
RISK FACTORS

ABOUT NFTs

An NFT is a unit of data stored on a digital ledger, known as a blockchain. An NFT (and the associated license to use, copy or display the underlying asset) can be traded and sold on digital markets. NFTs function like cryptographic tokens, but, unlike cryptocurrencies like Bitcoin, NFTs are not mutually interchangeable; thus, not fungible. Each NFT may represent a different underlying asset and may have a different value, but all bitcoins have equal value. NFTs are created when blockchains string records of cryptographic hash (a set of characters identifying a set of data) are added to previous records. This cryptographic transaction process ensures the authentication of each digital file by providing a digital signature that is used to track NFT ownership.

You should understand the risks associated with NFTs entirely before you decide to invest in them. The NFTs described on our platform entail certain risks that investors should consider before making decision to purchase any of our offerings. We give no assurance that you will realize any rate of return or other investment objectives. You must, therefore, consider the following risk factors among others risks in making an investment decision:

The NFTs being offered are speculative and involve high risk

Investing in the NFTs involves risks. You should carefully consider the risk factors below (“**Risk Factors**”), as well as other information you research. We recommend consulting your financial and legal advisers as to the risks involved in an investment in the NFTs and whether an investment is suitable for you. NFTs are not an appropriate investment for you if you do not understand the terms of the offerings or are unable to evaluate financial matters generally. You should not purchase NFTs unless you understand and know you can bear all the investment risks involving the NFTs.

Risks Related to the NFTs

NFTs are not a diversified investment. NFTs are not an investment in a money market mutual fund holding diversified investments in short term debt securities of many companies. For this reason, investors will not have the protections provided to mutual fund investors under the Investment Company Act of 1940, as amended.

NFTs are not insured by the Federal Deposit Insurance Corporation or any other governmental or non-governmental entity. You could lose some or all your investment. No private or government entity guarantees return of your investment in the event of a collapse in the NFT market.

NFTs are not protected by the Securities Investor Protection Corporation under the Securities Investor Protection Act of 1970, as amended.

The value of NFTs may be influenced by many unpredictable factors

Although no secondary markets for NFTs exist, the value of NFTs we offer may fluctuate. Several factors, many of which are beyond our control, will influence the value of such NFTs.

Other factors potentially affecting the value of NFTs include (i) supply and demand for our art and (ii) general economic, financial, political, regulatory, geographical or legal events that affect the NFT market.

Decline in industry sales volume due to financial crisis, recession, geopolitical events, or other factors would have a material effect on us

In the fall of 2008, the global economy entered a financial crisis and severe recession, putting significant pressure on the financial markets generally. These economic conditions can dramatically reduce industry trading volume throughout the world. Similar downturns may result from geopolitical events, such as wars or acts of terrorism, or other factors beyond our control. There is no assurance that the NFT market will not suffer downturns in the future, and any negative impact could in turn have a material adverse effect on your investment.

Adverse effects resulting from economic, geopolitical or other events could adversely affect our business

With the increasing interconnectedness of global economic and financial systems, a financial crisis, natural disaster, geopolitical crisis, act of terrorism or other significant event in one area of the world can have an impact on markets around the world. For example, the September 11, 2001 terrorist attacks in New York, the 2008 economic crisis in the United States and the recent Euro zone debt crisis all had impacts on markets around the world. Such developments could cause financial and capital markets to constrict, thereby negatively impacting businesses, and also could cause a substantial drop in consumer confidence and spending that could negatively impact the value of NFTs.

The coronavirus outbreaks

The outbreak of the coronavirus has resulted in significant reductions in economic activity worldwide. The negative economic effects of the ongoing spread of COVID-19 cannot be adequately determined or reliably quantified for the time being, however, a continuing COVID-19 pandemic will have a significant negative impact on the business, cash flows, financial condition, liquidity, and results of operations of all businesses. Moreover, further adverse developments of the COVID-19 pandemic, especially if restrictive measures remain in force significantly longer and are stricter than expected or in the event of a second wave of infections, would on the one hand result in an even deeper slump for the global economy.

The COVID-19 pandemic is causing significant uncertainty in the global financial markets, but it is not possible to predict the ultimate scope of this pandemic or the ultimate effect it may have on the global economy or the global financial markets, including the economy or financial markets related to NFTs. While the Federal Reserve has implemented emergency interest rate cuts and federal, state and local governments have implemented other measures in response to COVID-19, the likelihood of such measures preventing volatility in the financial markets or the occurrence of a national or global economic downturn cannot be predicted.

For example, it is unclear whether the United States is in or will experience a severe recession as a result of the outbreak (and, if so, for how long). In addition, we cannot predict how many of our customer have been and will continue to be adversely affected by the outbreak and how long governmental efforts to slow the spread of COVID-19 throughout the world will continue.

We have limited operating history

We lack a substantial history in operations and in business in general for that matter. As a result, we are subject to all the risks and uncertainties that are characteristic of a relatively new business enterprise, including the substantial problems, expenses and other difficulties typically encountered in the course of establishing a business, capturing market share, organizing operations and procedures, and engaging and training new personnel. The likelihood of our success must be considered in light of these potential problems, expenses, complications, and delays.

Interruptions in our information and telecommunication systems, or a failure to maintain the security, confidentiality or privacy of sensitive data residing on such systems, could adversely affect our business

We intend to rely extensively on computer systems to process transactions, maintain information and manage our business. Disruptions in the availability of our computer systems could impact our ability to service our customers and adversely affect our sales and results of operations. We are dependent on internal and third-party information technology networks and systems, including the Internet and wireless communications, to process, transmit and store electronic information. We expect to depend on our information technology infrastructure for fulfilling and receiving payments through cryptocurrency, and conducting digital marketing activities, data processing, and electronic communications. We also expect to depend on telecommunication systems for communications between company personnel and our customers and suppliers. Our computer systems are subject to damage or interruption due to system conversions, power outages, computer or telecommunication failures, computer viruses, security breaches, catastrophic events such as fires, tornadoes and hurricanes and usage errors by our employees. Also, our computer systems could be subject to physical or electronic break-ins, unauthorized tampering or other security breaches, resulting in a failure to maintain the security, confidentiality or privacy of sensitive data, including personal information relating to customers, or in the misappropriation of our proprietary information. Interruptions in information and telecommunication systems, or a failure to maintain the security, confidentiality or privacy of sensitive data residing on such systems, whether due to actions by us or others, could delay or disrupt our ability to do business and service our customers, require us to incur significant investments to fix or replace them, harm our reputation, subject us to regulatory sanctions and other claims, lead to a loss of customers and revenues and otherwise adversely affect our business.

We may be adversely affected by regulatory matters

NFT markets may be adversely affected by legislative, regulatory, administrative and enforcement actions at the local, state and national levels (for example, the Securities and Exchange Commission, Federal Trade Commission, state consumer protection agencies, *etc.*).

We may be subject to other risks

The foregoing represents our best attempt to identify the various risks you may be exposed to by investing in NFTs. These disclosures do not purport to be complete and may not adequately cover all the risks you may be subject to, either directly or indirectly, as a result of purchasing NFTs from us.