

Venturebeam does not provide any legal, financial, investment, tax or other advice. No Venturebeam activity, statement, agreement, service or product may be construed as the provision of such advice.

Any kind of investing involves a level of risk, and early-stage companies are no exception. A very high proportion of early-stage businesses fail. We have therefore described below, in more detail, some of the potential risks in investing in early-stage businesses. You should note that the risks described below are not intended to be exhaustive. We ask you to take time to carefully familiarise yourself with each of the risks and to properly assess whether investing in such early-stage companies is appropriate in your particular circumstances.

Capitalised terms used herein have the meaning set out in the Platform Terms and Conditions for investing unless the context requires otherwise.

Risk Disclosure Statement

Date: 3 July 2024

You should seek independent professional advice if you do not fully understand the risks of or services related to investing through the Venturebeam platform (the “Platform”).

Platform target client is professional client. In exceptional circumstances for allowing to exercise investors ownership and other rights under relevant legislation retail clients are allowed to participate in specific fundraising offers.

The Platform is operated by different authorised service providers within the Venturebeam Group comprising:

- **An investing platform operated by three investment firm service providers, Funderbeam Markets AS, Funderbeam Markets Limited and Funderbeam Markets Pte. Ltd.**

A Venturebeam client (whether investor or company) is a client of the service provider and under the protection of the requirements of the regulator under which that service provider operates:

- An EEA client's service provider is Funderbeam Markets AS
- A UK/ non-EEA (ex Singapore) client's service provider is Funderbeam Markets Limited
- A Singapore client's service provider is Funderbeam Markets Pte. Ltd.

Funds are raised, investments are made, and orders in investments are placed only through the three investment firm service provider entities.

Generally, investments made through the Platform are not made in or accompanied by a prospectus that is lodged with or registered by a regulatory authority, and therefore statutory liability in relation to the content of prospectuses would not apply. Although information is provided over the Platform, you should also note that there is no strict statutory obligation for Issuers or offerors to provide you with information that one may reasonably require to make informed assessments of such offers.

Most of the companies raising funds through the Platform are early-stage companies. Investing in early-stage companies comes with a number of significant risks as there is no certainty whether an early-stage company you invest in will succeed to the point where your investment is returned, or you receive any return on your investment. The reality is, most early-stage companies fail and even those that achieve success will frequently not be in a position to provide returns to investors. Small and medium-sized companies also face a range of business risks. Therefore, investing in these companies may involve a number of significant risks and challenges mainly due to both the low probability of such companies eventually succeeding and/or being able to return any value to investors, and the general low liquidity of the investments in these companies.

You should **NOT** invest in the securities offered on the Platform unless you fully understand the risks and potential consequences, including the potential of losing all of your principal investment, and you are prepared to take such risks and able to bear such consequences. You should carefully consider whether investment is suitable for you in light of your knowledge and experience in

financial and business matters, investment objectives, financial means and the risks that you are prepared to take and the losses you are able to absorb. You should also only invest in these types of securities as part of a well-diversified portfolio and ensure that your investable capital is spread across a number of assets and businesses, and not too highly-concentrated in a small number of companies or businesses.

We have listed below some of the risks that you should consider and be aware of before making any investment through the Platform. However, this list is not intended to be an exhaustive or comprehensive description of all relevant risks. You should regularly review information on the Issuer, the investment made and the market developments that are available on our Platform and other public sites, and, as required, seek professional advice, to ensure that any investments made and held through the Platform remain suitable for you in your particular circumstances.

General risks

Loss of investment

The biggest financial risk to an investor is losing the entire investment. Investments available through the Platform include securities of early-stage companies or companies without a proven track record (or any track record at all). The risk of business failure is high. Most of the early-stage businesses are also at the risk of barely surviving with no profits or growth in the immediate years following your investment. In such cases, it is highly likely that you may lose your principal investment completely. Even if a company does become profitable, it is not guaranteed that your initial investment will be returned or you will receive a return on your investment as such returns are highly variable. You should be aware that any returns you could potentially receive might not cover your initial investment and may also be inconsistent in amount and frequency.

Loss of investment may stem from general risks as well as business-related risks. General risks can include (but are not limited to) geographical risks, political risks, legislative risk, and economic risk. Business risks include: risks arising from fluctuations in market demand for the products or services offered by the early-stage company; industry risk (meaning, risks inherent to the business area in which the company operates); competition risk (including, for example, the risk that a competitor is not only in the same area but better able to service customers or suppliers in that area); growth risk (for example, that the company grows too quickly versus business demand for its products or services, or that it is unable to grow to a level required in order to be successful); employee risk (for example, that key employees required for the business cannot be recruited or retained); fraud risk; and revenue risk (such risks vary from company to company, but include risks that may prevent revenue being realised such as the costs of new product launches or research and development costs, which cannot always be accurately budgeted).

Past performance is not a reliable indicator

The past performance figures or references of companies seeking funding are not reliable indicators of future results.

Risk of dilution

Early-stage companies usually have more than one funding round, meaning they are likely to raise more capital in subsequent funding rounds. During those rounds, depending on the type of investment opportunity, new investors may be entitled to a share of the company's equity. This may have a diluting effect on the percentage of ownership held by current investors because new shares are issued.

The new shares may also entitle the new investors to certain advantages such as preferential rights to dividends, special voting rights, pre-emption rights or rights in relation to other company matters. This could be disadvantageous to investors from the previous funding rounds, who may have invested into the early-stage company on different, less favourable terms.

Rarity of dividends

Start-ups or small-medium companies will rarely pay dividends to their investors, mainly because the profits are typically re-invested into the business to fuel growth and build shareholder value. This means that it is unlikely that you will be able to see regular returns from your investment unless you decide to liquidate your investments by selling the securities through the Platform, which even then may be at a loss to your principal investment sum.

Risks related to investments in foreign Issuers

Differences in legal and regulatory regime

If securities are offered by an Issuer in a foreign jurisdiction, or the security is structured through a foreign special-purpose-vehicle, or you purchase securities that are issued by foreign Issuers, your investment and continued holding of securities may be subject to the laws and regulations of that jurisdiction. The investment or you yourself may be subject to additional tax liabilities, transaction costs or capital controls under the foreign laws. Any claims or action may need to be raised before foreign courts or authorities. You should be aware that overseas markets may be subject to rules which may offer different or diminished investor protection as compared to Estonia, the United Kingdom, Singapore, or any other jurisdiction in which you reside or are domiciled.

In addition, countries and markets where foreign Issuers are registered and operate may not be familiar to you and it may be difficult to make a full assessment of the risks involved. Political, legal, economic, financial or other developments in these countries or markets may significantly affect the financial condition or results of operations of companies. These developments may sometimes come unexpectedly not only to investors but also to companies operating in these markets.

Before making an investment in securities offered by a foreign Issuer, you should be fully aware of the types of redress available to you in Estonia, the United Kingdom, Singapore, or other home nation and the jurisdiction of the foreign Issuer, as any claims or action may need to be raised before foreign courts or authorities and even if any judgments are obtained, there may be difficulties in attempting to enforce these in Estonia, the United Kingdom, Singapore, or the other state in which you reside.

You should remain mindful that in some countries, legal concepts which are practiced in mature legal systems may not be in place or may have yet to be tested in courts. This would make it more difficult to predict with a degree of certainty the outcome of judicial proceedings or even the quantum of damages which may be awarded following a successful claim.

Different costs involved

Each purchase of securities issued by foreign Issuers, may be subject to additional tax liabilities, transaction costs, duties, charges or capital controls under the foreign laws. Before each purchase of securities issued by foreign Issuers, you should be clear on all fees and other charges for which you may be liable as such charges may affect your net profit (if any) or increase your loss on the investment made.

Currency risk

You should be aware that the securities may be denominated in currencies different from the currency of your home country. Also, although investments made through, and tradable on, the Platform are displayed in currencies which we as a service provider support, sometimes investee companies are able to accept capital only in a currency we are not able to support. Consequently, the investment made and the asset received by an investor may be denominated in different currencies. Respective amounts must be converted which often results in changes in the investment amount due to rounding and conversion costs.

In all these cases, your investment return will be affected by exchange rate fluctuations and you will therefore be exposed to foreign currency risk. Currencies depreciate or appreciate value against each other and this may correspondingly reduce or increase the value of your investment in foreign currency terms. Further, currencies may be devalued or revalued, or countries may establish capital

movement restrictions. Any of these events or restrictions may adversely affect the value of your investment or your ability to invest or hold assets in foreign currencies.

Your payment service provider may also charge fees for converting funds into foreign currency or for making payments in foreign currencies.

Risks related to clients' assets

We may hold securities and money for you or otherwise in connection with investments which means that securities are registered in our or our affiliate's name via a nominee or trust arrangement. We provide such services under laws and regulations applicable for holding client assets and money. Whilst nominee and trust arrangements are well-established and frequently utilised under English and Singapore law, and in other common law jurisdictions, and trust custodial arrangements are recognised as effective under a number of other jurisdictions including Estonia, foreign laws or courts do not always recognise nominee, trust or trust custodial relationships.

Accordingly, holding shares in our or our affiliate's name, and collectively for investors, may adversely affect the way we are able to exercise rights attaching to the relevant securities or respective accounts, and securities or money may become subject to proceedings that limit our ability to get access to, or dispose of, them. Whilst we take all reasonable steps to guard against, there is also a risk that we make mistakes or become subject to a fraud which may result in a loss of assets held by us.

No assurance that information from the companies that you invest in will be accurate or accessible

The financial statements of the companies in which you invest may not be subject to a statutory audit. As such, the financial information presented to you may not have been ascertained or reviewed by a qualified auditor. An unaudited financial statement may not accurately reflect the financial health of an Issuer. The financial statements of the companies also may not be made accessible to you in the absence of requirements in their home country for them to do so. In addition, the information made public by an Issuer may also be general in nature and may not have been verified by any independent parties.

OTC Transactions

Over the Counter transaction requests which are agreed and manually matched by you with other investors, and informed by you to your Venturebeam service provider for trade settlement will be processed by us and reflected in your wallet within the next working day, subject to fulfilment of necessary conditions such as the availability of funds and securities. Significant company disclosures or the release of other material market information may significantly affect the price of your investment and consequently have an adverse effect on the outcome of your order (e.g. you can lose out when compared to the prevailing market price.). You should therefore ensure that you carefully follow the market developments. When entering into an OTC transaction you will not receive automatically matched best price on the market.

Asset specific risks

Funds

Different types of collective investment schemes carry varying levels of risk depending on the geographical region, industry sector and stage of companies in which they invest. Therefore, before investing in investment funds, you should ensure that you understand the nature, risks and the investment policy of the particular fund, and you determine whether the product is suitable for your investment profile by making sure you read all the key information documents of the particular fund that are made available by the fund manager.

Bonds

Bonds are considered as loans to a company and are therefore a type of debt investment. They are generally considered to be more stable than share or equity-based investments, but they may still involve significant risks. For example, there is a possibility that a company that issues bonds will be unable to make interest or principal payments when they are due. Further, there might be a risk that the company will undertake a debt restructuring, merger or recapitalization that increases its debt load, causing its bonds' values to fall, or interferes with its ability to make timely payments of interest and principal. If you are uncomfortable with any of the risks involved, you should not invest in bonds.

We have taken measures to mitigate the risks that may arise from the use of the Platform. However, we cannot make any assurances that the risks described and detailed or any other risks will not materialise. You should seek independent professional advice if you do not fully understand the risks of investing through the Platform.

Additional Disclosures For Investors In Singapore

The securities made available through the Platform are offered to you in reliance on the exemptions under sections 274 and 275 of the Securities and Futures Act (Cap. 289 of Singapore) (the **"Act"**). These offers are not made in or accompanied by a prospectus that is registered by the Monetary Authority of Singapore (**"MAS"**).

Neither this Risk Disclosure Statement nor any other document related to the securities made available through the Platform has been lodged and registered as a prospectus with the MAS under the Act. The MAS assumes no responsibility for the contents of this Risk Disclosure Statement or any such document. Accordingly, statutory liability under the Act in relation to the content of prospectuses would not apply. You should consider carefully whether the investment is suitable for you in light of your own personal circumstances.

No securities made available through the Platform may be offered or sold, or made the subject of an invitation for subscription or purchase, nor may any prospectus or any other document or material in connection with the offer or sale or invitation for subscription or purchase of any securities be circulated or distributed, whether directly or indirectly, to persons in Singapore other than to (i) an institutional investor as defined in section 4A(1)(c) of the Act (an **"Institutional Investor"**); (ii) an accredited investor as defined in section 4A(1)(a) of the Act (an **"Accredited Investor"**); (iii) a relevant person as defined in section 275(2) of the Act (a **"Relevant Person"**); or (iv) a person pursuant to section 275(1A) of the Act in accordance with the conditions specified in section 275 of the Act.

No securities acquired by (i) an Institutional Investor; (ii) an Accredited Investor; (iii) a Relevant Person; or (iv) a person pursuant to section 275(1A) of the Act in accordance with the conditions specified in section 275 of the Act may be offered or sold, made the subject of an invitation for subscription or purchase, or otherwise transferred, whether directly or indirectly, to persons in Singapore, other than to (i) an Institutional Investor; (ii) an Accredited Investor; (iii) a Relevant Person; or (iv) a person pursuant to section 275(1A) of the Act in accordance with the conditions specified in section 275 of the Act.

Unless otherwise permitted under the Act, where the securities are subscribed or purchased pursuant to section 275 of the Act by a Relevant Person as defined in section 275(2) of the Act which is:

- a corporation (which is not an Accredited Investor) the sole business of which is to hold investments and the entire share capital of which is owned by one or more individuals, each of whom is an Accredited Investor; or
- a trust (where the trustee is not an Accredited Investor) whose sole purpose is to hold investments and each beneficiary is an individual who is an Accredited Investor,

securities (as defined in section 239(1) of the Act) of that corporation or the beneficiaries' rights and interests (howsoever defined) in that trust shall not be transferable for six months after that corporation or that trust has acquired the securities under section 275 of the Act except:

- to an Institutional Investor or to a Relevant Person as defined in section 275(2) of the Act or (in the case of such corporation) where the transfer arises from an offer referred to in section 276(3)(i)(B) of the Act or (in the case of such trust) where the transfer arises from an offer referred to in section 276(4)(i)(B) of the Act;
- where no consideration is or will be given for the transfer;

- where the transfer is by operation of law; or
- pursuant to section 276(7) of the Act or Regulation 32 of the Securities and Futures (Offers of Investments) (Shares and Debentures) Regulations 2005 of Singapore.

Where we deal with you as an Accredited Investor or Institutional Investor, we would be exempt from complying with certain requirements under the Act and certain regulations and notices issued thereunder. Please note that the regulatory requirements which we are exempted from when dealing with you as an Accredited Investor or Institutional Investor may be amended and updated from time to time due to regulatory changes or otherwise. Any such amendments and updates would be set out on our Platform.

General Warning: Accredited investors are assumed to be better informed, and better able to access resources to protect their own interests, and therefore require less regulatory protection. Investors who agree to be treated as accredited investors therefore forgo the benefit of certain regulatory safeguards. For example, issuers of securities are exempted from issuing a full prospectus registered with MAS in respect of offers that are made only to accredited investors, and intermediaries are exempted from a number of business conduct requirements when dealing with accredited investors. Investors should consult a professional adviser if they do not understand any consequence of being treated as an accredited investor.

Withdrawal of consent to being treated as Accredited Investor: You may withdraw your consent to being treated as an AI by Venturebeam at any time during your relationship with us. We will cease to treat you as an AI upon receiving notice of your withdrawn consent. Please note that such withdrawal of consent may mean that we will need to treat you as a retail investor. If that is the case, the amount of information we can share with you, including information on investment opportunities on our platform, will be limited. Your activities on our platform will also be limited. You will not, for example, be able to see full details of fundraising companies or participate in any investment opportunity.

If you withdraw your consent, you will be unable to access the full set of resources and information on our platform unless you:

- (i) opt in once more to being treated as an AI or
- (ii) inform us that you wish to qualify as an expert or professional investor (as defined in the SFA) instead.

Additional Disclosures For Investors and Issuers In the United States

With respect to any securities or investments offered by a US domiciled Fundraising Company;

(a) you understand that no Funderbeam entity is targeting offering or arranging any investments or services to any US resident or US person (as defined in Regulation S of the U.S. Securities Act of 1933 (the "Act")); and

(b) you confirm as an Investor that you are not a US resident or US person and are not acquiring the securities for the account or benefit of any such US resident or US person.

With respect to a US domiciled Fundraising Company you understand that;

(a) all offers and sales of securities or investments prior to the expiration of the distribution compliance period specified in paragraph (b)(2) or (b)(3)) of Rule 903 of Regulation S under the U.S. Securities Act of 1933 (the "Act"), as applicable, shall be made only in accordance with the provisions of Rule 903 or 904 of such Regulation, as applicable; pursuant to registration of the securities under the Act; or pursuant to an available exemption from the registration requirements of the Act; and

(b) such securities or investments will not be offered or sold to a U.S. person, as defined in Rule 902(k) of Regulation S, and may not be used to engage in hedging transactions with regard to such securities or investments prior to the expiration of the distribution compliance period specified in paragraph (b)(2) or (b)(3) of Rule 903, as applicable, unless in compliance with the Act; and

(c) such securities or investments contain a legend (via physical certificates or electronic book-entry) to the effect that transfer is prohibited except in accordance with the provisions of Regulation S,

pursuant to registration under the Act, or pursuant to an available exemption from registration; and that hedging transactions involving those securities may not be conducted unless in compliance with the Act; and

(d) by contract and/ or a provision in its bylaws, articles, charter or comparable document, it will refuse to register any transfer of the securities not made in accordance with the provisions of Regulation S, pursuant to registration under the Act, or pursuant to an available exemption from registration.