

RISK DISCLOSURE

In Connection with the Convertible Note Offering

This investment involves the purchase of convertible notes (“Notes”) in Zenza Capital PTE Limited, a Singapore private company (the “Company” or “Issuer”). At a point in time no later than the *Maturity Date*, the Notes will be converted into Class A redeemable preference shares in the capital of the Company (the “Class A Preference Shares”), or, if and only if an Initial Jurisdiction Election Date (as defined in the Note) or Secondary Jurisdiction Election Date (as defined in the Note) occurs for a Note holder’s applicable jurisdiction, on or before the *Maturity Date*, each such eligible Note holder shall elect to either convert its Note to Class A Preference Shares or apply the proceeds from its Note to purchase RYO Tokens (the “RYO Tokens”) from the Company in connection with such Initial Token Repayment Date. Under the terms of the Note, the purchase of RYO Tokens will be considered a deemed repayment of the Note by the Company to the Holder (as defined in the Note). The Company is in the early development stage of a blockchain-based, smart contract-enabled platform (the “RYO Platform”). The Company is developing RYO Tokens to be an integral part of the RYO Platform.

An investment in Notes offered by the Company is highly speculative and involves a high degree of risk of loss of all or a material portion of an investor’s entire investment. Prospective investors in this Convertible Note offering (the “Offering”) should give careful consideration to the following risk factors, in addition to other information included in the Offering materials, in evaluating the merits and suitability of an investment in the Notes. Only those investors who can bear the risk of loss of their entire investment should participate in this Offering. Each of the risk factors set forth herein could materially adversely affect the Company’s business, operating results or financial condition, as well as the (i) the value of any securities issued by the Company, including the Notes and Class A Preference Shares, and (ii) the viability of the Company, the RYO Platform and the RYO Tokens.

Risk Factors Related to the Regulation of the Company and RYO Tokens

The RYO Tokens will not be issued to Note holders unless the Company determines that they can be issued in accordance with applicable law in such Holder’s jurisdiction.

There are a number of uncertainties in United States law as to whether or not the Company will be permitted to issue the RYO Tokens to Note holders, including, but not limited to, whether the RYO Tokens are securities for purposes of U.S. law and the application of the U.S. commodities regulations to crypto assets like the RYO Tokens. Under current United States law, the Company does not believe that it will be permitted to issue the RYO Tokens to any holders of Notes located in the United States. Unless the Company determines that it can issue the RYO Tokens to the Note holders in accordance with the laws of the relevant jurisdiction of the Note holder, including all relevant United States law and/or the laws of each applicable foreign jurisdiction, then the Company will not issue the RYO Tokens to the Note holders in the United States and in those jurisdictions. If the RYO Tokens are not issued before the Maturity Date, then all of the outstanding Notes will automatically convert to Class A Preference Shares on the Maturity Date.

The RYO Tokens will not be issued to Note holders unless the Company has obtained any relevant licenses under Singapore Law

Under Singapore law, an issuer of digital tokens may be subject to licensing requirements. The Company is not so licensed under Singapore law and therefore may not be currently able to issue tokens. The Company intends to obtain the relevant license but cannot assure you it will do so prior to the Maturity Date or at all. The Company will not issue RYO Tokens unless and until it has obtained the relevant licenses under Singapore law, or it determines that no such licenses are necessary. If the RYO Tokens are not issued before the Maturity Date, then all of the outstanding Notes will convert to Class A Preference Shares.

The Issuer may be subject to a number of regulatory and licensing requirements. If the Issuer is not able to satisfy some or all of these requirements, the Issuer may need to liquidate the Company.

It is expected that the Issuer may be subject to a number of regulatory and licensing requirements that may adversely affect the Company. Failure to satisfy those requirements may mean that the Issuer will be unable to manage the Company as planned, operate in certain jurisdictions or potentially operate at all, which would have severe, adverse consequences on the value of the Notes.

The regulatory regime governing blockchain technologies and cryptocurrencies is uncertain, and new regulations or policies may alter the nature of the investment.

The regulatory status of cryptographic tokens, digital assets and blockchain technology and its applications is unclear or unsettled in many jurisdictions. There are a number of federal and state agencies in the United States who may attempt to assert jurisdiction over certain aspects of the Company's business activities. These include, but are not limited to the U.S. Securities and Exchange Commission (the "SEC"), the U.S. Commodity Futures Trading Commission (the "CFTC"), the Internal Revenue Service, the Financial Crimes Enforcement Network, the U.S. Department of Justice, state securities regulators, and state money service transmitter regulators. Depending on the location of investors, advertisers, consumers and those with which the Company does business, the Company may also be subject to the laws of other countries, including but not limited to compliance with the European Union's General Data Protection Regulation. It is difficult to predict how or whether governmental authorities will regulate such technologies. Further, the statutory and regulatory environment is ever changing. It is difficult to predict how or whether any governmental authority may make changes to existing laws, regulations and/or rules that will affect cryptographic tokens, digital assets and blockchain technology and its applications. Changes in statutes and regulations or the manner in which existing statutes and regulations are interpreted and enforced may negatively impact the Company (including forcing the Company to cease operations) and any Notes, Class A Preference Shares or RYO Tokens issued or distributed by the Company. For example, such changes could result in a determination that Tokens are regulated financial instruments that require registration or through the imposition of onerous liquidity requirements. The Company may cease the distribution of Tokens, cease the development of the RYO Token or cease operations in a jurisdiction in the event that governmental or other actions make such distribution, development and/or operations unlawful or commercially undesirable to continue. The need to keep abreast of the changing regulatory and legal environment

could also result in substantial legal expenses for the Company, which could have a material adverse effect on the Company.

The regulation of non-currency use of blockchain assets is also uncertain. The CFTC has stated and judicial decisions involving CFTC enforcement actions have confirmed that at least some digital assets, including Bitcoin, fall within the definition of a “commodity” under the U.S. Commodities Exchange Act of 1936, or CEA. Additionally, on July 25, 2017, the SEC issued a report titled "Report of Investigation Pursuant to Section 21(a) of the Securities Exchange Act of 1934: The DAO (the "DAO Report"). In the DAO Report, the SEC applied the U.S. Supreme Court's four-factor test from *SEC v. W.J. Howey Co.* in determining that the tokens issued by The DAO, a decentralized autonomous organization ("DAO"), were securities. Specifically, the SEC noted that The DAO's investors relied on the significant managerial efforts and expertise of the founders in seeking a return on their investment. The SEC stressed that those who offer and sell securities in the U.S. are required to comply with federal securities laws, regardless of whether those securities are purchased with virtual currencies or distributed with blockchain technologies. To the extent that a domestic government or quasi-governmental agency exerts regulatory authority over a blockchain network or asset, the value of an investment in the Notes may be materially and adversely affected.

To the extent that RYO Tokens are deemed to fall within the definition of a “commodity” or "commodity interest" under the U.S. Commodities Exchange Act of 1936, or CEA, the Note, the Issuer, and purchasers may be subject to additional regulation under the CEA and CFTC regulations. If the RYO Tokens are commodities, the CFTC will have general enforcement authority to police against manipulation and fraud. From time to time, manipulation, fraud, and other forms of improper trading by market participants have resulted in, and may in the future result in, CFTC investigations, inquiries, enforcement action, and similar actions by other regulators, government agencies, and civil litigation. Such investigations, inquiries, enforcement actions, and litigation may cause us to incur substantial costs and could result in negative publicity. Commodity interests, as such term is defined by the CEA and CFTC rules and regulations, are subject to more extensive supervisory oversight by the CFTC, including licensing of entities engaged in, and platforms offering, commodity interest transactions. To the extent that the RYO Tokens or the Notes are deemed to fall within the definition of a commodity interest, whether as a swap or otherwise and including pursuant to subsequent rulemaking or guidance by the CFTC, the Issuer may be subject to additional regulatory requirements and oversight, including registration as a commodity pool operator or a commodity trading advisor with the CFTC and becoming a member of the National Futures Association. The Issuer could also be subject to judicial or administrative sanctions if it does not or did not at a relevant time possess appropriate registrations. Such actions could result in injunctions, cease and desist orders, as well as civil monetary penalties, fines, and disgorgement, as well as reputational harm. The CFTC has previously brought enforcement actions against entities engaged in digital asset activities for failure to obtain appropriate registrations.

To the extent that RYO Tokens are deemed to fall within the definition of a security under U.S. federal securities laws, the Notes and Issuer may be subject to additional requirements under the Investment Company Act and Investment Advisers Act. In general, a company that is or holds itself out as being engaged primarily in the business of investing, reinvesting, or trading in securities may be deemed to be an investment company under the Investment Company Act. The Investment Company Act contains substantive legal requirements that regulate the manner in

which “investment companies” are permitted to conduct their business activities. The Issuer believes it has conducted, and intends to continue to conduct, its business in a manner that does not result in the Issuer being characterized as an investment company. If the Issuer is deemed to be an investment company under the Investment Company Act, it may be required to institute burdensome compliance requirements and its activities may be restricted, which would adversely affect the Issuer’s business, financial condition, and results of operations. The Issuer may be required to register as an investment adviser under the Investment Advisers Act.

Furthermore, the CFTC and the SEC have jointly adopted regulations defining “security-based swaps,” which include swaps based on single securities and narrow-based indices of securities. If the RYO Token is deemed to be a security, certain transactions referencing the RYO Token could constitute a security-based swap. To the extent that trading or transactions in the RYO Token are deemed to fall within the definition of a security-based swap, including pursuant to subsequent rulemaking or guidance by the CFTC or SEC, the Issuer may be subject to additional regulatory requirements and oversight by the SEC and could be subject to judicial or administrative sanctions if we do not or did not at relevant time possess appropriate registrations as an exchange (for example, as a security-based swaps execution facility) or as a registered intermediary (for example, as a security-based swap dealer or broker-dealer). This could result in injunctions, cease and desist orders, as well as civil monetary penalties, fines, and disgorgement, as well as reputational harm.

Blockchain networks also face an uncertain or contradictory regulatory landscape in many foreign jurisdictions such as the European Union, China and Russia. Various foreign jurisdictions may, in the near future, adopt laws, regulations or directives that affect the Notes. Such laws, regulations or directives may conflict with those of the United States or may directly and negatively impact the Notes. The effect of any future regulatory change is impossible to predict, but such change could be substantial and materially adverse to the Notes.

New or changing laws and regulations or interpretations of existing laws and regulations, in the United States and other jurisdictions, may materially and adversely impact the value of RYO Tokens, the liquidity and market price of RYO Tokens, the ability to access marketplaces or exchanges on which to trade RYO Tokens, and the structure, rights and transferability of RYO Tokens. On-going and future regulatory actions may alter, perhaps to a materially adverse extent, the nature of an investment in the Notes or the ability of the Issuer to continue to operate.

In the event that the Notes or the Tokens are subject to regulation under the U.S. commodities laws, U.S. investors could be subject to U.S. reporting obligations.

The classification of the Notes and the Tokens under commodities laws is uncertain. It is possible that U.S. regulators could view these instruments as subject to regulation under U.S. commodities, derivatives or similar laws. It is possible that such determination could have an adverse impact on the Company and/or investors in the Note Offering and may require U.S. investors in the Note Offering to be subject to reporting obligations. The Company urges you to discuss this risk with your own counsel.

Legal and regulatory factors relating to the Company’s business model might present barriers to success.

The RYO Platform will operate in a new and developing legal and regulatory environment. The law regarding token sales and cryptocurrencies is developing. As a result, it is possible that there could be legal disputes over the interpretation of smart contracts used in connection with the RYO Platform, thus undermining the functionality of the RYO Platform and the RYO Tokens. To the extent that licenses or other authorizations are required in one or more jurisdictions in which the Company operates or will operate, there is no guarantee that the Company will be granted such licenses or authorizations. The Company may need to change its business model to comply with these licensing and/or registration requirements (or any other legal or regulatory requirements) in order to avoid violating applicable laws or regulations or because of the cost of such compliance. Uncertainty in how the legal and regulatory environment will develop could negatively impact the Company.

Neither the Offering nor the Notes nor the Class A Preference Shares have been registered under U.S. or foreign securities laws.

No governmental agency has reviewed or passed upon this Offering, the Company, the Notes or the Class A Preference Shares of the Company. The Company also has relied on its interpretations of exemptions from U.S. and foreign securities registration requirements for purposes of this Note Offering. Investors in the Company and purchasers of the Notes, therefore, will not receive any of the benefits that such registration would otherwise provide. Prospective investors must therefore assess the adequacy of disclosure and the fairness of the terms of this Offering on their own or in conjunction with their personal advisors. In addition, regulators or courts may decide that the Company's interpretations of the exemptions on which it seeks to rely are incorrect, resulting in significant consequences to the Company, including the possibility that the Company would have to cease operations.

Notes that are repaid through the holder's purchase of tokens is an untested form of transaction.

Although the issuance of notes that entitle the holder the right to purchase a security in the future is not a new concept, the issuance of notes, wherein the holder can purchase non-securities (tokens, in particular) in lieu of receiving repayment for the note, is an untested offering form and its validity may be suspect. Although the Company has taken steps to ensure compliance with its understandings of applicable United States federal and state securities laws, it is possible that, following review, regulators may question or challenge the offering structure. Such a regulatory inquiry or challenge could result in significant costs to the Company and remedies that could include, but not be limited to: (a) rescission; (b) a determination that the RYO Tokens are securities that may only be traded on a national securities exchange or authorized alternative trading system, which would impose requirements that would make it impossible to operate the RYO Platform as intended and result in a reduction in value of the Notes; (c) restitution; and (d) civil monetary penalties.

The Company faces compliance costs and risks related to Countering the Financing of Terrorism ("CFT") and Anti-Money Laundering ("AML") regulations.

The United Kingdom has issued a series of regulations to combat terrorist financing and money-laundering activities. Many other countries, including the United States, have enacted similar legislation to control the flow of capital for such illicit activities. In the event that licenses, registrations or other authorizations are required under applicable CFT and/or AML regulations to

operate the RYO Platform, there is no guarantee that the Company will be able to successfully obtain such licenses, registrations or authorizations. In addition, any illicit use of RYO Tokens by bad actors could breach such regulations and seriously impact the global reputation of the RYO Platform. In such event, it is conceivable that this could trigger scrutiny by CFT and AML regulators and potentially cause significant disruption to the distribution and circulation of RYO Tokens.

Risk Factors Related to the Company

The Company has little or no operating history.

The Company was formed on October 2, 2020 to operate the RYO Platform. Technology, including intellectual property (“IP”) under development since May 2008, has been transferred to the Company by Zenza Capital Holdings Ltd. of Japan under a Technology Transfer Agreement (the “RYO License”). The Company anticipates that its operating expenses will increase for the near future and that it may initially operate at a deficit. There can be no assurance that the Company will ever generate any operating activity or develop and operate the RYO Platform. As a result, the Company has little or no operating history upon which you can evaluate its prospects. Accordingly, the Company’s prospects must be considered in light of the risks and challenges that any new company encounters. You should consider the Company’s lack of operating history, as well as its proposed business, operations and prospects, in light of the risks, expenses and challenges faced by early-stage companies.

The Company’s personnel may lack sufficient experience to manage the Company.

The Company was formed to operate the RYO Platform and certain personnel of the Company have no history of past performance in managing blockchain token platforms like the RYO Platform. This makes it difficult for investors to evaluate the RYO Platform and its future prospects. The past performances of the Company’s personnel in other industries, including their experiences in the financial industry, are no indication of their ability to manage the Company. Likewise, the past performances of the Company’s personnel in other industries, including their experiences in the financial industry, are no indication of their ability to manage the Company, the RYO Platform or the RYO Token. The Company’s performance will depend, in part, on the Company’s ability to manage the RYO Platform and issue RYO Tokens. If the experience of the Company’s personnel is inadequate or unsuitable to manage either company, the operations of the Company may be adversely affected. The Company can make no assurances that they will be successful in addressing these issues.

There is a possibility that the Company will be unable to complete development of the RYO Platform.

It is possible that, due to lack of capital, technological difficulties, personnel, regulatory issues, business issues or other unforeseen causes, the RYO Platform may never be completed and the RYO Tokens may never be available for sale or distribution. It is also possible that the Company may need to modify the functions of the RYO Platform and/or RYO Tokens in light of technological, business, regulatory or other considerations.

There is no assurance that investors in this Offering will receive a return on their investment.

There is no assurance that investors will realize a return on their investments or that their entire investments will not be lost. For this reason, each investor should carefully read the Company's Offering documents, and should consult with their own attorney and business advisor prior to making any investment decision to purchase the Company's Notes.

The Company has already issued Class B Ordinary Shares, which have superior voting rights to the Class A Preference Shares, and the Company may issue other classes of shares (whether ordinary or preferred) that have rights, preferences or dividends or other matters that are senior or preferential to the rights of the Class A Preference Shares.

The Company has already issued Class B Ordinary Shares, which are entitled to ten votes per share. The Company's Class A Preference Shares, which may be issuable to Note holders pursuant to certain terms of the Notes, is entitled to only one vote per share. The Class B Ordinary Shares have superior voting rights to the Class A Preference Shares and have other rights and preferences (e.g. as to dividends) that are senior or preferential to the rights of the Class A Preference Shares. The Company may also authorize and issue other classes of shares that may have rights, preferences or dividends that are senior or preferential to the rights of the Class A Preference Shares.

The Company is subject to complex laws regarding privacy and data protection and as a result, may not be able to develop a compliant RYO Platform.

The RYO Platform engages in the collection of consumer data. As such, the Company is subject to a variety of laws and regulations in the United States and abroad that involve matters central to its business, such as privacy, data protection and personal information, advertising, marketing, distribution, data security, data retention and deletion, and protection of minors. In addition, foreign data protection, privacy, content, competition, and other laws and regulations can impose different obligations or be more restrictive than those in the United States. Some of these laws may be enforced by private parties in addition to governmental entities. The Company is working to develop the RYO Platform in a way that is compliant with these laws, including the European Union's General Data Privacy Regulation ("GDPR"). The Company has retained third parties who qualify as Data Processors ("DPs") under GDPR and are accordingly required to comply with aspects of the GDPR. The Company, as a Data Controller, has primary responsibility for compliance under other aspects of the GDPR.

The GDPR, in particular, increases privacy rights for individuals in Europe, extends the scope of responsibilities for data controllers and data processors and imposes increased requirements and potential penalties on companies offering goods or services to individuals who are located in Europe or monitoring the behavior of such individuals (including by companies based outside of Europe). Noncompliance with the GDPR and other applicable laws can result in significant penalties for the Company. If the Company is unable to develop the RYO Platform in a way that is compliant with the various laws, the Company may need to restrict its businesses, including but not limited to restricting the rights of Note holders, such as those located in Europe, to redeem their Notes and purchase RYO Tokens.

Risks Associated with the Use of Funds.

The Company has provided a description of the anticipated Use of Funds from the Note offering. There is no contractual restriction, however, regarding how the Company may use the funds, and the Company has retained the discretion to determine how to use the funds in a way that it deems appropriate. There can be no guarantee that the funds will be used as described or that the funds will be sufficient for the purposes intended. If the Company is not able to successfully use the funds as intended or to achieve their desired results, then the value of the Notes and the Class A Preference Shares and/or the value and viability of the RYO Tokens and the RYO Platform may be adversely affected.

The Conversion Price (as defined in the Term Sheet) is based on a valuation of the Company, which may not be indicative of the value of the Class A Preference Shares.

In the event the Convertible Notes convert into Class A Preference Shares of the Company, the Conversion Price (as defined in the Term Sheet) will be based on a Valuation Amount (as defined in the Term Sheet) of the Company. The Valuation Amount is determined in the Company's sole discretion and was not based on any third-party or independent valuation of the Company. The Conversion Price of the Class A Preference Shares may not be an accurate indication of the potential value of the Class A Preference Shares. Neither the Company nor its management team can provide any assurance with respect to the potential value of the Class A Preference Shares. If the Company is valued at an amount that is significantly less than the Valuation Amount, then the value of the Class A Preference Shares upon conversion may be significantly less than the Conversion Price for the Class A Preference Shares. Neither the Conversion Price nor the Valuation Amount are adjustable in the event that one or more third-party valuations differ from the Valuation Amount set forth in the Term Sheet.

The Class A Preference Shares are subject to future dilution.

It is anticipated that the proceeds to the Company from this sale of the Convertible Notes may not be sufficient to sustain the Company's operations. Accordingly, the Company may need to raise additional capital in the future. There can be no assurance that such additional funding will be available in the amounts, on terms, or at the times acceptable to and/or required by the Company. Additional equity financing may prompt the dilution of the ownership percentages of the Company's then-existing stockholders, including the holders of the Class A Preference Shares into which the Convertible Notes may convert. The Class A Preference Shares are subject to dilution by future issuances of Class A Preference Shares, Class B Ordinary Shares or other securities senior or *pari passu* to the Class A Preference Shares. There is no price protection for the Class A Preference Shares in the event that such shares are sold at a valuation less than the Valuation Amount. In the event that such securities are sold at a valuation below the Valuation Amount or with seniority to the Class A Preference Shares, the economic interest or voting power in the Company, or both, of the Class A Preference Shares will be diluted.

Risk Factors Related to the RYO Tokens and RYO Platform

It may be illegal now, or in the future, to acquire, own, hold, sell or use RYO Tokens in one or more countries, and ownership of, holding or trading Class A Preference Shares may also be considered illegal and subject to sanctions.

Although currently cryptocurrencies are not regulated or are lightly regulated in most countries, some countries have taken, and may take in the future, regulatory actions that severely restrict the right to acquire, own, hold, sell or use cryptocurrencies or to exchange cryptocurrencies for fiat currency. Such regulatory actions or restrictions could adversely affect an investment in the Notes or result in the termination and liquidation of the Company at a time that is disadvantageous to Holders, or may adversely affect an investment in the Class A Preference Shares.

There is another “RYO” cryptocurrency trading online that is likely to cause confusion with our RYO Token and RYO Platform, which could adversely affect the value of the RYO Token and Company.

There is another “RYO” cryptocurrency trading online. Although the RYO Platform and the RYO Token have no relationship with the purported “RYO” or “Ryo Currency”, there is the potential that a person looking to purchase RYO Tokens or utilize the RYO Platform may be confused by the existence of “RYO” or “Ryo Currency”. The “Ryo Currency” structure may also cause confusion with the RYO Token or RYO Platform as it also contemplates a “Ryo Wallet” and other features that may be confused for the RYO Token or the RYO Platform. This confusion could have a material adverse effect on the viability of the RYO Token and the RYO Platform and the operations of the Company.

Risks related to Trademark Protection of the RYO Brand.

The Company seeks to protect its brands through trademark law. At present, the RYO Coin trademark is filed and secured with the JPPTO by Zenza Capital Holdings Ltd. of Japan and the RYO mark was filed with the United States Patent and Trademark Office by Zenza Capital Holdings Ltd. of Japan. Both of the preceding marks are exclusively licensed for all uses to the Company. There can be no assurance that the applications, if filed, will be successful or that the Company will be able to secure significant protection for the trademarks in the United States or elsewhere. In addition to the other RYO cryptocurrency noted above, the Company’s competitors or others could adopt product or service marks similar to the Company’s marks, or try to prevent the Company from using its marks, thereby impeding its ability to build brand identity and possibly leading to customer confusion. Any claim by another party against the Company or customer confusion related to its trademark, or the Company’s failure to obtain trademark registration, could harm the Company’s goodwill in its marks or its business. In addition, effective trademark protection may be unavailable, limited or not applied for in certain foreign countries. It also may be difficult for the Company to enforce certain of its licensed trademark rights against third parties who may have inappropriately acquired interests in the Company’s intellectual property rights by filing unauthorized trademark applications in foreign countries to register the Company’s licensed marks. Such activities could adversely affect the Company’s future growth and success.

The Company faces risks relating to the further development and acceptance of blockchain technology and cryptocurrencies.

The growth of the blockchain industry in general and cryptocurrencies in particular is subject to a high degree of uncertainty. The factors affecting the foregoing include, without limitation:

- Worldwide growth in the adoption and use of blockchain technologies and cryptocurrencies;
- Government and quasi-government regulation of blockchain technologies and cryptocurrencies;
- The availability and popularity of other forms or methods of buying and selling goods and services;
- General economic conditions; and
- A decline in the popularity or acceptance of cryptocurrencies.

The slowing or stopping of the development, general acceptance and adoption and usage of blockchain networks and cryptocurrencies may deter or delay the acceptance and adoption of the RYO Platform and the RYO Tokens.

The Company faces risks associated with the Company's development and launch of the RYO Platform.

The core blockchain and GPS wallet for the RYO Platform are complete. The Company intends to make further changes to the core blockchain underlying the RYO Platform in response to market changes. Although some changes are not readily apparent at this time, the Company currently intends to develop several supportive technologies, such as a dashboard and management system for master nodes; a server component to allow for the automation of side chains (which currently must be hand-coded); enhanced security modules to actively detect blockchain attacks (given that the Company currently relies on network-level technology to detect attacks); a payment processing system, including integration with one or more exchanges and alternative payment systems (e.g., credit cards, PayPal, etc.); and enhancements to the wallet, including multimedia support, advertising and mall integration. Continued development of the RYO Platform will require significant capital, the expertise of the Company's management, and substantial time and effort by skilled developers and other parties. The Company may not retain the services of developers with the technical skills and expertise needed to successfully develop the RYO Platform and progress it to a successful launch. Furthermore, even if the RYO Platform is successfully developed and launched, there can be no assurance that the RYO Platform will function as intended or that it will be able to sustain long-term operation of RYO Tokens or other large scale D-apps or cryptocurrencies. There can be no assurance that the RYO Platform or RYO Tokens will function as described or will be launched according to the milestones set forth in the Technical Roadmap Section of the Business Summary.

In addition, some or all of these technology solutions and advancements described above may be new and/or relatively untested. The Company faces significant risks related to building and implementing such new technologies, and, if the Company is not successful in such efforts, it may have a material adverse impact on the value of the Tokens, the Notes and/or the Class A Preference Shares.

The Company has an exclusive license to the RYO Platform and RYO Token and such license is subject to termination.

Zenza Capital Holdings Ltd. of Japan has exclusively licensed the RYO Platform technology, including the blockchain, GPS Wallet, Global Mall, and API's needed to perform integrations with

future products or services, to the Company pursuant to the RYO License. This license includes the source code for the RYO Platform necessary to maintain and operate the technology related to the issuance of all RYO Tokens. Zenza Japan has the right to terminate the RYO License in the event the Company breaches its obligations to pay required royalties, ceases to operate, enters bankruptcy, or becomes insolvent. In the event that the RYO License is terminated, such termination may have a material adverse effect on the Company and its operations, as well as the value of the Tokens, the Notes and/or the Class A Preference Shares.

The RYO Platform may never achieve market acceptance.

The RYO Platform is in the early development stage. Although the Company believes, based on research and historical data, that there is a need for the Company's services, the Company has not engaged in market testing to determine the likely reception of the specific RYO Platform concept. If the Company is able to launch the RYO Platform and the RYO Tokens, there is no guarantee that the RYO Platform or the RYO Tokens will achieve market acceptance generally or in a sufficient amount to make the RYO Tokens valuable. A lack of use or interest in the RYO Platform could negatively affect the development of the RYO Platform and the potential utility of RYO Tokens. Failure to achieve market acceptance will have a material adverse impact on the Notes, the Class A Preference Shares and/or the RYO Tokens.

Risks Associated with the RYO Platform.

The RYO Platform may include coding errors or otherwise not function as intended, which may negatively affect the RYO Platform and the functionality of RYO Tokens. Moreover, advances in cryptography, or technical advances such as the development of quantum computing, could present risks to RYO Tokens by rendering ineffective the cryptographic consensus mechanism that will underpin the RYO Platform. Upgrades to the RYO Platform after it launches, source code forks of the RYO Platform, or a change in how transactions are confirmed on the RYO Platform may have unintended adverse effects on the RYO Tokens.

Risks Associated with Competition.

The Company faces competitors who are also making use of blockchain technology and offer functionality somewhat similar to the RYO Platform. Other competitors are or may be much better financed and possess much greater management expertise. Because of these and other factors, the Company may find it difficult or impossible to compete with these competitors, which could have a material adverse effect on the Company, the Notes and the Class A Preference Shares.

Risk of Losing Access to RYO Tokens Due to Loss of Global Payment Security (GPS) Life Wallet.

When issued, RYO Tokens purchased may be held offline, or in a digital wallet or vault, including the RYO Global Payment Security (GPS) Wallet, all of which require a private encryption key or a combination of private encryption keys for access. Accordingly, loss of the private encryption key(s) associated with your GPS wallet may result in the loss of such RYO Tokens. Moreover, any third party that gains access to such private encryption key(s), including by gaining access to login credentials of a hosted wallet or vault service you use, may be able to misappropriate your RYO Tokens. The Company shall not be responsible for any such losses.

Risk that the RYO Platform is Superseded by a Competing Protocol or Technology.

The Company has endeavored to build the RYO Platform using state-of-the-art protocols and technology. There can be no assurance that the technology being proposed to underpin the RYO Platform will not be supplanted by competing protocols that improve upon, or fully replace, the RYO Platform's technology. It is not known whether the RYO Platform will become the predominant protocol adopted globally by the industry. If the RYO Platform is surpassed or superseded by a competing protocol or technology, RYO Token usage and adoption may decline. The Company intends to release source code openly to the public as confidence grows in the integrity and stability of the RYO Platform over time.

Risks associated with the Offer & Sale of RYO Tokens.

The Company cannot guarantee that the public sale of RYO Tokens will occur at all, however the Company intends to sell RYO Tokens and intends to complete the sale of RYO Tokens by Maturity Date. There can be no assurance that the sale of RYO Tokens will be conducted as expected, or at all, or that potential purchasers will subscribe for the maximum supply of RYO Tokens available for subscription.

RYO Tokens are intended to act as a medium of exchange between users in the RYO Platform ecosystem. RYO Tokens are not investment products. There should be no expectation of future profit or gain from the purchase or sale of RYO Tokens. RYO Tokens do not represent (i) any equity or other ownership interest in the Company, (ii) any rights to dividends or other distribution rights from the Company or (iii) any governance rights in the Company. Public policy towards token sales and cryptocurrency is evolving, and it is conceivable that regulators may in the future seek to broaden the scope of regulation of token sales or cryptocurrency. If the offer and sale of RYO Tokens becomes subject to registration, prospectus or licensing requirements in a particular jurisdiction, the Company may be found liable if they have not complied with the applicable registration, prospectus or licensing requirements, and the market for RYO Tokens may be adversely affected. There are also other risks of participating in any token sale involving cryptocurrency, including volatility in cryptocurrency markets, the possibility of increasing regulation of cryptocurrency exchanges, the potential for a post facto government investigation of a token sale and other risks.

Risk of Price Volatility.

The prices of cryptocurrencies have historically been subject to dramatic fluctuations and are highly volatile, and the market price of RYO Tokens may also be highly volatile. Several factors may influence the market price of RYO Tokens, including, but not limited to:

- Global supply of cryptocurrencies, both with respect to the number of different cryptocurrencies and the supply of each individual cryptocurrency;
- Global demand for cryptocurrencies, which can be influenced by the growth of acceptance of cryptocurrencies as payment for goods and services, the security of online cryptocurrency exchanges and digital wallets that hold cryptocurrencies, the perception that the use and holding of cryptocurrencies is safe and secure, and the regulatory restrictions on their use;

- Changes in software, software requirements or hardware requirements underlying blockchain technologies;
- Fiat currency withdrawal and deposit policies of cryptocurrency exchanges on which cryptocurrencies may be traded and liquidity on such exchanges;
- Interruptions in service from or failures of major cryptocurrency exchanges;
- Investment and trading activities of large investors, including private and registered funds, that may directly or indirectly invest in cryptocurrencies;
- Monetary policies of governments, trade restrictions, currency devaluations and revaluations; and
- Regulatory measures, if any, that affect the use of cryptocurrencies.

A decrease in the price of a single cryptocurrency may cause volatility in the entire cryptocurrency industry and may affect the price of the RYO Tokens. For example, a security breach that affects investor or user confidence in Bitcoin or Ethereum may affect the industry as a whole and may also cause the price of RYO Tokens to fluctuate. Declines in the value of the RYO Token would have a material adverse effect on the value of the Notes and the value of the Class A Preference Shares.

Capital Control Risks.

Many jurisdictions impose strict controls on the cross-border flow of capital. Holders of RYO Tokens may be subject to these regulations. Such regulations may also have an adverse impact on the ability of the Company to obtain liquidity from the Token Reserve to effect redemptions of Class A Preference Shares.

Risks related to the Token Reserve.

The Company plans to reserve that number of Tokens (the “Token Reserve”) to satisfy the conversion rights of the Notes and redemption rights of the holders of Class A Preference Shares, as applicable, and in each case in accordance with the terms of the Notes. There can be no assurances, however, that a future creditor of the Company may not have a claim on the Company’s assets, including the Token Reserve. Any such claims could have a material adverse effect on the value of the Notes, the value of the Class A Preference Shares and the viability of the conversion of the Notes or the ability of the Company to redeem the Class A Preference Shares.

Risks of Government and Private Actions.

The markets in which the Company intends to operate are new and may be subject to heightened oversight and scrutiny, including investigations or enforcement actions. There can be no assurance that governmental authorities will not examine the operations of the Company, or enact regulations or pursue enforcement actions against the Company, which may result in curtailment of, or inability to operate, the RYO Platform as intended, or judgments, settlements, fines or penalties against the Company. In addition, non-governmental parties may bring private legal actions against the Company, either individually or as a class, which may result in curtailment of, or inability to operate, the RYO Platform as intended, or judgments, settlements, fines or penalties against the Company.

Risks Associated with Intellectual Property Matters.

The Company does not currently hold any issued patents. Accordingly, the Company would not be entitled to exclude or prevent other entities from replicating their technology, methods and processes.

While the Company enters into confidentiality and invention assignment agreements with its developers, no assurance can be given that these agreements will be effective in controlling access to the Company's proprietary information and trade secrets. The confidentiality agreements on which the Company relies to protect certain technologies may be breached, may not be adequate to protect its confidential information, trade secrets and proprietary technologies and may not provide an adequate remedy in the event of unauthorized use or disclosure of its confidential information, trade secrets or proprietary technology. Further, these agreements do not prevent the Company's competitors or others from independently developing technology that is substantially equivalent or superior to the technology of the Company. In addition, others may independently discover the Company's trade secrets and confidential information, and in such cases, the Company likely would not be able to assert any trade secret rights against such parties.

Although the Company does not believe that the technology, processes and methods relating to the RYO Platform have been patented by any third party, it is possible that patents have been issued to third parties that cover all or a portion of the RYO Platform. Patent holders or other intellectual property owners may assert that the RYO Platform or the Company's methods or practices infringe, misappropriate or otherwise violate their intellectual property or other proprietary rights. Any such claims, regardless of merit, could result in substantial expenses, divert the attention of management or materially disrupt the operation of the RYO Platform, including through awarded injunctive relief.

Risks of Hacking and Security Incidents.

The RYO tokens may be subject to expropriation and/or theft. Hackers or other malicious groups or organizations may attempt to interfere with the RYO Platform or the RYO Token in a variety of ways, including but not limited to malware attacks, denial of service attacks, consensus-based attacks, Sybil attacks, smurfing and spoofing. Where measures have been taken to reduce the likelihood of security incidents involving the RYO Platform, the nature of networked-services and all-online transactions makes eliminating security risks impossible, and some risk of those security incidents over time will always remain during the operation of the RYO Platform.

The RYO Platform will involve the processing, storage and transmission of transactions and data. Cybersecurity breaches can include unauthorized access to systems, networks, or devices; infection from computer viruses or other malicious software code; and attacks that shut down, disable, slow, or otherwise disrupt operations, business processes, or website access or functionality. Cybersecurity breaches may result in the misappropriation of financial assets, intellectual property or sensitive information belonging to the Company, the Company's investors, RYO Platform users, or the Company's third-party service providers. Cybersecurity breaches may also cause disruptions and impact the Company's business operations, potentially resulting in financial losses, including but not limited to the loss of RYO Tokens; the inability of the Company, its employees and other service providers to transact business; violations of applicable privacy and

other laws; regulatory fines, penalties, reputational damage, reimbursement or other compensation costs, or additional compliance costs; as well as the inadvertent release of confidential information including information governed by the General Data Protection Regulation or that could result in identity theft. Similar adverse consequences could result from cybersecurity breaches affecting Noteholders, holders of Class A Preference Shares, and parties who use the RYO Platform. These adverse consequences could result in significant liabilities for the Company, including but not limited to loss of revenue, costs of remediation, and fines. In addition, substantial costs may be incurred by the Company in order to prevent any cybersecurity breaches in the future.

Risk Associated with Marketability of the Notes and Class A Preference Shares

The Notes are “restricted securities” and are non-transferable.

Pursuant to the terms of the Convertible Note Purchase Agreement, the Notes may not be offered, sold, or transferred. The Company is not obligated to register for sale, under either federal or state securities laws, any Note, and the Company has no plans to do so. Accordingly, an investor in the Notes will be required to hold its Note to maturity subject to earlier conversion in accordance with the terms of the Notes.

The Class A Preference Shares are “restricted securities” subject to transfer restrictions and there is currently no market for the Class A Preference Shares.

The Class A Preference Shares have not been registered under the U.S. Securities Act of 1933 (the "Securities Act"), in reliance, among other exemptions, on the exemptive provisions of Article 4(2) of the Securities Act and Regulation D under the Securities Act. Accordingly, the Class A Preference Shares are “restricted securities” and not freely transferable.

There has been no public or private market for the Class A Preference Shares, and there can be no assurance that any such market would develop in the foreseeable future. There is, therefore, no assurance that the Class A Preference Shares will ever be able to be resold. Each potential Holder will be required to represent that it is acquiring the Class A Preference Shares for investment and not with a view to distribution or resale, that it understands that the Class A Preference Shares are not freely transferable and, in any event, that it must bear the economic risk of an investment in the Class A Preference Shares for an indefinite period of time because the securities have not been, and may never be, registered under the Securities Act, applicable state Blue Sky laws or any foreign securities laws. In addition, any potential proposed transfer must comply with restrictions on transfer imposed by the Company and by applicable U.S. and/or foreign securities laws and/or Singapore laws. Accordingly, potential Holders should be prepared to hold the Class A Preferred Shares indefinitely and cannot expect to be able to liquidate any or all of their investment even in case of an emergency.

Taxation Risks.

The tax characterization of RYO Tokens is uncertain, and you must seek your own tax advice in all jurisdictions relevant to you in connection with your purchase of RYO Tokens. A purchase of Tokens may result in adverse tax consequences to you, including withholding taxes, income taxes and tax reporting requirements. It is also possible that the income of the Issuer would be subject to significant amounts of income and/or withholding taxes. Further, the use of Tokens

as a form of currency may or may not be subject to income taxes, capital gains taxes, value added, sales or use taxes or other forms of taxes. The uncertainty in the tax treatment of Tokens and transactions in Tokens may expose subscribers, prospective purchasers and the Issuer alike to unforeseen future tax consequences associated with the purchase, ownership, sale or other use of RYO Tokens.

There is a possibility that, as a result of economic conditions, natural disasters, war, terrorist attacks, or acts of God beyond the Company's control, the Company, the Notes, the Class A Preference Shares, the RYO Tokens, and/or the RYO Platform may be detrimentally affected.

The Company, the Notes, the Class A Preference Shares, the RYO Tokens, and/or the RYO Platform may be significantly affected by economic downturns or general economic conditions, natural disasters, war, terrorist attacks, global pandemics or acts of God beyond the Company's control and beyond the control of individual Note holders.

Other Potential Risk Factors

Risk from Reliance upon Key Persons

The Company relies on the guidance, acumen, knowledge, business relationships, and skills of a team of key persons in executing upon the plans detailed in the Business Summary. The Company cannot predict all risks that might be associated with the disruption of services, capabilities, time or attention of key personnel including the team described in detail in the Team Description section of the Business Summary.

Risk from Reliance upon Third-Party Vendors and Strategic Partners

Several large service providers with proven histories of operations are relied upon by the Company in the operation of the RYO Platform and incremental additions of features and the maintenance of systems that allow the RYO Platform to function. The Company uses Internet infrastructure services provided by Microsoft Azure cloud computing and networking facilities, as well as servers in multiple data center facilities operated by Digital Ocean. Development tools produced by Microsoft, including but not limited to the .Net framework and development tool chain, are used to create, maintain and extend the capabilities of the RYO Platform including issuing Tokens, processing transactions, and providing value-added services and integrations such as communications services.

Further each of these third-party vendors and service providers themselves have reliance upon their own partners for Internet connectivity to those servers that create the RYO Platform. The Company cannot control the risks within these third-party partners and vendors including network outages, data loss, equipment failure, or disruptions in expected operations due to changes in downstream relationships those third parties have with their own service providers.

Conclusion

In addition to the risks listed above, businesses are often subject to risks not foreseen or fully appreciated by the Company's management. It is not possible to foresee all risks that may affect the Company. Moreover, the Company cannot predict whether the Company will successfully effectuate the Company's current business plan. Each prospective investor is encouraged to carefully analyze the risks and merits of an investment in the Notes and should take into consideration when making such analysis, among other, the Risk Factors discussed above.

THE SECURITIES OFFERED INVOLVE A HIGH DEGREE OF RISK AND MAY RESULT IN THE LOSS OF YOUR ENTIRE INVESTMENT. ANY PERSON CONSIDERING THE PURCHASE OF THESE SECURITIES SHOULD BE AWARE OF THESE AND OTHER FACTORS AND SHOULD CONSULT WITH HIS OR HER LEGAL, TAX AND FINANCIAL ADVISORS PRIOR TO MAKING AN INVESTMENT IN THE NOTES. THE NOTES SHOULD ONLY BE PURCHASED BY PERSONS WHO CAN AFFORD TO LOSE ALL OF THEIR INVESTMENT.