before thingCHARGER, Inc. ran out of funds. **MAGFAST** Wall is an updated version of thingCHARGER. Rights to key thingCHARGER assets were purchased by Amy and Seymour when they started **MAGFAST**.

[6] If you choose to make your investment using a credit card, Netcapital will charge you a card processing fee that's typically slightly more than 3%. Netcapital can answer your questions about this fee.

[7] **MAGFAST** is a Limited Liability Company (LLC). LLCs have considerable flexibility in the language used to define their ownership and governance. Instead of 'members' and 'units', **MAGFAST** has chosen to use terminology that we believe is more readily understood: for example, managing members may be referenced in our materials as MAGFAST's board of directors, and members as stockholders.



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