

General Warnings

Investing in startups and early stage businesses can be very rewarding, but it involves a number of risks and challenges. If you choose to invest through Core State Holdings, Corp, you need to be aware of and accept five important considerations.

The following list of risk factors does not purport to be a complete enumeration or explanation of the risks involved in investing in any of the companies, projects/digital properties pitched for investment via the Core State Holdings, Corp website. Each individual company/project is different and specific risks will attach to that investment. Prospective investors should review the individual projects in their entirety and consult with their own advisers before making any decision to invest.

1. Illiquidity

Any investment you make through the website/platform or directly with the company will be highly illiquid. While secondary markets might exist, and the company may be placed on a securities exchange, there is no highly liquid market for the shares of the investee company. This means that you are unlikely to be able to sell your shares until and unless the investee company floats on a securities exchange or is bought by another company. Even for a successful business, a flotation or purchase is unlikely to occur for a number a years from the time you make your investment.

2. Diversification

Investing in startups should only be done as part of a diversified portfolio. This means that you should invest relatively small amounts in multiple businesses rather than a lot in one or two businesses. It also means that you should invest only a small proportion of your investable capital in startups as an asset class, with the majority of your investable capital invested in safer, more liquid assets.

3. Rarity of Dividends

Startups and early stage businesses rarely pay dividends. This means that if you invest in one of our projects or in Core State Holdings, Corp. as a whole, even if it is successful, it is possible that you are unlikely to see any return of capital or profit until you are able to sell your shares to the investee company or if the company is listed on a secondary market or securities exchange. Even for a successful business, this is unlikely to occur for a number of years from the time you make your investment.

4. Dilution

Any investment you make through the website/platform, or directly with the company, is likely to be subject to dilution. This means that if the business raises additional capital at a later date, it will issue new shares of the investee company to the new investors, and the percentage of the investee company that you own will decline. These new shares may also have certain preferential rights to dividends, sale proceeds and other matters, and the exercise of these rights may work to your disadvantage. Your investment may also be subject to dilution as a result of the grant of options (or similar rights to acquire shares) to employees of, service providers to or certain other parties connected with, the investee company.

5. Loss of Capital

Most startups fail, and although we work hard in order for this not to happen, if you invest in our business, it is likely that you will lose all of your invested capital than that you will see a return of capital or a profit. You should not invest more money through the platform than you can afford to lose without altering your standard of living.

6. Additional

You should read all the offering materials available to you regarding the pitch (“Offering Materials”) with respect to a transaction prior to making an investment of any type. You should also understand that investments through Core State Holdings, Corp may be direct or indirect investments to the underlying pitch as described more fully in the Offering Materials.

Additional Warnings

1. Incomplete Information

Directors of an underlying company often have more information than shareholders. Employees may know things that you do not know about the company. Directors and team members may possibly possess more knowledge on the direction of the company, and most likely have more information about the history and status of the underlying company than you. New investors will have the least information and therefore take the most risk.

When purchasing shares through the website/platform, or directly from the company, you are subject to greater risks than other shareholders due to a lack of information about an underlying project owned by Core State Holdings or about Core State Holdings itself. The company will provide, necessary information for investment purposes, on the website or through news shared on the internet. If in the future you are buying shares from a director, employee or shareholder that has significantly more information than you, that may lead to the complete loss of your investment capital as they are not subject to the same disclosure and reporting rules of a publicly traded company.

2. Information Rights

As a Core State shareholder, you do not have information or voting rights in the underlying company; unless Class A shares of a certain amount are owned or as specified by the company. While we will do all we can to represent shareholder interests and exercise any voting or information rights we may have, you will not have any right to vote or request further company information.

3. No Voting Rights

All shares on the platform/website, or when purchased directly from the company, come with no voting rights unless otherwise stated. If you purchase shares on our platform, or directly, these are non-voting shares and may not be attractive to potential future buyers.

4. Illiquidity

Any investment you make through the platform may be illiquid. While you can sell these shares on a securities exchange, if available, or via directly, if available, there is no guarantee that it will be highly liquid. This means that you may not be able to sell your shares until and unless sufficient liquidity is available on a securities exchange or on a secondary market created by the company, the company floats on a securities exchange or is bought by another company. Even for a successful business, a flotation or purchase is unlikely to occur for a number a years from the time you make your investment.

6. Diversification

Investing in startups should only be done as part of a diversified portfolio. This means that you should invest relatively small amounts in multiple businesses rather than a lot in one or two businesses. It also means that you should invest only a small proportion of your investable capital in startups as an asset class, with the majority of your investable capital invested in safer, more liquid assets.

7. Rarity of Dividends

Startups and early stage businesses rarely pay dividends. This means that if you invest in our business or one of our projects through the website, or via getting in touch with us directly, even if it is successful you are unlikely to see any return of capital or profit unless you are able to sell your shares in the investee company or a secondary market or via a securities exchange. Even for a successful business, this is unlikely to occur for a number of years from the time you make your investment.

8. Dilution

Any investment you make through the platform/website or directly with the company is likely to be subject to dilution. This means that if the business raises additional capital at a later date, it will issue new shares of the investee company to the new investors, and the percentage of the investee company that the investor owns will decline. These new shares may also have certain preferential rights to dividends, sale proceeds and other matters, and the exercise of these rights may work to your disadvantage. Your investment may also be subject to dilution as a result of the grant of options (or similar rights to acquire shares) to employees of, service providers to or certain other parties connected with, the investee company.

9. Loss of capital

Most startups fail, and if you invest in a business through the website or via getting in touch with us directly, it is more likely that you will lose all of your invested capital than that you will see a return of capital or a profit. You should not invest more money through the platform than you can afford to lose without altering your standard of living.

COMPANY DETAILS

Core State Holdings, Corp (Register number 8870985) is incorporated and registered in Canada under the Canada Business Corporations Act. Address: 24025 Bayshore PO, Barrie, Ontario, L4N 1W3 Canada.