

Statecf.com Investor Education

Legal Notice

Pursuant to regulations set forth by the Florida Office of Financial Regulation (OFR), you must carefully read and agree to the following provisions.

These provisions must be accepted before proceeding with the electronic account opening and registration process for Statecf.com. We also recommend that you print and retain a copy of this statement for your records.

Electronic Delivery and Signature Consent

Consent to Electronic Delivery

By checking the "I consent" box below, you agree to receive all required Site Documents electronically. This includes our use of electronic communications (e.g., email), electronic records, and electronic signatures for all materials, notices, disclosures, account statements, communications, forms, and agreements provided by Statecf.com, replacing traditional paper documents.

Binding Nature of Electronic Signatures

You understand that your electronic signature on any Site Document is legally binding, equivalent to a physical signature. By consenting to electronic delivery, you also acknowledge that Statecf.com will not mail paper copies of documents already provided to you electronically.

 **Notice:** You accept that such electronic communications provided by the Site constitute reasonable and proper notice for the purpose of all applicable state and federal laws, rules, and regulations, including but not limited to the Regulation Rules promulgated pursuant to the Invest Local Act.

Electronic Signature: Completing the registration process with Statecf.com constitutes your electronic signature. Any record containing an electronic signature shall be deemed "executed" for all purposes and will constitute an "original" signature when printed from electronic records established and maintained by Statecf.com, its affiliates, assigns, or agents in the normal course of business.

Overview

The Invest Local Act mandates that intermediaries provide clear educational materials to investors upon account opening. These materials must be in plain language, effectively covering various aspects of investing and interacting with the portal.

Regulations, internal processes, and procedures are subject to change. Consequently, you must acknowledge having read and understood the current version of this document each time you initiate an investment through our portal.



Educational Mandate

All investors must review the educational materials before making investments through the platform.



Ongoing Updates

Materials are regularly updated to reflect current regulations and best practices.



Regulatory Compliance

Content ensures full adherence to Invest Local Act requirements and relevant regulations.

Getting Started: Account Creation Process

Should you have any questions or find any information unclear, please contact us immediately.

The process for offering, purchasing, and issuing securities through our portal

The process for reviewing offers, making purchases, and receiving securities is as follows:

01

Create Your Account

All prospective investors are required to establish an account with Sprowtt, providing up-to-date contact information.

02

Verify Your Email Address

A confirmation email will be sent to the address you provide to ensure essential communications.

Income Verification and Investment Discovery



Verify Income and Net Worth

Investment limits are based on your income and net worth. You are responsible for self-verifying that your total annual investments do not exceed the allowed limits. While Sprowtt tracks investments made through our portal, we do not have visibility into investments made through other platforms.



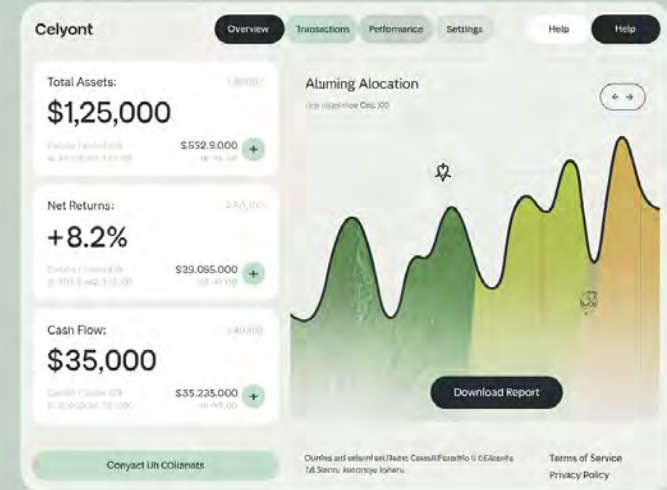
Browse Investment Opportunities

Review available offerings, which can be filtered and sorted by various criteria. These include category or industry, deal stage, deal size, or geographical location (e.g., biotech companies, or businesses within Florida).



Express Interest in an Offering

To access detailed information about an offering, click the "Buy Now" button. Once you indicate interest, your contact information will be securely shared with the Issuer for follow-up.



Important: You are solely responsible for verifying your investment limits. Keep track of your total annual investments across all platforms.

Due Diligence and Research Phase

Review Offering Details

Download and thoroughly review all offering materials. These may include offering documents, business plans, business overviews, financial projections, pitch decks, and investor videos.

We track your access to these materials, and this information is provided to the Issuer. For instance, Issuers will know if and when you downloaded their business plan or watched their provided videos.

Remember, the decision to invest, including how much to invest, rests solely with you. Therefore, conduct your due diligence thoroughly!



Professional Consultation and Communication



Communicate with the Issuer

While not mandatory, we strongly recommend communicating directly with the Issuer to address any questions you may have about the offering.



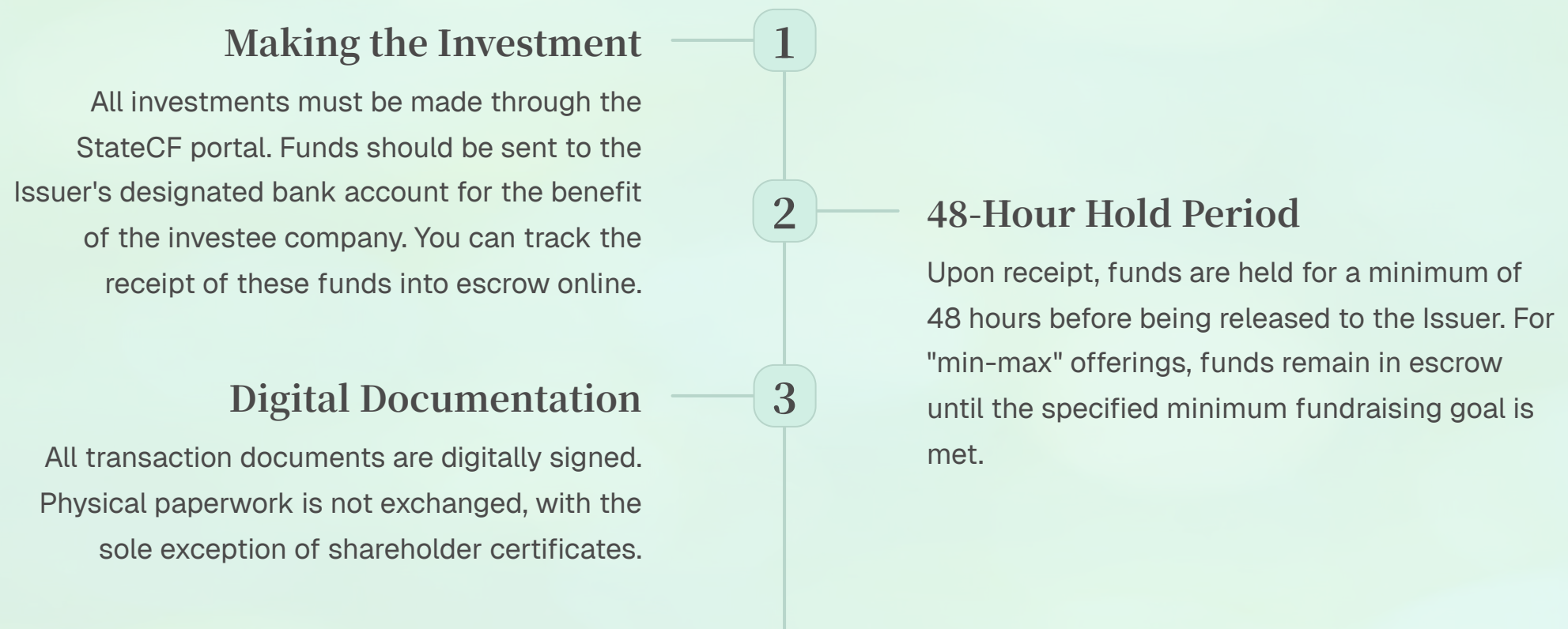
Consult Your Advisors

We also strongly recommend sharing offering information with your attorneys, CPAs, investment advisors, and other relevant professionals.



Best Practice: Always consult qualified professionals before making investment decisions. Their expertise can help you evaluate opportunities and risks more effectively.

Investment Execution and Escrow Process



Please note: You have the right to rescind your investment within 48 hours for any reason.

Receiving Your Shareholder Certificates

LLC or stock share certificates are issued directly by bonded and insured Sprowtt Clearing contractors and transfer agents to each investor upon the close of the offering. Digital copies are also stored on our system for five years.

Staying Informed

Track the progress of companies you've invested in by signing into the portal. Issuers may send updates via email through the Sprowtt portal, although this is not a requirement.

Investment Risks and Considerations

Investing in any type of securities carries inherent risks. Early-stage companies, in particular, are significantly riskier than established companies. This is because they may lack a viable business model or struggle to secure sufficient additional funding beyond your initial investment to commence operations. **Never invest more than you can afford to lose.**

Common risks typically considered by sophisticated investors include:



Key Personnel Risk

The risk that key individuals (principals) within the company may depart, whether voluntarily or due to unforeseen circumstances. Additionally, there is a risk that the management team's actions may not align with investors' best interests.



Product Development Risk

The risk that the company's products or services may not function as intended or as promised.



Market Risk

The risk that the target market may not purchase the company's products or services in sufficient quantities to achieve profitability, or that a significant competitor could emerge and capture substantial market share.



Business Model Risk

The risk that the company's products and services cannot be created, marketed, and sold at a profitable price point. Note that audited financial statements are not required for raises under \$500,000.



Execution Risk

The risk that the current management team may be unable to effectively implement their strategic plans.



Expansion Risk

The risk that necessary suppliers, qualified employees, reliable contractors, or a sufficient customer base will not be available in quantities required for the company to expand as planned.

Many other types of risks exist, such as legal risk, intellectual property (IP) risk, government regulation risk, and economic risk. Please carefully consider all potential risks when deciding whether to invest.

Types of Securities Available

The securities offered on the Sprowtt Platform may include:

Common Stock

Common Stock represents equity ownership in a company.

Common shares grant investors voting rights, such as for the election of directors. Holders are also entitled to a share in a company's profits, either through dividend payments (if declared by the board of directors) or capital appreciation of the security. In the event of liquidation, common stockholders have a junior claim compared to secured or unsecured creditors, bondholders, and preferred shareholders.

Founders and employees typically hold common stock or options for common stock.

Preferred Stock

Preferred Stock has certain privileges and rights superior to Common Stock, particularly in the event of company liquidation. Preferred shareholders may receive higher dividends than common stockholders and possess additional voting privileges (e.g., the right to vote separately on proposed acquisitions or mergers). They also retain the option to convert to common stock and may include anti-dilution protection.

Debt Securities

Debt securities typically feature defined repayment terms, including timeframes and interest rates. In the event of a liquidation, they generally hold a superior claim to both Common Stock and Preferred Stock. However, debt securities usually do not benefit from the company's asset appreciation.

❌ **Important Note:** Common Stock and Preferred Stock are generally subject to dilution. This means that the percentage of the company owned by shareholders decreases when the company issues more shares to raise additional capital or compensate executives and other parties.

Please also note that when your percentage ownership is diluted, your voting power typically decreases as a result.

Resale Restrictions and Limitations

One-Year Minimum Hold Period

Although the Issuer may advertise publicly, these shares are sold in a private offering and cannot be resold to the general public for at least one year.

Resale to Issuer

Securities may be resold to the original issuing company.

Special Circumstances

Securities may be sold in the event of death or divorce.



Accredited Investors

Securities may be sold to accredited investors.

Family Members

Securities can be transferred to immediate family members.

Family Trust

Securities may be placed in a trust established for family benefit.

The Invest Local regulations specifically prohibit the resale of securities for one year, with exceptions for transfers to the Issuer, an accredited investor, an immediate family member, or a trust established for the benefit of a family member.

Platform Fees and Compensation Structure

Statecf.com Portal Fees

Statecf.com (the "Site") charges fees in connection with the sale of securities facilitated through the Site, in accordance with the Invest Local Act.

10%

Maximum Fee

The maximum fee charged to investors is based on the total investment amount.

Currently, the Site charges investors up to a 10% fee, calculated on the total investment amount. This fee is paid at the time of investment and is fully disclosed at the point of purchase. Any securities provided to the Site as compensation, if applicable, will belong to the same class and possess the same terms, conditions, and rights as the securities offered and sold by the issuer on the Site.

The Site reserves the right to modify its fee policies at any time, at its sole discretion. This includes changes related to promotional events or the introduction of new services.

The Site is not a registered broker-dealer or investment adviser. It does not provide investment advice or guidance on raising capital through the offer and sale of securities. Furthermore, the Site does not recommend or suggest that any investor make an investment in a particular opportunity posted on the Site.



Fee Policy: Changes to fee policies become effective once users are notified through updates posted on the Site and/or via electronic communications.

All fees paid to the Site in connection with the offering and sale of securities are non-refundable. Refunds are issued only if the Site, at its sole discretion, determines a refund is appropriate.

Annual Reporting Requirements

As minority shareholders, Statecf.com investors should expect limited reporting from companies, typically in the form of newsletters or annual reports. Unlike public stock companies with highly regulated financial reporting, investors should anticipate having less detailed information.

Issuers must file financial statements and related offering documents with the Florida OFR within 120 days after their fiscal year-end (which is typically a calendar year). This information must also be posted on the Issuer's own website, and a link to the report, along with its availability date, must be provided.

Required Disclosure Information

The information provided must be substantially similar to the original offering documents, covering the Issuer's size, location, principals, employees, business operations, and investment risks. Offering-specific disclosures are not required.

Consequences of Ceased Filings

If an Issuer stops making annual filings, investors may no longer have current financial information about the Issuer available to them.

Ending Reporting Obligations

An Issuer's obligation to file annual reports can cease under specific conditions, such as meeting filing requirements under the Invest Local Act, having fewer than 300 holders with assets under \$10,000,000, filing three annual reports, repurchasing securities, or business liquidation.

Advertising and Communication Guidelines

Issuers may not advertise the terms of an Invest Local offering except through a limited notice. This notice must direct investors to the intermediary's platform and include only the following information:

1 Platform Statement

A statement confirming that the issuer is conducting an offering under the Invest Local Act of the Securities Act, the name of the intermediary, and a link to the intermediary's platform.

2 Offering Terms

Key terms of the offering, including the amount, nature, and price of the securities, as well as the offering period's closing date.

Platform Communications

Although advertising the offering terms through an intermediary's platform is limited to a brief notice, issuers may communicate with current and potential investors about the offering through communication channels provided on the intermediary's platform.

Identification Requirements

Issuers must clearly identify themselves in all communications on the intermediary's platform. Similarly, individuals acting on behalf of the issuer must disclose their affiliation.



Compensation Disclosure: Issuers may compensate others to promote their offerings via intermediary communication channels. However, the issuer must take reasonable steps to ensure that promoters clearly disclose this compensation with each communication.

The Portal is not a registered broker-dealer or investment adviser. It does not provide investment advice or counsel on raising capital through securities offerings. The Portal does not recommend or suggest that any investor invest in a particular opportunity posted on the Portal.

Investment Limits and Calculations

Over a 12-month period, individual investors may invest in aggregate across all issuer offerings up to:

Lower Income/Net Worth

If your annual income or net worth is less than \$100,000, your investment limit is the greater of:

- \$2,000, or
- 5 percent of the lesser of your annual income or net worth.

Higher Income/Net Worth

If both your annual income and net worth are \$100,000 or more, your investment limit is 10 percent of the lesser of your annual income or net worth. This amount may not exceed \$100,000.

ⓧ **Important:** As is typical with private offerings, the value of your primary residence cannot be included in your net worth calculations.

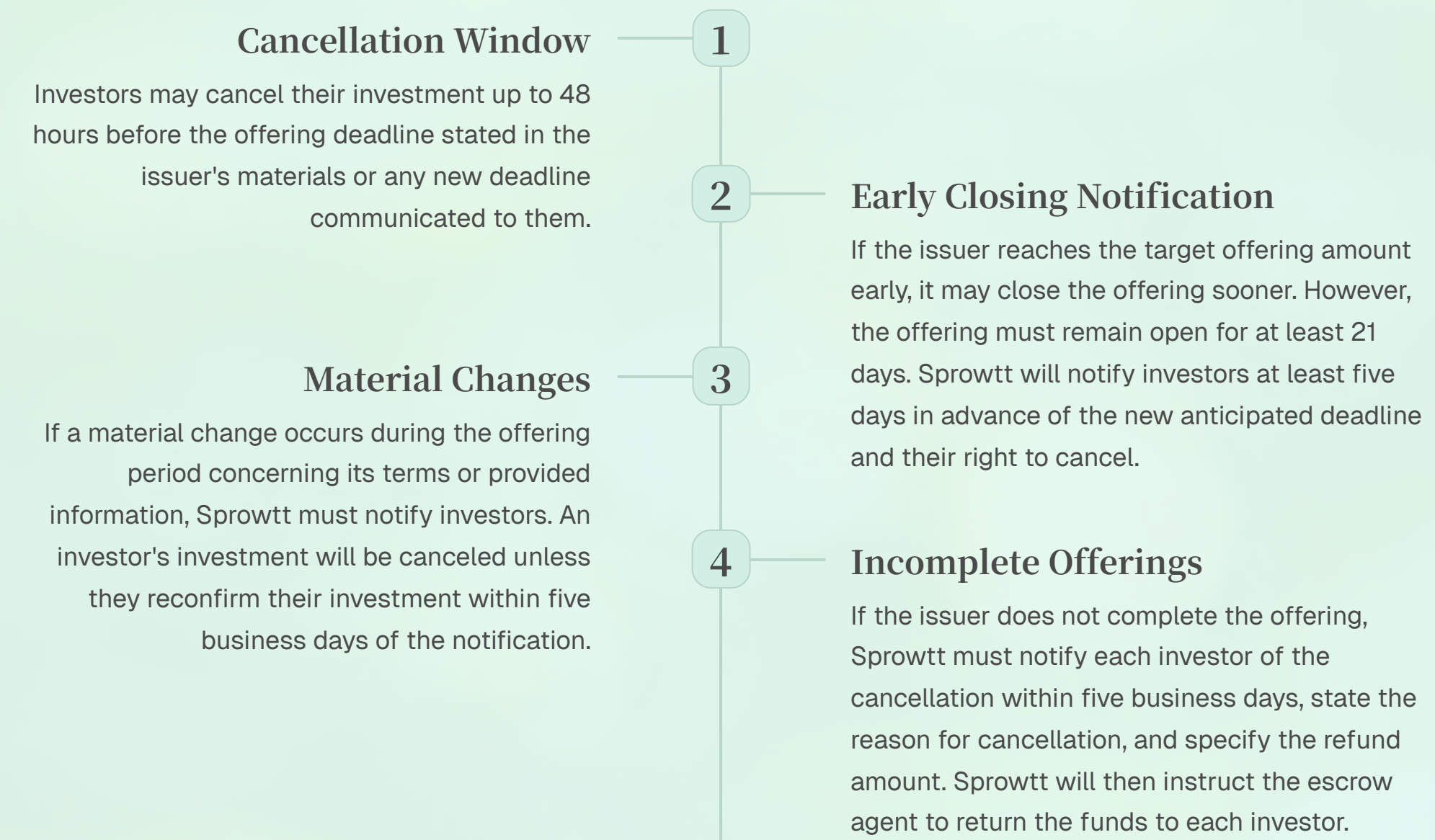
Investment Limit Examples:

Annual Income	Net Worth	Calculation	Investment Limit
\$30,000	\$105,000	Greater of \$2,000 or 5% of \$30,000 (\$1,500)	\$2,000
\$150,000	\$80,000	Greater of \$2,000 or 5% of \$80,000 (\$4,000)	\$4,000
\$150,000	\$100,000	10% of \$100,000 (\$10,000)	\$10,000
\$200,000	\$900,000	10% of \$200,000 (\$20,000)	\$20,000
\$1,200,000	\$2,000,000	10% of \$1,200,000 (\$120,000), subject to the \$100,000 cap	\$100,000

Please note that it is your responsibility to self-verify that you have not exceeded the allowed investments in a calendar year. While Sprowtt knows how many investments you have made and their total amount through our portal, we are not aware of investments you may have made through other portals.

Investment Cancellation Process

Offering Completion, Cancellations, and Reconfirmations



Appropriateness of an Investment

Investing in an early-stage company that raises capital via Invest Local carries significant risks. The most notable risk is the potential loss of all or a substantial portion of your investment. This is typical of "high-risk, high-reward" investments.

You should be able to afford losing all or most of your investment. Do not rely on the funds you are considering investing to meet your personal financial needs.

There is no established market for these types of securities. Therefore, you cannot sell or liquidate the investment for at least one year. It is also likely that the company will require additional rounds of financing in the future.

Your investment strategies or retirement plans may not align with investing in issuer securities. If you have an investment adviser, you should discuss whether investing in early-stage companies is compatible with your overall investment goals.

Ongoing Relationship and Privacy

Your Ongoing Relationship with an Issuer



Your Privacy

We will provide your contact information to issuers in whom you have expressed interest. These issuers will also be able to see which of their documents you have downloaded and which videos you have watched. However, they will not see if you have expressed interest in other offerings.



Regulatory Access: Regulators also have open access to our platform and may access your information for regulatory purposes.

While Statecf.com may communicate directly with you periodically, we will never share your information with other parties or issuers in whom you have not expressed interest.

Your Signature and Consent to Electronic Delivery

To confirm receipt and understanding of this information, please sign below. Checking the box also provides your consent for electronic delivery.



Consent Declaration

I have read this important notice and consent to the use of electronic communications, electronic records, and electronic signatures by the Site.

Name: _____

Date: _____

Email: _____

Address: _____



Thank you for completing the Sprowtt Investor Education process. You are now ready to begin exploring investment opportunities on our platform.