

RISKS DISCLAIMER

By purchasing, owning, and using SoCo tokens, you expressly acknowledge and assume the following risks:

1. RISK OF LOSING ACCESS TO SoCo TOKENS DUE TO LOSS OF PRIVATE KEY(S), CUSTODIAL ERROR OR PURCHASER ERROR

A private key, or a combination of private keys, is necessary to control and dispose of SoCo tokens stored in your digital wallet or vault. Accordingly, loss of requisite private key(s) associated with your digital wallet or vault storing SoCo tokens will result in loss of such SoCo tokens. Moreover, any third party that gains access to such private key(s), including by gaining access to login credentials of a hosted wallet service you use, may be able to misappropriate your SoCo tokens. Any errors or malfunctions caused by or otherwise related to the digital wallet or vault you choose to receive and store SoCo tokens in, including your own failure to properly maintain or use such digital wallet or vault, may also result in the loss of your SoCo tokens. Additionally, your failure to follow precisely the procedures set forth in for buying and receiving tokens, including, for instance, if you provide the wrong address for the receiving SoCo tokens, or provides an address that is not ERC-20 compatible, may result in the loss of your tokens.

2. RISKS ASSOCIATED WITH THE ETHEREUM PROTOCOL

Because SoCo tokens and the <https://soco.social> platform are based on the Ethereum protocol, any malfunction, breakdown or abandonment of the Ethereum protocol may have a material adverse

effect on the platform or SoCo tokens. Moreover, advances in cryptography, or technical advances such as the development of quantum computing, could present risks to SoCo tokens and the platform, including the utility of SoCo tokens for obtaining services, by rendering ineffective the blockchain consensus mechanism that underpins the Ethereum protocol.

3. RISK OF MINING ATTACKS

As with other decentralized blockchain tokens based on the Ethereum protocol, SoCo tokens are susceptible to attacks by miners in the course of validating SoCo token transactions on the Ethereum blockchain, including, but not limited to, double-spend attacks, majority mining power attacks, and selfish-mining attacks, as well as other new forms of attack that may be created. Any successful attacks present a risk to the platform and SoCo tokens, including, but not limited to, accurate execution and recording of transactions involving SoCo tokens. Mining attacks may also target other blockchain networks with which Tokens interact, which may consequently significantly impact Tokens.

4. RISK OF HACKING AND SECURITY WEAKNESSES

Hackers or other malicious groups or organizations may attempt to interfere with the platform or SoCo tokens in a variety of ways, including, but not limited to, malware attacks, denial of service attacks, consensus-based attacks, Sybil attacks, smurfing, and spoofing. Furthermore, because the platform is based on open-source software, there is a risk that a third party or a member of the Company team may intentionally or unintentionally introduce weaknesses into the core infrastructure of the platform, which could negatively affect the platform and SoCo Foundation Company Limited, including the utility of SoCo tokens for obtaining services. Advances in cryptography may

present risks to cryptocurrencies, digital tokens and the Company's technology infrastructure, which may result in the theft or complete loss of Tokens.

5. RISKS ASSOCIATED WITH MARKETS FOR SoCo TOKENS

If secondary trading of tokens is facilitated by third party exchanges, such exchanges may be relatively new and subject to little or no regulatory oversight, making them more susceptible to fraud or manipulation. Furthermore, to the extent that third-parties do ascribe an external exchange value to SoCo tokens (e.g., as denominated in a digital or fiat currency), such value may be extremely volatile.

6. RISK OF UNINSURED LOSSES

Unlike bank accounts or similar accounts at some other financial institutions, SoCo tokens are uninsured and any value they may hold at any time may decrease or be eliminated in the future unless you specifically obtain private insurance to insure them. Thus, in the event of loss or loss of utility value, there is no public insurer or private insurance arranged by the Company, to offer recourse to you.

7. RISKS ASSOCIATED WITH UNCERTAIN REGULATIONS AND ENFORCEMENT ACTIONS

The regulatory status of SoCo tokens and distributed ledger technology is unclear or unsettled in many jurisdictions and have been the subject of intense scrutiny by various regulatory bodies around the world. It is difficult to predict how or whether regulatory agencies may apply existing regulation with respect to such technology and its applications, including the <https://soco.social> platform and SoCo tokens. It is likewise difficult to predict how or whether legislatures or

regulatory agencies may implement changes to law and regulation affecting distributed ledger technology and its applications, including the platform and SoCo tokens. Regulatory actions could negatively impact the platform and SoCo tokens in various ways, including, for purposes of illustration only, through a determination that the purchase, sale and delivery of SoCo tokens constitutes unlawful activity or that SoCo tokens are a regulated instrument that require registration or licensing of those instruments or some or all of the parties involved in the purchase, sale and delivery thereof. The Company may cease operations in a jurisdiction in the event that regulatory actions, or changes to law or regulation, make it illegal to operate in such jurisdiction, or commercially undesirable to obtain the necessary regulatory approval(s) to operate in such jurisdiction.

8. RISKS ARISING FROM TAXATION

Because of the shifting regulatory environment, the tax and accounting treatment or characterization of SoCo tokens is uncertain. You must seek your own tax advice in connection with purchasing SoCo tokens, which may result in adverse tax consequences to you, including withholding taxes, income taxes and tax reporting requirements.

9. RISK OF COMPETING PLATFORMS

It is possible that alternative platforms could be established that utilize the same open source code and protocol underlying the platform and attempt to facilitate services that are materially similar to the <https://soco.social> platform.

10. RISKS ARISING FROM LACK OF GOVERNANCE RIGHTS

Because SoCo tokens confer no governance rights of any kind with respect to the <http://soco.social> platform or the Company, all decisions involving the Company's products or services within the platform or the Company itself will be made by the Company at its sole discretion. These decisions could adversely affect the platform and the utility of any SoCo tokens you own, including their utility for obtaining services. You may have no legal remedies or recourse against the Company, other users, holders, purchasers or sellers of Tokens, and any other person or entity that may interfere with the Company, Tokens, or the Purchaser's digital wallet.

11. UNANTICIPATED RISKS

Cryptographic tokens such as SoCo tokens are a new and untested technology. In addition to the risks included in this Risks Disclaimer, there are other risks associated with your purchase, possession and use of SoCo tokens, including unanticipated risks. Such risks may further materialize as unanticipated variations or combinations of the risks discussed in this Risks Disclaimer. Any malfunction or unintended function could result in the complete loss of Tokens.

12. SMART CONTRACTS ARE SUBJECT TO LIMITATIONS

Smart contract technology is still in its early stages of development, and its application is experimental in nature. This carries significant operational, technological, reputational, and financial risks. Smart contracts may not be fit for the purpose intended by the Company and may contain flaws, vulnerabilities, or other issues, which may cause technical problems or the complete loss of Tokens.

13. RISK OF BEING CONSIDERED SECURITIES IN VARIOUS JURISDICTIONS

Digital tokens are being closely scrutinized by various regulatory bodies around the world, including by the United States Securities and Exchange Commission. There is a substantial risk that in numerous jurisdictions, Tokens may be deemed to be a security. Every user, purchaser, and holder of Token is required to make diligent inquiry to determine if the acquisition, possession and transfer of Tokens is legal in his, her or its jurisdiction and to comply with all applicable laws. The legal ability of the Company to provide the Tokens in some jurisdictions may be eliminated by future regulation or legal actions. In response to such action, the Company may take actions that adversely impact you and the Tokens you hold, including: (a) ceasing operations or restricting access in certain jurisdictions, (b) adjusting Tokens in a way to comply with applicable rules and regulations, or (c) cease operations entirely.

14. RISK OF INTELLECTUAL PROPERTY RIGHTS CLAIMS

Third parties may assert intellectual property claims against the Company. Regardless of the merit of any intellectual property or other legal action, any threatened action that reduces confidence in the Company's long term viability may adversely affect the value of Tokens.

15. RISKS OF REGISTERING ITS SAFT OR TOKENS AS SECURITIES UNDER APPLICABLE SECURITIES LAW

The Company has not received any opinion from any regulator or any jurisdiction that the Tokens are or are not securities, and it is possible that the Tokens may be deemed to be securities, which may require the Company to register an offering of the Tokens, restructure or may

result in the Company terminating the SAFT. Any requirement that the Company register a class of equity securities would require significant time and expense.

16. THERE IS AND WILL BE LIMITED INFORMATION RELATED TO THE BUSINESS OF THE COMPANY AND THE DEVELOPMENT OF THE NETWORK

You may not be able to obtain all information regarding the Company and Tokens on a timely basis or at all. It is possible that the Purchaser may not be aware on a timely basis of material adverse changes that may have occurred with respect to certain of his or her investments. Furthermore, any information may be highly technical by nature. The Company is not obliged, and does not intend, to keep users, purchasers, and holders of Tokens updated on its business and the development. As a result of these difficulties, as well as other uncertainties, the Purchaser may not have accurate or accessible information about the Network.

17. BLOCKCHAIN TECHNOLOGIES MAY BE SUBJECT TO UNFAVORABLE REGULATORY ACTIONS

Blockchain technologies have been the subject of intense scrutiny by various regulatory bodies around the world. The functioning of the Tokens may be adversely impacted by regulatory actions, including restrictions or prohibitions on their use, purchase, or possession. The application of these regulatory regimes to Tokens is unclear, but if Tokens implicate these requirements the Company will need to expend time and resources to comply with them or face adverse regulatory action.

18. LACK OF CENTRAL REGULATORY AUTHORITY AND THE GLOBAL NATURE OF DIGITAL ASSETS

Because there is a lack of a central regulatory authority and structure and due to the global nature of digital assets and blockchain technologies, the Purchaser may have no legal remedies or recourse against the Company, other users, holders, purchasers or sellers of Tokens, and any other person or entity that may interfere with the Company, Tokens, or the Purchaser's digital wallet.

19. THE SAFTs MAY NOT BE TRANSFERRED

The terms of the SAFT prohibit transfer of the SAFT. As a result, the Purchaser will be required to hold its SAFT until the delivery of all of the Tokens, or the termination of the SAFT pursuant to the provisions set forth therein. Consequently, the Purchaser must be prepared to bear the risk of purchasing a SAFT until the termination of the SAFT pursuant to the terms set forth therein. If legal exchanges or permissible transfers develop, they may be exposed to fraud or other criminal schemes.

20. GOVERNMENT ACTIONS MAY AFFECT THE VIABILITY, UTILIZATION, AND/OR VALUE OF TOKENS

It is unknown, what, if any, actions may be taken by any government of any jurisdiction in the future as respects to the Tokens or any other tokens, coins, or crypto-currencies. It is possible that future government actions and/or changes in law may affect the viability, utilization, and/or value of the Tokens.

21. THERE ARE RISKS AND UNCERTAINTIES RELATED TO THE TAX AND ACCOUNTING TREATMENT OF TOKENS

Because of the shifting regulatory environment, it is uncertain what tax and accounting treatment or classification Tokens will have in various jurisdictions. For example, the Company does not intend that SAFTs convert into Tokens until such time as Tokens have adequate utility such that they are not deemed to be securities, but there is no clear guidance as to when that moment will exist. If such conversion is determined to result in the issuance of securities (rather than Company assets), the Company's securities, tax, accounting and other positions may be incorrect. This uncertainty may, for example, impact the Company's ability to obtain financial audits, or result in unanticipated tax liabilities to the Company when the Company transact in Tokens in its inventory or to Purchaser when Purchaser transacts in Tokens. Each potential user, purchaser, and holder of Tokens is urged to consult with, and must rely solely upon the advice of, its own legal, financial and tax advisors with respect to Tokens.