

### IMPORTANT DISCLOSURES ABOUT YOUR INVESTMENT

- This communication highlights some, but not all, of the issues, concerns and risks associated with the prospective Company (“Investment”). You should understand that you have an opportunity to review all the information presented to you by or about this Investment and ask any related questions concerning your prospective investment. You should not depend solely on representations made by the Company and/or its agents and may seek the counsel of independent third-party professionals, including your financial and legal counsel.
- This investment is highly speculative, illiquid and constitutes a considerable amount of risk. You should have the financial wherewithal, experience, and sophistication to enter into this particular investment and that loss of the full principal amount would not materially affect your lifestyle. If you do not have the financial wherewithal, experience, and sophistication, then you should seek independent advice from a qualified financial professional who is unaffiliated with the Company or OpenDeal Broker LLC (“ODB”). Furthermore, you should consider participation in this Investment in an amount that would not exceed 5% of your total liquid net worth.
- OpenDeal Broker LLC, a duly licensed Broker-Dealer (CRD 297797) and member of both (1) the Financial Industry Regulatory Authority (FINRA) and (2) the Securities Investors Protection Corp. (SIPC), is paid a fee by the Company to (1) introduce investors and to provide such other services for which it is contractually engaged to provide; and (2) administer this investment agreed to between you and the Company. ***This activity on the part of ODB does not constitute a validation, endorsement or recommendation of any type whatsoever, of your proposed investment in the Investment.***
- In connection with the proposed transaction discussed herein, ODB does ***not*** act as underwriter, only as marketing agent or placement agent for the Company. ODB’s role in this Investment is limited and ODB has performed minimal research or due diligence regarding this Investment and should not be relied upon to offer any opinion pertaining to the merits or suitability of this Investment.

This offering is NOT insured by SIPC or FDIC. Details regarding the fees and/or payments to ODB and other participants in connection with this Transaction are available upon request.

To find out more about OpenDeal Broker LLC and its representatives please call 646.432.0706 or visit <https://brokercheck.finra.org>

# PRIVATE PLACEMENT RISK DISCLOSURE

The purchase of the privately placed Securities of a non-public company (“Securities”) is, in general, a highly speculative investment and should be undertaken only by persons who are financially able to bear the loss of their entire investment and who have no need for liquidity of their investment in the Issuer of such Securities (“Issuer”). Such investments involve various risks relating to the nature of the financing and potentially the state and federal legalities surrounding the Issuer, the nature and stage of development of the Issuer’s business, and the business sector in which it operates.

The listing below is not meant to be an all-inclusive description of such risks, but rather highlights some of the more significant factors and special risks relating to offerings of privately placed Securities of companies with limited operating histories in particular and should be used as guidance only.

For a description of the business, operations, and financial condition of a specific issuer, and the particular risks arising from an investment in an issuer’s Securities, investors should obtain and carefully read the available offering materials provided by such issuer, including any private placement memorandum, offering circular or prospectus prepared by the Issuer before making any investment.

Each potential investor, in considering the purchase of Securities, must perform its own evaluation of whether investing in Securities generally or purchasing Securities in a particular offering is consistent with its investment objectives, risk tolerance, and financial situation.

There are a variety of risk factors typically associated with investing in new issue Securities, any one of which may have a material and adverse effect on the price of such security. Prospective purchasers should consider the following factors, among others, before deciding to purchase Securities, and should consult with their own legal, tax and financial advisors with respect to these matters.

Lack of Operating History. the Issuer may be in the early stages of development with a history of little or no revenues and may have historically operated at a loss before, during, and may continue to, following the offering of the Securities. Such issuers are typically subject to the difficulties, uncertainties, and risks associated with the establishment of a new or early stage business such as manufacturing capability, limited product lines, lack of marketing expertise, the existence of more experienced or better capitalized competition, and reliance on a few large suppliers or customers.

No Prior Market for the Issuer’s Securities; Determination of Offering Price. For the Securities of non-publicly traded issuers, there is no or only a very limited secondary trading market and it is unlikely that an active secondary trading market will develop or be sustained following a privately placed offering of such issuer’s Securities. There is no assurance that an investor in such Securities will be able to sell them at a particular time or that the price received upon any sale will be favorable. Securities issued by private companies have not been registered under the Securities Act or under the Securities laws of any State of the United States or any other jurisdiction, including outside the United States. Therefore, Securities purchased in these

unregistered offerings may not be offered, resold, pledged or otherwise transferred, including without limitation in the United States or to U.S. persons, (i) unless the Securities are registered under the Securities Act or an exemption from the registration requirements of the Securities Act is available, and hedging transactions involving the Securities may not be conducted unless in compliance with the Securities Act, and (ii) except as permitted under any applicable Securities laws of the U.S. States and other jurisdictions. the Issuer of the Securities may require an opinion of counsel in form and substance satisfactory to the Issuer to the effect that any proposed transfer is in compliance with the Securities Act and all applicable Securities laws of the U.S. States and other jurisdictions.

Arbitrarily Determined Offering Price. The offering price of Securities issued in non-underwritten private offerings is determined by the Issuer based on its subjective evaluation of factors such as the history of, and prospects for, the Issuer's business and the industry in which it competes, an assessment of management, past and present operations, prevailing market and economic conditions, and any other factors it deems relevant to the security being offered. The offering price may not bear a relationship to the amount of earnings anticipated to be generated by the Issuer, or the Issuer's assets, book value or other recognized criteria of value, and should not be regarded as an objective valuation or an indication of any future resale value of the Securities offered.

Uncertainty of Financial Projections. Business plans and financial projections provided by the Issuer of Securities are based on assumptions and projections that may not prove accurate. No assurance can be given regarding the validity of the Issuer's assumptions or the attainability of its financial projections. Although an issuer may believe that the assumptions underlying its business plan are reasonable, future operating results and growth projections are inherently uncertain and may differ materially from the projections presented to potential investors.

Proceeds of the Offering May Be Insufficient to Execute on the Issuer's Business Plan. The shares of the Issuer are in most instances being offered on a "best efforts" basis. In this type of offering structure, the placement agent is not required to sell any specific number or dollar amount of Securities but will use its best efforts to sell the Securities being offered by the Issuer. Accordingly, the funds raised in the offering may not equal amounts contemplated by the Issuer to be required to effectuate its business plan or otherwise be sufficient to permit the Company to develop and conduct operations consistent with its projected performances.

Additional Financing May Be Required. An issuer that operates at a loss or with limited cash flow following an offering of its Securities, may be required to secure additional financing in order to fund its operations. If the Issuer decides to issue additional equity Securities, it is possible that their issuance will result in dilution of the interests of its existing shareholders, an increase in indebtedness to the detriment of existing lenders or other effects on the issued and outstanding Securities of such issuer. To the extent that the Issuer incurs indebtedness, the Issuer will be subject to certain risks including interest rate fluctuations and inability to generate

sufficient cash flow to make scheduled payments. In addition, indebtedness generally ranks prior to the equity of an issuer for purposes of distributing the Issuer's assets in the event of bankruptcy. There is also the possibility that the Issuer will be unable to locate financing on satisfactory terms or may be required to significantly curtail its operations.

Management's Discretion in the Application of Proceeds. Unless specified in the Issuer's private placement memorandum, offering circular or prospectus, the Issuer's management team will have broad discretion as to the use of the net proceeds from an offering of its Securities. This could result in the proceeds being applied to uses that investors may not deem desirable or with which they may not agree.

Dependence on Key Personnel. the Issuer may be highly dependent on the services of key technical and management personnel the loss of whose services could have a material adverse effect on the Issuer's business or operations. If the Issuer loses the services of key management personnel, or if it fails to recruit additional highly skilled personnel as needed, its ability to expand its operations and increase the size of the company will be impaired, and it may experience loss of markets or market share and become less competitive.

Proprietary Rights and Licenses. If an issuer is dependent on proprietary and/or licensed technology in its operations, its success will be closely related to its ability to obtain and enforce intellectual property protection for such technology. There exists the possibility that certain patents would not be sufficiently broad to protect key aspects of such an issuer's or its licensor's technology, so that competitors would be able to duplicate the Issuer's products or that patent laws would not provide effective legal or injunctive remedies to prevent infringement. Patents are also frequently challenged, invalidated, or circumvented by competitors; litigation of patent or infringement claims may result in substantial cost and diversion of resources.

Competition. Most companies experience significant competition in their market sectors from other companies, including larger companies which may have access to greater financial, technical, and other resources. It may be difficult for an issuer, particularly an issuer in the early stages of its business development, to continue to make investments necessary to maintain its competitive position.

The Securities Offered May Be Subject to Registration. If at a point in time following an offering, the Issuer has assets above \$10 million and more than 2,000 holders of its equity Securities (or 500 holders of record who are not accredited investors), it would be subject to registration under the Securities Exchange Act of 1934, triggering public company reporting requirements which require substantial management attention and materially higher compliance and reporting costs going forward. The Issuer may incur expenses tracking holders of record to avoid needing to register, such expenses may include the engagement of a transfer agent and other services to account for and properly designate the status of such holders.

Significant Transfer Restrictions. There is no expectation that the Securities offered will be registered under the Securities Act of 1933, the Securities laws of any state or the Securities laws of any other jurisdiction. Accordingly, such Securities cannot be resold except in accordance with exemptions from the registration requirements of the applicable Securities laws and regulations. Generally, persons in the United States will be required by law to hold such non-registered Securities for at least one (1) year. Non-U.S. Persons who purchase the Securities will initially be restricted from reselling them to U.S. persons in accordance with Rule 901 of Regulation S and will otherwise be required to hold the Securities for any period required by the laws of the jurisdiction in which they reside. In addition, an issuer or a secondary trading platform may designate a lockup period longer than required by applicable law. These restrictions will have an adverse impact on an investor's ability to resell the Securities and on the price at which that investor may be able to resell them, if at all.

Purchasers may lack information for monitoring their investment. the Issuer is not registered with the Securities and Exchange Commission and currently has no periodic reporting requirements. Accordingly, the Securities offered may not have any special information rights attached to them and purchasers may not be able to obtain all the information they would want regarding the Issuer or the Securities offered.

## **Additional Risks Applicable to Digital Securities**

In some instances, the Securities offered may be digital Securities or Securities exchangeable under certain conditions into digital Securities. Digital Securities are novel and have a limited or no history. As a result, the market for such digital Securities may be subject to substantial and unpredictable disruptions that cause significant volatility in prices. Investors will not be able to compare them against other like instruments. The listing below highlights some of the more significant factors and special risks relating to digital Securities. The list is not meant to be an all-inclusive description of such risks, but rather should be used as guidance only.

Digital Securities Represent a New and Developing Market. The blockchain and smart contract technologies on which digital Securities are based, are part of a new and rapidly changing industry subject to a variety of technical risks that are difficult to evaluate. The software, technology and technical concepts and theories applicable to digital Securities are likely to still be in an early development stage, the fact of which poses significant operational, technological, regulatory, reputational, and financial risks. There is no commercially standard process for receiving, using or proving ownership of digital Securities, and no warranty can be made that receiving, using or proving ownership will be uninterrupted or error-free or that smart contracts are fit for the purpose intended by an Issuer. There is an inherent risk that the digital Securities and related technologies and theories could contain weaknesses, flaws, vulnerabilities or defects causing, among other things, a malfunction resulting in the partial or complete loss of or inability to use digital Securities.

Uncertainties in Law and Regulation of Digital Securities. In addition, new or changing laws and regulations or interpretations of existing laws and regulations as they are applied to digital Securities, as well as uncertainties related to the tax and accounting characterization and treatment of digital Securities, may materially adversely impact: (i) an issuer's ability to conduct its business as contemplated or to operate as a going concern; (ii) a holder's ability to compliantly access marketplaces, if any, on which to trade the digital Securities; and (iii) and the structure, rights and transferability of the digital Securities. Moreover, an issuer of digital Securities is subject to the risk that compliance with any particular regulator's interpretation of a legal issue may not result in compliance with another's interpretation of the same issue or that any particular regulator's interpretation of a legal issue may change over time to an issuer's detriment. Consequently, there can be no assurance that any new or continuing regulatory scrutiny or initiatives will not have a material adverse impact on the value of the digital Securities and otherwise impede the Issuer's activities.

Risks of hacking and security weaknesses. Hackers or other malicious groups or organizations may attempt to interfere with digital Securities in a variety of ways, including, but not limited to, malware attacks, denial of service attacks, consensus-based attacks, Sybil attacks, smurfing and spoofing. Since techniques used to obtain unauthorized access or to sabotage systems change frequently and generally are not recognized until they are launched against a target, third-party hosting facilities may be unable to anticipate these techniques or to implement adequate preventative measures. Issuers of digital Securities may rely on blockchain technology, rather than traditional intermediaries to track and account for the holders of Securities issued by them; these methods are untested and may result in a loss of holder of record status due to technological problems, including but not limited to (i) defective code, (ii) malicious use of systems and (iii) loss of private keys to access digital wallets or addresses.

Loss of a Private Key Could Result in Loss of the Digital Securities. Once digital Securities are issued and delivered to an investor, each investor's ownership and custody of such Securities is associated with a private "key address." The owners of the digital Securities will be responsible for maintaining the confidentiality of their private key addresses which are necessary to control and dispose of the Securities stored in each holder's digital "wallet" or "vault." The loss of one or more of such private keys will result in the loss of the holder's digital Securities. Moreover, any third party that gains access to one or more of any holders' private keys, including by gaining access to login credentials of a hosted wallet service the holder uses, may be able to misappropriate the tokens.

## **CAUTIONARY NOTE REGARDING FORWARD-LOOKING STATEMENTS**

Issuers make "forward-looking statements" in various of their offering materials. In some cases, these statements may be identified by forward-looking words such as "may," "might," "should," "would," "could," "expect," "plan," "anticipate," "intend," "believe," "estimate," "predict," "potential"

or “continue,” and the negative of these terms and other comparable terminology. These forward-looking statements, which are subject to known and unknown risks, uncertainties and assumptions about the Issuer, may include projections of an issuer’s future financial performance based on its growth strategies and anticipated trends in its business. These statements are only predictions based on the Issuer’s current expectations and projections about future events. There are important factors that could cause actual results, level of activity, performance or achievements to differ materially from the results, level of activity, performance or achievements expressed or implied by the forward-looking statements.

Although the Issuer’s management believes the expectations reflected in the forward-looking statements are reasonable, it cannot guarantee future results, level of activity, performance or achievements. Moreover, neither an issuer nor any other person assumes responsibility for the accuracy or completeness of any of these forward-looking statements. Investors should not rely upon forward looking statements as predictions of future events.

Neither the Issuer nor the placement agent is under any duty to update any of these forward-looking statements contained in its offering materials after the date thereof to conform prior statements to actual results or revised expectations, and neither the Issuer nor the placement agent intends to do so.

We caution investors not to place undue reliance on the forward-looking statements, which speak only as of the date of the offering materials in which they appear.

Offering materials may also incorporate estimates and other statistical data made by independent parties and by an issuer relating to market size and growth and other data about an issuer’s industry. This data involves a number of assumptions and limitations, and Investors are cautioned not to give undue weight to such estimates. In addition, as noted above, projections, assumptions and estimates of our future performance and the future performance of the markets in which an issuer operates are necessarily subject to a high degree of uncertainty and risk.