

## **SERIES A-3 PREFERRED STOCK SUBSCRIPTION AGREEMENT**

**THIS INVESTMENT INVOLVES A HIGH DEGREE OF RISK. THIS INVESTMENT IS SUITABLE ONLY FOR PERSONS WHO CAN BEAR THE ECONOMIC RISK FOR AN INDEFINITE PERIOD OF TIME AND WHO CAN AFFORD TO LOSE THEIR ENTIRE INVESTMENT. FURTHERMORE, INVESTORS MUST UNDERSTAND THAT SUCH INVESTMENT IS ILLIQUID AND IS EXPECTED TO CONTINUE TO BE ILLIQUID FOR AN INDEFINITE PERIOD OF TIME. NO PUBLIC MARKET EXISTS FOR THE SECURITIES, AND NO PUBLIC MARKET IS EXPECTED TO DEVELOP FOLLOWING THIS OFFERING.**

**THE SECURITIES OFFERED HEREBY HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED (THE “ACT”), OR ANY STATE SECURITIES OR BLUE SKY LAWS AND ARE BEING OFFERED AND SOLD IN RELIANCE ON EXEMPTIONS FROM THE REGISTRATION REQUIREMENTS OF THE ACT AND STATE SECURITIES OR BLUE SKY LAWS. ACCORDINGLY, THE SECURITIES CANNOT BE SOLD OR OTHERWISE TRANSFERRED EXCEPT IN COMPLIANCE WITH THE ACT. IN ADDITION, THE SECURITIES CANNOT BE SOLD OR OTHERWISE TRANSFERRED EXCEPT IN COMPLIANCE WITH THE APPLICABLE STATE SECURITIES OR BLUE SKY LAWS. THE SECURITIES HAVE NOT BEEN APPROVED OR DISAPPROVED BY THE SEC, ANY STATE SECURITIES COMMISSION OR OTHER REGULATORY AUTHORITY, NOR HAVE ANY OF THE FOREGOING AUTHORITIES PASSED UPON THE MERITS OF THIS OFFERING OR THE ADEQUACY OR ACCURACY OF THE SUBSCRIPTION AGREEMENT OR ANY OTHER MATERIALS OR INFORMATION MADE AVAILABLE TO PURCHASER IN CONNECTION WITH THIS OFFERING. ANY REPRESENTATION TO THE CONTRARY IS UNLAWFUL.**

**THE SECURITIES MAY ONLY BE PURCHASED BY PERSONS WHO ARE “ACCREDITED INVESTORS” (AS THAT TERM IS DEFINED IN SECTION 501 OF REGULATION D PROMULGATED UNDER THE ACT). THE COMPANY IS RELYING ON THE REPRESENTATIONS AND WARRANTIES SET FORTH BY EACH PURCHASER IN THIS SUBSCRIPTION AGREEMENT AND THE OTHER INFORMATION PROVIDED BY PURCHASER IN CONNECTION WITH THIS OFFERING TO DETERMINE THE APPLICABILITY TO THIS OFFERING OF EXEMPTIONS FROM THE REGISTRATION REQUIREMENTS OF THE ACT.**

**PROSPECTIVE INVESTORS MAY NOT TREAT THE CONTENTS OF THE SUBSCRIPTION AGREEMENT, PUBLICLY FILED INFORMATION WITH THE COMMISSION, OR ANY OF THE OTHER MATERIALS PROVIDED BY THE COMPANY (COLLECTIVELY, THE “OFFERING MATERIALS”) OR ANY PRIOR OR SUBSEQUENT COMMUNICATIONS FROM THE COMPANY OR ANY OF ITS OFFICERS, EMPLOYEES OR AGENTS AS INVESTMENT, LEGAL OR TAX ADVICE. IN MAKING AN INVESTMENT DECISION, INVESTORS MUST RELY ON THEIR OWN EXAMINATION OF THE COMPANY AND THE TERMS OF THIS OFFERING, INCLUDING THE MERITS AND THE RISKS INVOLVED. EACH PROSPECTIVE INVESTOR SHOULD CONSULT THE INVESTOR’S OWN COUNSEL, ACCOUNTANT**

AND OTHER PROFESSIONAL ADVISOR AS TO INVESTMENT, LEGAL, TAX AND OTHER RELATED MATTERS CONCERNING THE INVESTOR'S PROPOSED INVESTMENT.

**THE OFFERING MATERIALS MAY CONTAIN FORWARD-LOOKING STATEMENTS AND INFORMATION RELATING TO, AMONG OTHER THINGS, THE COMPANY, ITS BUSINESS PLAN AND STRATEGY, AND ITS INDUSTRY.** THESE FORWARD-LOOKING STATEMENTS ARE BASED ON THE BELIEFS OF, ASSUMPTIONS MADE BY, AND INFORMATION CURRENTLY AVAILABLE TO THE COMPANY'S MANAGEMENT. WHEN USED IN THE OFFERING MATERIALS, THE WORDS "ESTIMATE," "PROJECT," "BELIEVE," "ANTICIPATE," "INTEND," "EXPECT" AND SIMILAR EXPRESSIONS ARE INTENDED TO IDENTIFY FORWARD-LOOKING STATEMENTS, WHICH CONSTITUTE FORWARD LOOKING STATEMENTS. THESE STATEMENTS REFLECT MANAGEMENT'S CURRENT VIEWS WITH RESPECT TO FUTURE EVENTS AND ARE SUBJECT TO RISKS AND UNCERTAINTIES THAT COULD CAUSE THE COMPANY'S ACTUAL RESULTS TO DIFFER MATERIALLY FROM THOSE CONTAINED IN THE FORWARD-LOOKING STATEMENTS. INVESTORS ARE CAUTIONED NOT TO PLACE UNDUE RELIANCE ON THESE FORWARD-LOOKING STATEMENTS, WHICH SPEAK ONLY AS OF THE DATE ON WHICH THEY ARE MADE. THE COMPANY DOES NOT UNDERTAKE ANY OBLIGATION TO REVISE OR UPDATE THESE FORWARD-LOOKING STATEMENTS TO REFLECT EVENTS OR CIRCUMSTANCES AFTER SUCH DATE OR TO REFLECT THE OCCURRENCE OF UNANTICIPATED EVENTS.

**THE INFORMATION CONTAINED IN THE OFFERING MATERIALS MAY CHANGE OR VARY AFTER THE LAUNCH DATE.** THE COMPANY UNDERTAKES TO MAKE AVAILABLE TO EVERY INVESTOR DURING THE COURSE OF THIS TRANSACTION AND PRIOR TO SALE OF SECURITIES THE OPPORTUNITY TO ASK QUESTIONS OF AND RECEIVE ANSWERS FROM THE COMPANY CONCERNING THE TERMS AND CONDITIONS OF THE OFFERING AND TO OBTAIN ANY APPROPRIATE ADDITIONAL INFORMATION NECESSARY TO VERIFY THE ACCURACY OF THE INFORMATION CONTAINED IN THE OFFERING MATERIALS.

**THE COMPANY MAY NOT BE OFFERING THE SECURITIES IN EVERY STATE.** THE OFFERING MATERIALS DO NOT CONSTITUTE AN OFFER OR SOLICITATION IN ANY STATE OR JURISDICTION IN WHICH THE SECURITIES ARE NOT BEING OFFERED.

**THE INFORMATION PRESENTED IN THE OFFERING MATERIALS WAS PREPARED BY THE COMPANY SOLELY FOR THE USE BY PROSPECTIVE INVESTORS IN CONNECTION WITH THIS OFFERING.** NO REPRESENTATIONS OR WARRANTIES ARE MADE AS TO THE ACCURACY OR COMPLETENESS OF THE INFORMATION CONTAINED IN ANY OFFERING MATERIALS, AND NOTHING CONTAINED IN THE OFFERING MATERIALS IS OR SHOULD BE RELIED UPON AS A PROMISE OR REPRESENTATION AS TO THE FUTURE PERFORMANCE OF THE COMPANY.

**THE COMPANY RESERVES THE RIGHT IN ITS SOLE DISCRETION AND FOR ANY REASON WHATSOEVER TO MODIFY, AMEND AND/OR WITHDRAW ALL OR A PORTION OF THE OFFERING AND/OR ACCEPT OR REJECT IN WHOLE OR IN PART ANY PROSPECTIVE INVESTMENT IN THE SECURITIES OR TO ALLOT TO ANY PROSPECTIVE INVESTOR LESS THAN THE AMOUNT OF SECURITIES SUCH INVESTOR DESIRES TO PURCHASE. EXCEPT AS OTHERWISE INDICATED, THE OFFERING MATERIALS SPEAK AS OF THEIR DATE. NEITHER THE DELIVERY NOR THE PURCHASE OF THE SECURITIES SHALL, UNDER ANY CIRCUMSTANCES, CREATE ANY IMPLICATION THAT THERE HAS BEEN NO CHANGE IN THE AFFAIRS OF THE COMPANY SINCE THAT DATE.**

TO: Boxabl Inc.  
5345 E. N. Belt Road  
North Las Vegas, NV 89115

Ladies and Gentlemen:

**1. Subscription.**

(a) The undersigned (“**Subscriber**”) hereby irrevocably subscribes for and agrees to purchase Series A-3 Preferred Stock (the “**Securities**”), of Boxabl Inc., a Nevada corporation (the “**Company**” or “**Boxabl**”), upon the terms and conditions set forth herein, at \$0.80 per share (the “**Per Share Purchase Price**”). The rights and preferences of the Series A-3 Preferred Stock are as set forth in the Company’s Fifth Amended and Restated Articles of Incorporation, included as Exhibit C to this Subscription Agreement.

(b) Discount. The company is offering up to 1,250,000,000 shares of Series A-3 Preferred Stock at up to a 75%<sup>(1)</sup> discount on the Per Share Purchase Price of Series A-3 Preferred Stock to investors based upon an investor’s investment level as follows:

***Discount Based Upon Investment Amount:***

<b>Discount Tier</b>	<b>Lower Limit<sup>(2)</sup></b>	<b>Upper Limit<sup>(2)</sup></b>	<b>Discount Amount</b>	<b>Effective Share Price</b>
0	5,000	9,999.99	3%	0.78
1	10,000	24,999.99	5%	0.76
2	25,000	49,999.99	7%	0.74
3	50,000	99,999.99	10.7%	0.71
4	100,000	199,999.99	14.3%	0.69
5	200,000	299,999.99	17.9%	0.66
6	300,000	399,999.99	21.4%	0.63
7	400,000	499,999.99	25%	0.60
8	500,000	749,999.99	28.6%	0.57
9	750,000	999,999.99	32.1%	0.54
10	1,000,000	1,999,999.99	35.7%	0.51
11	2,000,000	2,999,999.99	39.3%	0.49
12	3,000,000	3,999,999.99	42.9%	0.46
13	4,000,000	4,999,999.99	46.4%	0.43
14	5,000,000	7,499,999.99	50.0%	0.40
15	7,500,000	9,999,999.99	53.6%	0.37
16	10,000,000	19,999,999.99	57.1%	0.34

17	20,000,000	29,999,999.99	60.7%	0.31
18	30,000,000	39,999,999.99	64.3%	0.29
19	40,000,000	49,999,999.99	67.9%	0.26
20	50,000,000	99,999,999.99	71.4%	0.23
21	100,000,000	1,000,000,000.00	75.0%	0.20

<sup>(1)</sup> An investor will be entitled to receive up to a 75% discount if the investor invests \$100,000,000 or more in this Offering.

<sup>(2)</sup> Based upon the total amount invested by investor.

(c) By executing this Subscription Agreement, Subscriber acknowledges that Subscriber has received this Subscription Agreement, the Fourth Amended and Restated Stockholders Agreement, has reviewed the Company’s publicly available disclosures filed pursuant to the Securities Exchange Act of 1934, as amended, and any other information required by the Subscriber to make an investment decision.

(d) This Subscription may be accepted or rejected in whole or in part, at any time prior to the date of a Closing (a “**Closing Date**”), by the Company at its sole discretion. In addition, the Company, at its sole discretion, may allocate to Subscriber only a portion of the number of Securities Subscriber has subscribed for. The Company will notify Subscriber whether this subscription is accepted (whether in whole or in part) or rejected. If Subscriber’s subscription is rejected, Subscriber’s payment (or portion thereof if partially rejected) will be returned to Subscriber without interest and all of Subscriber’s obligations hereunder shall terminate.

(e) In the event of rejection of this subscription in its entirety, or in the event the sale of the Securities (or any portion thereof) is not consummated for any reason, this Subscription Agreement shall have no force or effect, except for Section 7 hereof, which shall remain in force and effect.

**2. Joinder to Fourth Amended and Restated Stockholders Agreement.** By subscribing to the Offering and executing this Subscription Agreement, Subscriber (and, if Subscriber is purchasing the Securities subscribed for hereby in a fiduciary capacity, the person or persons for whom Subscriber is so purchasing) hereby joins as a party that is designated as an “Stockholder” under the Fourth Amended and Restated Stockholders Agreement to be dated as of the initial Closing, in substantially the form attached as Exhibit B (the “**Stockholders Agreement**”). Any notice required or permitted to be given to Subscriber under the Stockholders Agreement shall be given to Subscriber at the address provided with Subscriber’s subscription. Subscriber confirms that Subscriber has reviewed the Stockholders Agreement and will be bound by the terms thereof as a party who is designated as a “**Stockholder**” under the Stockholders Agreement.

**3. Purchase Procedure.**

(a) Payment. The purchase price for the Securities shall be paid simultaneously with the execution and delivery to the Company of the signature page of this Subscription Agreement. Subscriber shall deliver a signed copy of this Subscription Agreement (which may be executed and delivered electronically), along with payment for the aggregate purchase price of the Securities by a check for available funds made payable to “**Boxabl Inc.**”, by wire transfer to an account designated by the Company, or by any combination of such methods.

(b) Intentionally Left Blank.

(c) Acceptance of Investment. Payment for the Securities shall be held by the Escrow Facilitator until such time as the Company completes its validation of its Fifth Amended and Restated Articles of Incorporation. At such time, the undersigned shall receive notice and evidence of the digital entry of the number of the Securities owned by undersigned reflected on the books and records of the Company and verified by Transfer Online, Inc. (the “**Transfer Agent**”), which books and records shall bear a notation that the Securities were sold in reliance upon Regulation D.

**4. Representations and Warranties of the Company.** The Company represents and warrants to Subscriber that the following representations and warranties are true and complete in all material respects as of the Closing Date of each subscription agreement, except as otherwise indicated. For purposes of this Agreement, an individual shall be deemed to have “knowledge” of a particular fact or other matter if such individual is actually aware of such fact. The Company will be deemed to have “knowledge” of a particular fact or other matter if one of the Company’s current officers has, or at any time had, actual knowledge of such fact or other matter.

(a) Organization and Standing. The Company is a corporation duly formed, validly existing and in good standing under the laws of the State of Nevada. The Company has all requisite power and authority to own and operate its properties and assets, to execute and deliver this Subscription Agreement and any other agreements or instruments required hereunder. The Company is duly qualified and is authorized to do business and is in good standing as a foreign corporation in all jurisdictions in which the nature of its activities and of its properties (both owned and leased) makes such qualification necessary, except for those jurisdictions in which failure to do so would not have a material adverse effect on the Company or its business.

(b) Issuance of the Securities. The issuance, sale and delivery of the Securities in accordance with this Subscription Agreement has been duly authorized by all necessary corporate action on the part of the Company. The Securities, when so issued, sold and delivered against payment therefor in accordance with the provisions of this Subscription Agreement, will be duly and validly issued, fully paid and non-assessable.

(c) Authority for Agreement. The execution and delivery by the Company of this Subscription Agreement and the consummation of the transactions contemplated hereby (including the issuance, sale and delivery of the Securities) are within the Company’s powers and have been duly authorized by all necessary corporate action on the part of the Company. Upon full execution hereof, this Subscription Agreement shall constitute a valid and binding agreement of the Company, enforceable against the Company in accordance with its terms, except (i) as limited by applicable bankruptcy, insolvency, reorganization, moratorium, and other laws of general application affecting enforcement of creditors’ rights generally, (ii) as limited by laws relating to the availability of specific performance, injunctive relief, or other equitable remedies and (iii) with

respect to provisions relating to indemnification and contribution, as limited by considerations of public policy and by federal or state securities laws.

(d) No filings. Assuming the accuracy of the Subscriber's representations and warranties set forth in Section 4 hereof, no order, license, consent, authorization or approval of, or exemption by, or action by or in respect of, or notice to, or filing or registration with, any governmental body, agency or official is required by or with respect to the Company in connection with the execution, delivery and performance by the Company of this Subscription Agreement except (i) for such filings as may be required under Regulation D or under any applicable state securities laws, (ii) for such other filings and approvals as have been made or obtained, or (iii) where the failure to obtain any such order, license, consent, authorization, approval or exemption or give any such notice or make any filing or registration would not have a material adverse effect on the ability of the Company to perform its obligations hereunder.

(e) Capitalization. The authorized and outstanding securities of the Company immediately prior to the initial investment in the Securities is as set forth in the Company's Annual Report on Form 10-K, as updated by subsequent filings made with the Commission. Except as set forth in the Offering Materials, there are no outstanding options, warrants, rights (including conversion or preemptive rights and rights of first refusal), or agreements of any kind (oral or written) for the purchase or acquisition from the Company of any of its securities.

(f) Proceeds. The Company shall use the proceeds from the issuance and sale of the Securities for any corporate purpose, including purchase of capital equipment, raw materials, and general and administrative expenses.

(g) Litigation. As of April 1, 2024, the Company is involved in the following legal proceedings:

#### ***Arizona Department of Housing Settlement***

On January 23, 2023, the Office of Administration of the Arizona Dept. of Housing brought an administrative complaint against BOXABL, alleging that BOXABL did not comply with certain requirements prior to shipping housing units into Arizona, and seeking penalties up to suspension or revocation of its license, an administrative penalty, or probation.

On February 9, 2023, BOXABL filed its verified Answer, explaining inter alia that BOXABL had acted in good faith and in accordance with its reasonable interpretation of the Department's instructions regarding the shipments into Arizona, and that shipments were only made after requesting and obtaining the Department's written consent and authorization in November 2022. This administrative complaint was resolved by settlement agreement on April 21, 2023. BOXABL paid an administrative penalty to Arizona Dept. of Housing in the amount of \$48 thousand on April 26, 2023, and has satisfied all of its obligations to the Arizona Department of Housing under the settlement agreement.

In a separate settlement between the Parties, dated May 30, 2023, regarding the costs of the reconstruction of the Casitas, Freeport has assumed responsibility to pay reconstruction costs, but the Company will be responsible for 10% of any costs in excess of \$1 million. The Company will also incur 50% of shipping costs in the event the contract is canceled and the Casitas removed. The Company accrued a \$570 thousand warranty for such costs and any costs related to the 10-year limited warranty offering to Pronghorn.

### ***Litigation Against Former Employees***

On or about June 13, 2023, the Company filed two lawsuits against former employees alleging claims including breach of contract, violations of the Computer Fraud & Abuse Act, violations of the Defend Trade Secrets Act, conversion, unjust enrichment, breach of covenant of good faith and fair dealing, and demand for temporary and permanent injunctive relief. These litigation matters remain pending. Management does not anticipate these matters will have a material impact on the Company's results of operations or financial condition.

On or about March 2023, the Company discovered through one of its compliance programs that a former employee had issued fraudulent securities. An internal investigation was commenced and the matter was reported to the Federal Bureau of Investigation. Shortly thereafter, the Company filed a lawsuit against this former employee for breach of contract, violations of the Computer Fraud and Abuse Act, violations of the Defend Trade Secrets Act, Conversion, Unjust Enrichment, Breach of the Covenant of Good Faith and Fair Dealing and for a temporary and permanent injunction. The matter remains pending in the U.S. District Court for the District of Nevada.

On September 2, 2022, BOXABL received notice of a charge of employment discrimination had been filed with the Equal Employment Opportunity Commission ("EEOC") against BOXABL under Title VII of the Civil Rights Act of 1964 (Title VII). The circumstances of the alleged discrimination are alleged to have occurred on or about May 1, 2022. On October 3, 2022, BOXABL (through counsel) filed a position statement refuting the allegations and providing supporting documentation of BOXABL's position. The matter is pending before the EEOC.

On or about September 25, 2023, BOXABL received notice of a charge of unfair labor practices had been filed with the National Labor Relations Board against BOXABL under Section 7 of the NLRA. The circumstances of the alleged charge are alleged to have occurred between March 2023 and September 2023. On or about October 12, 2023, BOXABL (through counsel) filed a position statement refuting the allegations and providing supporting documentation of BOXABL's position. The matter is pending before the NLRB.

### ***Other Litigation***

On June 13, 2023, the Company filed a lawsuit against a person, not affiliated with the Company, alleging claims based on business disparagement and defamation of the Company. Management does not anticipate the matter will have a material impact on the Company's results of operations or financial condition.

On November 19, 2021, a former employee, who served as Chief Operating Officer during the seven-month period from March 2021 until September 27, 2021, at which time he was terminated, filed a complaint against the Company and its directors in the Eighth Judicial District Court of Clark County, Nevada, claiming breach of contract and wrongful termination. While the legal action has proceeded to discovery, the Company denies the merit of the allegations and will continue to defend against them.

On or about October 5, 2023, Leader Capital High Quality Income Fund, a series of Leader Funds Trust, a Delaware statutory trust, commenced an action against BOXABL and other

defendants in the District Court for Nevada asserting claims for breach of duty to register a transfer of a security (NRS 104.8401), Conversion, Intentional Interference with Prospective Economic Advantage. Plaintiff claims that it requested the removal of a restrictive legend to shares held by Plaintiff and that BOXABL refused and/or delayed approval of the removal and caused Plaintiff to suffer damages. BOXABL denies the merit of the allegations and damages sought and will continue to defend against them.

**5. Representations and Warranties of Subscriber.** By executing this Subscription Agreement, Subscriber (and, if Subscriber is purchasing the Securities subscribed for hereby in a fiduciary capacity, the person or persons for whom Subscriber is so purchasing) represents and warrants, which representations and warranties are true and complete in all material respects as of the date of the Subscriber's respective Closing Date(s):

(a) Requisite Power and Authority. Such Subscriber has all necessary power and authority under all applicable provisions of law to execute and deliver this Subscription Agreement, and other agreements required hereunder and to carry out their provisions. All action on Subscriber's part required for the lawful execution and delivery of this Subscription Agreement and other agreements required hereunder (including internal authorizations) have been or will be effectively taken prior to the Closing. Upon their execution and delivery, this Subscription Agreement and other agreements required hereunder will be valid and binding obligations of Subscriber, enforceable in accordance with their terms, except (a) as limited by applicable bankruptcy, insolvency, reorganization, moratorium or other laws of general application affecting enforcement of creditors' rights and (b) as limited by general principles of equity that restrict the availability of equitable remedies.

(b) Investment Representations. Subscriber understands that the Offering of the Shares has not been registered under the Act. Subscriber also understands that the Securities are being offered and sold pursuant to an exemption from registration contained in the Act based in part upon Subscriber's representations contained in this Subscription Agreement. Subscriber understands that the Securities are "restricted securities" as that term is defined by Rule 144 under the Act, and that Subscriber may only resell such Securities in a transaction registered under the Act or subject to an available exemption therefrom, and in accordance with any applicable state securities laws. In the event of any such resale, Boxabl may require an opinion of counsel satisfactory to the Company. Subscriber acknowledges that any physical certificate representing the Securities may bear a legend to this effect.

(c) Illiquidity and Continued Economic Risk. Subscriber acknowledges and agrees that there is no ready public market for the Securities and that there is no guarantee that a market for their resale will ever exist. Subscriber must bear the economic risk of this investment indefinitely and the Company has no obligation to list the Securities on any market or take any steps (including registration under the Securities Act or the Securities Exchange Act of 1934, as amended) with respect to facilitating trading or resale of the Securities. Subscriber acknowledges that Subscriber is able to bear the economic risk of losing Subscriber's entire investment in the Securities. Subscriber also understands that an investment in the Company involves significant risks and has taken full cognizance of and understands all of the risk factors relating to the purchase of Securities.

(d) Accredited Investor Status. Subscriber represents that Subscriber is an "accredited investor" within the meaning of Rule 501 of Regulation D under the Securities Act. Subscriber represents and warrants that the information set forth in response to question (c) on the signature



page, hereto, concerning Subscriber is true and correct. Subscriber represents that to the extent it has any questions with respect to its status as an accredited investor, it has sought professional advice. Subscriber has the requisite knowledge and experience in financial and business matters to be capable of evaluating the merits and risks of an investment in the Company.

(e) Shareholder information. Within five days after receipt of a request from the Company, the Subscriber hereby agrees to provide such information with respect to its status as a shareholder (or potential shareholder) and to execute and deliver such documents as may reasonably be necessary to comply with all laws and regulations to which the Company is or may become subject. **Subscriber further agrees that in the event it transfers any Shares or Warrants, it will require the transferee of such Shares or Warrants to agree to provide such information to the Company as a condition of such transfer.**

(f) Company Information. The Subscriber has read the Company's filings with the Commission and any other materials provided to them by the Company (the "**Offering Materials**"), including Exhibit D to this Subscription Agreement titled "Risk Factors." Subscriber understands that the Company is subject to all the risks that apply to early-stage companies, whether or not those risks are explicitly set out in the Offering Materials. Subscriber has had an opportunity to discuss the Company's business, management and financial affairs with managers, officers and management of the Company and has had the opportunity to review the Company's operations and facilities. Subscriber has also had the opportunity to ask questions of and receive answers from the Company and its management regarding the terms and conditions of this investment. Subscriber acknowledges that except as set forth herein, no representations or warranties have been made to Subscriber, or to Subscriber's advisors or representative, by the Company or others with respect to the business or prospects of the Company or its financial condition.

(g) Valuation. The Subscriber acknowledges that the price of the Securities was set by the Company based on the Company's internal valuation and no warranties are made as to value. The Subscriber further acknowledges that future offerings of Securities may be made at lower valuations, with the result that the Subscriber's investment will bear a lower valuation.

(h) Domicile. Subscriber maintains Subscriber's domicile (and is not a transient or temporary resident) at the address shown on the signature page.

(i) Brokerage Fees. The Company may elect to sell all, or a portion of, the Shares through registered FINRA broker-dealers. If broker-dealers are engaged certain representation agreements may need to be executed requiring fees to be paid to participating broker-dealers. The Board at its discretion may choose one or more broker-dealers to assist with selling the Shares. In the event that the Board elects to engage a broker-dealer, all fees and cost associated with the engagement will be paid out of the Use of Proceeds, there will be no additional cost to the investors.

(j) Foreign Investors. If Subscriber is not a United States person (as defined by Section 7701(a)(30) of the Internal Revenue Code of 1986, as amended), Subscriber hereby represents that it has satisfied itself as to the full observance of the laws of its jurisdiction in connection with any invitation to subscribe for the Securities or any use of this Subscription Agreement, including (i) the legal requirements within its jurisdiction for the purchase of the

Securities, (ii) any foreign exchange restrictions applicable to such purchase, (iii) any governmental or other consents that may need to be obtained, and (iv) the income tax and other tax consequences, if any, that may be relevant to the purchase, holding, redemption, sale, or transfer of the Securities. Subscriber's subscription and payment for and continued beneficial ownership of the Securities will not violate any applicable securities or other laws of the Subscriber's jurisdiction.

(k) Spousal Consent for Married Investors in "Community Property States" (Arizona, California, Idaho, Louisiana, Nevada, New Mexico, Texas, Washington and Wisconsin). Subscriber confirms that he or she has obtained or will obtain the appropriate consent from their spouse or partner, as may be required in their jurisdiction, to execute this Agreement and the Company's Third Amended and Restated Stockholders Agreement.

**6. Market Stand-Off Agreement.** Subscriber agrees that Subscriber shall not sell, transfer, make any short sale of, grant any option for the purchase of, or enter into any hedging or similar transaction with the same economic effect as a sale, any Common Stock (or other securities) of the Company held by such Subscriber (other than those included in the registration) during the 180-day period following the effective date of the Company's first firm commitment underwritten public offering of its Common Stock registered under the Securities Act (or such longer period as the underwriters or the Company shall request in order to facilitate compliance with FINRA Rule 2711 or NYSE Member Rule 472 or any successor or similar rule or regulation), provided that all officers and directors of the Company are bound by and have entered into similar agreements. Subscriber agrees to execute and deliver such other agreements as may be reasonably requested by the Company or the underwriters that are consistent with the Subscriber's obligations under this Section 6 or that are necessary to give further effect to this Section 6. In addition, if requested by the Company or the representative of the underwriters of Common Stock (or other securities) of the Company, the Subscriber shall provide, within 10 days of such request, such information as may be required by the Company or such representative in connection with the completion of any public offering of the Company's securities pursuant to a registration statement filed under the Act. The obligations described in this Section 6 shall not apply to a registration relating solely to employee benefit plans on Form S-1 or Form S-8 or similar forms that may be promulgated in the future, or a registration relating solely to a transaction on Form S-4 or similar forms that may be promulgated in the future.

**7. Indemnity.** The representations, warranties and covenants made by the Subscriber herein shall survive the Closing of this Agreement. The Subscriber agrees to indemnify and hold harmless the Company and its respective officers, directors and affiliates, and each other person, if any, who controls the Company within the meaning of Section 15 of the Securities Act against any and all loss, liability, claim, damage and expense whatsoever (including, but not limited to, any and all reasonable attorneys' fees, including attorneys' fees on appeal) and expenses reasonably incurred in investigating, preparing or defending against any false representation or warranty or breach of failure by the Subscriber to comply with any covenant or agreement made by the Subscriber herein or in any other document furnished by the Subscriber to any of the foregoing in connection with this transaction.

8. **Governing Law; Jurisdiction.** This Subscription Agreement shall be governed and construed in accordance with the laws of the State of Nevada.

EACH OF THE SUBSCRIBERS AND THE COMPANY CONSENTS TO THE JURISDICTION OF ANY STATE OR FEDERAL COURT OF COMPETENT JURISDICTION LOCATED WITHIN THE STATE OF NEVADA AND NO OTHER PLACE AND IRREVOCABLY AGREES THAT ALL ACTIONS OR PROCEEDINGS RELATING TO THIS SUBSCRIPTION AGREEMENT MAY BE LITIGATED IN SUCH COURTS. EACH OF SUBSCRIBERS AND THE COMPANY ACCEPTS FOR ITSELF AND HIMSELF AND IN CONNECTION WITH ITS AND HIS RESPECTIVE PROPERTIES, GENERALLY AND UNCONDITIONALLY, THE EXCLUSIVE JURISDICTION OF THE AFORESAID COURTS AND WAIVES ANY DEFENSE OF FORUM NON CONVENIENS, AND IRREVOCABLY AGREES TO BE BOUND BY ANY JUDGMENT RENDERED THEREBY IN CONNECTION WITH THIS SUBSCRIPTION AGREEMENT. EACH OF SUBSCRIBERS AND THE COMPANY FURTHER IRREVOCABLY CONSENTS TO THE SERVICE OF PROCESS OUT OF ANY OF THE AFOREMENTIONED COURTS IN THE MANNER AND IN THE ADDRESS SPECIFIED IN SECTION 9 AND THE SIGNATURE PAGE OF THIS SUBSCRIPTION AGREEMENT.

EACH OF THE PARTIES HERETO HEREBY IRREVOCABLY WAIVES ALL RIGHT TO TRIAL BY JURY IN ANY ACTION, PROCEEDING OR COUNTERCLAIM (WHETHER BASED IN CONTRACT, TORT OR OTHERWISE) ARISING OUT OF OR RELATING TO THIS SUBSCRIPTION AGREEMENT OR THE ACTIONS OF EITHER PARTY IN THE NEGOTIATION, ADMINISTRATION, PERFORMANCE AND ENFORCEMENT THEREOF, EACH OF THE PARTIES HERETO ALSO WAIVES ANY BOND OR SURETY OR SECURITY UPON SUCH BOND WHICH MIGHT, BUT FOR THIS WAIVER, BE REQUIRED OF SUCH PARTY. EACH OF THE PARTIES HERETO FURTHER WARRANTS AND REPRESENTS THAT IT HAS REVIEWED THIS WAIVER WITH ITS LEGAL COUNSEL, AND THAT IT KNOWINGLY AND VOLUNTARILY WAIVES ITS JURY TRIAL RIGHTS FOLLOWING CONSULTATION WITH LEGAL COUNSEL. THIS WAIVER IS IRREVOCABLE, MEANING THAT IT MAY NOT BE MODIFIED EITHER ORALLY OR IN WRITING, AND THIS WAIVER SHALL APPLY TO ANY SUBSEQUENT AMENDMENTS, RENEWALS, SUPPLEMENTS OR MODIFICATIONS TO THIS SUBSCRIPTION AGREEMENT. IN THE EVENT OF LITIGATION, THIS SUBSCRIPTION AGREEMENT MAY BE FILED AS A WRITTEN CONSENT TO A TRIAL BY THE COURT.

9. **Notices.** Notice, requests, demands and other communications relating to this Subscription Agreement and the transactions contemplated herein shall be in writing and shall be deemed to have been duly given if and when (a) delivered personally, on the date of such delivery; or (b) mailed by registered or certified mail, postage prepaid, return receipt requested, in the third day after the posting thereof; or (c) emailed, telecopied or cabled, on the date of such delivery to the address of the respective parties as follows:

If to the Company, to:  
  
Boxabl Inc.  
5345 E. N. Belt Road  
North Las Vegas, NV 89115

with a required copy to:  
  
Brownstein Hyatt Farber Schreck, LLP  
100 N. City Pkwy Suite 1600  
Las Vegas, NV 89109

If to a Subscriber, to Subscriber's address as provided with the execution of this Agreement

or to such other address as may be specified by written notice from time to time by the party entitled to receive such notice. Any notices, requests, demands or other communications by telecopy or cable shall be confirmed by letter given in accordance with (a) or (b) above.

**10. Miscellaneous.**

- (a) All pronouns and any variations thereof shall be deemed to refer to the masculine, feminine, neuter, singular or plural, as the identity of the person or persons or entity or entities may require.
- (b) This Subscription Agreement is not transferable or assignable by Subscriber.
- (c) The representations, warranties and agreements contained herein shall be deemed to be made by and be binding upon Subscriber and its heirs, executors, administrators and successors and shall inure to the benefit of the Company and its successors and assigns.
- (d) None of the provisions of this Subscription Agreement may be waived, changed or terminated orally or otherwise, except as specifically set forth herein or except by a writing signed by the Company and Subscriber.
- (e) In the event any part of this Subscription Agreement is found to be void or unenforceable, the remaining provisions are intended to be separable and binding with the same effect as if the void or unenforceable part were never the subject of agreement.
- (f) The invalidity, illegality or unenforceability of one or more of the provisions of this Subscription Agreement in any jurisdiction shall not affect the validity, legality or enforceability of the remainder of this Subscription Agreement in such jurisdiction or the validity, legality or enforceability of this Subscription Agreement, including any such provision, in any other jurisdiction, it being intended that all rights and obligations of the parties hereunder shall be enforceable to the fullest extent permitted by law.
- (g) This Subscription Agreement supersedes all prior discussions and agreements between the parties with respect to the subject matter hereof and contains the sole and entire agreement between the parties hereto with respect to the subject matter hereof.

(h) The terms and provisions of this Subscription Agreement are intended solely for the benefit of each party hereto and their respective successors and assigns, and it is not the intention of the parties to confer, and no provision hereof shall confer, third-party beneficiary rights upon any other person.

(i) The headings used in this Subscription Agreement have been inserted for convenience of reference only and do not define or limit the provisions hereof.

(j) This Subscription Agreement may be executed in any number of counterparts, each of which will be deemed an original, but all of which together will constitute one and the same instrument.

(k) If any recapitalization or other transaction affecting the stock of the Company is effected, then any new, substituted or additional securities or other property, which is distributed with respect to the Securities, shall be immediately subject to this Subscription Agreement, to the same extent that the Securities, immediately prior thereto, shall have been covered by this Subscription Agreement.

(l) No failure or delay by any party in exercising any right, power or privilege under this Subscription Agreement shall operate as a waiver thereof nor shall any single or partial exercise thereof preclude any other or further exercise thereof or the exercise of any other right, power or privilege. The rights and remedies herein provided shall be cumulative and not exclusive of any rights or remedies provided by law.

[SIGNATURE PAGE FOLLOWS]

**Boxabl**

**SUBSCRIPTION AGREEMENT SIGNATURE PAGE**

The undersigned, desiring to purchase Series A-3 Preferred Stock of Boxabl Inc., by executing this signature page, hereby executes, adopts and agrees to all terms, conditions and representations of the Subscription Agreement.

Full legal name of Subscriber (including middle name(s), for individuals):

Security: **Series A Preferred Stock**  
Aggregate Subscription Price: **\$0.00 USD**

(Name of Subscriber)

Number of Securities will be calculated when shares are issued based on the Discount Shares tiers that are applicable for your investment.

By:  
(Authorized Signature)

**TYPE OF OWNERSHIP:**

(Official Capacity or Title, if the Subscriber is not an individual)

If the Subscriber is individual: If the Subscriber is not an individual:

- Individual
- Joint Tenant
- Tenants in Common
- Community Property

(Name of individual whose signature appears above if different than the name of the Subscriber printed above.)

(Subscriber's Residential Address, including Province/State and Postal/Zip Code)

If interests are to be jointly held:

Name of the Joint Subscriber:

Taxpayer Identification Number

Social Security Number of the Joint Subscriber:

(Telephone Number)

Check this box is the securities will be held in a custodial account:

**(Offline Investor)**  
(E-Mail Address)

Type of account:

EIN of account:

Address of account provider:

The company is offering up to 1,250,000,000 shares of Series A-3 Preferred Stock, at up to a 75%(1) discount on the Per Share Purchase Price of Series A-3 Preferred stock to investors based upon an investor's investment level as follows:

**Discount Based Upon Investment Amount:**

Discount Tier	Lower Limit (2)	Upper Limit (2)	Discount Amount	Effective Share Price
0	5,000	9,999.99	3%	0.78
1	10,000	24,999.99	5%	0.76
2	25,000	49,999.99	7%	0.74
3	50,000	99,999.99	10.70%	0.71
4	100,000	199,999.99	14.30%	0.69
5	200,000	299,999.99	17.90%	0.66
6	300,000	399,999.99	21.40%	0.63
7	400,000	499,999.99	25.00%	0.60
8	500,000	749,999.99	28.60%	0.57
9	750,000	999,999.99	32.10%	0.57
10	1,000,000	1,999,999.99	35.70%	0.51
11	2,000,000	2,999,999.99	39.30%	0.49
12	3,000,000	3,999,999.99	42.9%	0.46
13	4,000,000	4,999,999.99	46.4%	0.43

14	5,000,000	7,499,999.99	50.00%	0.40
15	7,500,000	9,999,999.99	53.6%	0.37
16	10,000,000	19,999,999.99	57.1%	0.34
17	20,000,000	29,999,999.99	60.70%	0.31
18	30,000,000	39,999,999.99	64.3%	0.29
19	40,000,000	49,999,999.99	67.9%	0.26
20	50,000,000	99,999,999.99	71.4%	0.23
22	100,000,000	1,000,000,000.00	75%	0.20

(1) An investor will be entitled to receive up to a 75% discount if the investor invests \$100,000,000 or more in this Offering.

(2) Based upon the total amount invested by investor.

## ACCEPTANCE

The Corporation hereby accepts the subscription as set forth above on the terms and conditions contained in this Subscription Agreement.

Dated as of

**BOXABL**

By:

Authorized Signing Officer



**EXHIBIT A: ACCREDITED INVESTOR CERTIFICATION**  
**UNITED STATES ACCREDITED INVESTOR CERTIFICATE**

The undersigned (referred to herein as the "Investor") represents and warrants that it is an "accredited investor" as defined in Rule 501(a) of Regulation D under the United States Securities Act of 1933, as amended (the "Securities Act") as a result of its status indicated below (INDICATE BELOW THE APPROPRIATE DESCRIPTIONS APPLICABLE TO THE INVESTOR):

- (i) A bank, as defined in Section 3(a)(2) of the U.S. Securities Act;  
a savings and loan association or other institution as defined in Section 3(a)(5)(A) of the U.S. Securities Act, whether acting in its individual or fiduciary capacity;  
a broker or dealer registered pursuant to Section 15 of the United States Securities Exchange Act of 1934; An insurance company as defined in Section 2(a)(13) of the U.S. Securities Act; An investment company registered under the United States Investment Company Act of 1940; or A business development company as defined in Section 2(a)(48) of that Act; a Small Business Investment Company licensed by the U.S. Small Business Administration under Section 301 (c) or (d) of the United States Small Business Investment Act of 1958; A plan established and maintained by a state, its political subdivisions or any agency or instrumentality of a state or its political subdivisions, for the benefit of its employees, if such plan has total assets in excess of US\$5,000,000; or an employee benefit plan within the meaning of the United States Employee Retirement Income Security Act of 1974, as amended, in which the investment decision is made by a plan fiduciary, as defined in Section 3(21) of such Act, which is either a bank, savings and loan association, insurance company or registered investment adviser, or an employee benefit plan with total assets in excess of U.S. \$5,000,000 or, if a self directed plan, with investment decisions made solely by persons that are Accredited Investors;
- (ii) A private business development company as defined in Section 202(a)(22) of the Investment Advisers Act of 1940;
- (iii) an organization described in Section 501(c)(3) of the Internal Revenue Code, a corporation, Massachusetts or similar business trust, partnership, or limited liability company not formed for the specific purpose of acquiring the Shares, with total assets in excess of US\$5,000,000;
- (iv) a director, executive officer or general partner of the issuer of the securities being offered or sold, or any director, executive officer, or general partner of a general partner of that issuer;
- (v) a natural person whose individual net worth, or joint net worth with that person's spouse or spouse equivalent, at the time of his purchase, exceeds US\$1,000,000 (Note: for purposes of calculating net worth under this paragraph: (i) the person's primary residence shall not be included as an asset, (ii) indebtedness that is secured by the person's primary residence, up to the estimated fair market value of the primary residence at the time of the sale of the securities, shall not be included as a liability (except that if the amount of such indebtedness outstanding at the time of sale of the securities exceeds the amount outstanding 60 days before such time, other than as a result of the acquisition of the primary residence, the amount of such excess shall be included as a liability) and (iii) indebtedness that is secured by the person's primary residence in excess of the estimated fair market value of the primary residence at the time of sale of the Shares shall be included as a liability);
- (vi) A natural person who had an individual income in excess of US\$200,000 in each of the two most recent years or joint income with that person's spouse or spousal equivalent in excess of U.S. \$300,000 in each of those years and has a reasonable expectation of reaching the same income level in the current year; or
- (vii) A trust, with total assets in excess of US\$5,000,000, not formed for the specific purpose of acquiring the securities offered, whose purchase is directed by a sophisticated person as described in Rule 506(b)(2)(ii) of the U.S. Securities Act;
- (viii) An entity in which all of the equity owners are U.S. Accredited Investors;
- (ix) a natural person who holds one of the following licenses in good standing: General Securities Representative license (Series 7), the Private Securities Offerings Representative license (Series 82), or the Investment Adviser Representative license (Series 65);
- (x) An investment adviser registered pursuant to Section 203 of the Investment Advisers Act of 1940 or registered pursuant to the laws of a state; or
- (xi) An investment adviser relying on the exemption from registering with the SEC under Section 203(l) or (m) of the Investment Advisers Act of 1940; or
- (xii) A rural business investment company as defined in Section 384A of the Consolidated Farm and Rural Development Act;
- (xiii) An entity, of a type not listed herein, not formed for the specific purpose of acquiring the securities offered, owning investments in excess of \$5,000,000;

- (xiv) A “family office,” as defined in Rule 202(a)(11)(G)-1 under the Investment Advisers Act of 1940 (17 CFR 275.202(a)(11)(G)-1):
  - (i) With assets under management in excess of \$5,000,000,
  - (ii) That is not formed for the specific purpose of acquiring the securities offered, and
  - (iii) Whose prospective investment is directed by a person who has such knowledge and experience in financial and business matters that such family office is capable of evaluating the merits and risks of the prospective investment;
- (xv) A “family client,” as defined in rule 202(a)(11)(G)-1 under the Investment Advisers Act of 1940 (17 CFR 275.202(a)(11)(G)-1)), of a family office meeting the requirements in category 23 above and whose prospective investment in the issuer is directed by such family office as referenced above;
- (xvi) A natural person who is a “knowledgeable employee,” as defined in rule 3c-5(a)(4) under the Investment Company Act of 1940 (17 CFR 270.3c-5(a)(4)), of the issuer of the securities being offered or sold where the issuer would be an investment company, as defined in Section 3 of such Act, but for the exclusion provided by either Section 3(c)(1) or Section 3(c)(7) of such Act; or

DATED:

INVESTOR:

(Print Full Name of Entity or Individual)

By:

(Signature)

Name:

(If signing on behalf of entity)

Title:

(If signing on behalf of entity)

## CANADIAN ACCREDITED INVESTOR CERTIFICATE

**TO: BOXABL (the "Corporation")**

The Investor hereby represents, warrants and certifies to the Corporation that the undersigned is an "Accredited Investor" as defined in Section 1.1 of National Instrument 45-106. The Investor has indicated below the criteria which the Investor satisfies in order to qualify as an "Accredited Investor".

The Investor understands that the Corporation and its counsel are relying upon this information in determining to sell securities to the undersigned in a manner exempt from the prospectus and registration requirements of applicable securities laws.

The categories listed herein contain certain specifically defined terms. If you are unsure as to the meanings of those terms, or are unsure as to the applicability of any category below, please contact your legal advisor before completing this certificate.

In connection with the purchase by the undersigned Subscriber of the Purchased Preferred Stock, the Subscriber hereby represents, warrants, covenants and certifies to the Corporation (and acknowledges that the Corporation and its counsel are relying thereon) that:

- a. the Subscriber is, and at the Closing Time, will be, an "accredited investor" within the meaning of NI 45-106 or Section 73.3 of the Securities Act (Ontario), as applicable, on the basis that the undersigned fits within one of the categories of an "accredited investor" reproduced below beside which the undersigned has indicated the undersigned belongs to such category;
- b. the Subscriber was not created or is not used, solely to purchase or hold securities as an accredited investor as described in paragraph (m) below; and
- c. upon execution of this Schedule B by the Subscriber, including, if applicable, Appendix 1 to this Schedule B, this Schedule B shall be incorporated into and form a part of the Subscription Agreement.

(PLEASE CHECK THE BOX OF THE APPLICABLE CATEGORY OF ACCREDITED INVESTOR)

- (a) a Canadian financial institution, or a Schedule III bank;
- (b) the Business Development Bank of Canada incorporated under the Business Development Bank of Canada Act (Canada);
- (c) a subsidiary of any Person referred to in paragraphs (a) or (b), if the Person owns all of the voting securities of the subsidiary, except the voting securities required by law to be owned by directors of that subsidiary;
- (d) a Person registered under the securities legislation of a jurisdiction of Canada as an adviser or dealer, other than a Person registered solely as a limited market dealer under one or both of the Securities Act (Ontario) or the Securities Act (Newfoundland and Labrador);
- (e) an individual registered under the securities legislation of a jurisdiction of Canada as a representative of a Person referred to in paragraph (d);
- (e.1) an individual formerly registered under the securities legislation of a jurisdiction of Canada, other than an individual formerly registered solely as a representative of a limited market dealer under one or both of the Securities Act (Ontario) or the Securities Act (Newfoundland and Labrador);
- (f) the Government of Canada or a jurisdiction of Canada, or any crown corporation, agency or wholly owned entity of the Government of Canada or a jurisdiction of Canada;
- (g) a municipality, public board or commission in Canada and a metropolitan community, school board, the Comité de gestion de la taxe scolaire de l'île de Montréal or an intermunicipal management board in Québec;
- (h) any national, federal, state, provincial, territorial or municipal government of or in any foreign jurisdiction, or any agency of that government;
- (i) a pension fund that is regulated by either the Office of the Superintendent of Financial Institutions (Canada) or a pension commission or similar regulatory authority of a jurisdiction of Canada;

- (j) an individual who, either alone or with a spouse, beneficially owns financial assets having an aggregate realizable value that before taxes, but net of any related liabilities, exceeds CAD\$1,000,000;
- (j.1) an individual who beneficially owns financial assets having an aggregate realizable value that, before taxes but net of any related liabilities, exceeds CAD\$5,000,000;
- (k.1) an individual whose net income before taxes exceeded CAD\$200,000 in each of the two most recent calendar years or whose net income before taxes combined with that of a spouse exceeded CAD\$300,000 in each of the two most recent calendar years and who, in either case, reasonably expects to exceed that net income level in the current calendar year;
- (k.2) Net income before taxes combined with your spouse's was more than CAD \$300,000 in each of the 2 most recent calendar years, and their combined net income before taxes is expected to be more than CAD \$300,000 in the current calendar year
- (l) an individual who, either alone or with a spouse, has net assets of at least CAD\$5,000,000;
- (m) a Person, other than an individual or investment fund, that has net assets of at least CAD\$5,000,000 as shown on its most recently prepared financial statements and that has not been created or used solely to purchase or hold securities as an accredited investor;
- (n) an investment fund that distributes or has distributed its securities only to (i) a Person that is or was an accredited investor at the time of the distribution, (ii) a Person that acquires or acquired securities in the circumstances referred to in sections 2.10 (Minimum amount investment) and 2.19 (Additional investment in investment funds) of NI 45-106, or (iii) a Person described in paragraph (i) or (ii) that acquires or acquired securities under section 2.18 (Investment fund reinvestment) of NI 45-106;
- (o) an investment fund that distributes or has distributed securities under a prospectus in a jurisdiction of Canada for which the regulator or, in Québec, the securities regulatory authority, has issued a receipt;
- (p) a trust company or trust corporation registered or authorized to carry on business under the Trust and Loan Companies Act (Canada) or under comparable legislation in a jurisdiction of Canada or a foreign jurisdiction, acting on behalf of a fully managed account managed by the trust company or trust corporation, as the case may be;
- (q) a Person acting on behalf of a fully managed account managed by that Person, if that Person (i) is registered or authorized to carry on business as an adviser or the equivalent under the securities legislation of a jurisdiction of Canada or a foreign jurisdiction, and (ii) in Ontario, is purchasing a security that is not a security of an investment fund;
- (r) a registered charity under the Income Tax Act (Canada) that, in regard to the trade, has obtained advice from an eligibility adviser or an adviser registered under the securities legislation of the jurisdiction of the registered charity to give advice on the securities being traded;
- (s) an entity organized in a foreign jurisdiction that is analogous to any of the entities referred to in paragraphs (a) to (d) or paragraph (i) in form and function;
- (t) a Person in respect of which all of the owners of interests, direct, indirect or beneficial, except the voting securities required by law to be owned by directors, are Persons that are accredited investors;
- (u) an investment fund that is advised by a Person registered as an adviser or a Person that is exempt from registration as an adviser;
- (v) a Person that is recognized or designated by the securities regulatory authority or, except in Ontario and Québec, the regulator as (i) an accredited investor, or (ii) an exempt purchaser in Alberta or Ontario; or
- (w) a trust established by an accredited investor for the benefit of the accredited investor's family members of which a majority of the trustees are accredited investors and all of the beneficiaries are the accredited investor's spouse, a former spouse of the accredited investor or a parent, grandparent, brother, sister, child or grandchild of that accredited investor, of that accredited investor's spouse or of that accredited investor's former spouse.

- (x) in Ontario, such other persons or companies as may be prescribed by the regulations under the Securities Act (Ontario).

The statements made in this Form are true and accurate as of the date hereof.

DATED:

INVESTOR: (Print Full Name of Entity or Individual)

By:

(Signature)

Name:

(If signing on behalf of entity)

Title:

(If signing on behalf of entity)

### **Definitions for Accredited Investor Certificate**

As used in the Accredited Investor Certificate, the following terms have the meanings set out below:

- a. **“Canadian financial institution”** means (i) an association governed by the *Cooperative Credit Associations Act* (Canada) or a central cooperative credit society for which an order has been made under section 473(1) of that Act, or (ii) a bank, loan corporation, trust company, trust corporation, insurance company, treasury branch, credit union, caisse populaire, financial services cooperative, or league that, in each case, is authorized by an enactment of Canada or a jurisdiction of Canada to carry on business in Canada or a jurisdiction of Canada;
- b. **“entity”** means a company, syndicate, partnership, trust or unincorporated organization;
- c. **“financial assets”** means cash, securities, or any a contract of insurance, a deposit or an evidence of a deposit that is not a security for the purposes of securities legislation;
- d. **“fully managed account”** means an account of a client for which a Person makes the investment decisions if that Person has full discretion to trade in securities for the account without requiring the client’s express consent to a transaction;
- e. **“investment fund”** means a mutual fund or a non-redeemable investment fund, and, for greater certainty in Ontario, includes an employee venture capital corporation that does not have a restricted constitution, and is registered under Part 2 of the *Employee Investment Act* (British Columbia), R.S.B.C. 1996 c. 112, and whose business objective is making multiple investments and a venture capital corporation registered under Part 1 of the *Small Business Venture Capital Act* (British Columbia), R.S.B.C. 1996 c. 429 whose business objective is making multiple investments;
- f. **“mutual fund”** means an issuer whose primary purpose is to invest money provided by its security holders and whose securities entitle the holder to receive on demand, or within a specified period after demand, an amount computed by reference to the value of a proportionate interest in the whole or in part of the net assets, including a separate fund or trust account, of the issuer;
- g. **“non-redeemable investment fund”** means an issuer,
  - A. whose primary purpose is to invest money provided by its securityholders,
  - B. that does not invest,
    - i. for the purpose of exercising or seeking to exercise control of an issuer, other than an issuer that is a mutual fund or a non-redeemable investment fund, or
    - ii. for the purpose of being actively involved in the management of any issuer in which it invests, other than an issuer that is a mutual fund or a non-redeemable investment fund, and
  - C. that is not a mutual fund;
- h. **“related liabilities”** means liabilities incurred or assumed for the purpose of financing the acquisition or ownership of financial assets and liabilities that are secured by financial assets;
  - i. **“Schedule III bank”** means an authorized foreign bank named in Schedule III of the Bank Act (Canada);
  - j. **“spouse”** means an individual who (i) is married to another individual and is not living separate and apart within the meaning of the Divorce Act (Canada), from the other individual, (ii) is living with another individual in a marriage-like relationship, including a marriage-like relationship between individuals of the same gender, or (iii) in Alberta, is an individual referred to in paragraph (i) or (ii), or is an adult interdependent partner within the meaning of the Adult Interdependent Relationships Act (Alberta); and
- k. **“subsidiary”** means an issuer that is controlled directly or indirectly by another issuer and includes a subsidiary of that subsidiary.

In NI 45-106 a Person or company is an affiliate of another Person or company if one of them is a subsidiary of the other, or if each of them is controlled by the same Person.

In NI 45-106 a Person (first Person) is considered to control another Person (second Person) if (a) the first Person, directly or indirectly, beneficially owns or exercises control or direction over securities of the second Person carrying votes which, if exercised, would entitle the first Person to elect a majority of the directors of the second Person, unless that first Person holds the voting securities only to secure an obligation, (b) the second Person is a partnership, other than a limited partnership, and the first Person holds more than 50% of the interests of the partnership, or (c) the second Person is a limited partnership and the general partner of the limited partnership is the first Person.



**RISK ACKNOWLEDGEMENT FORM (FORM 45-106F9)**

**Form for Individual Accredited Investors**

**WARNING! This investment is risky. Do not invest unless you can afford to lose all the money you pay for this investment.**

<b>Section 1 – TO BE COMPLETED BY THE ISSUER OR SELLING SECURITY HOLDER</b>	
<b>1. About your investment</b>	
Type of Securities: Preferred Stock	Issuer: BOXABL (the "Issuer")
Purchased from: The Issuer	
<b>Sections 2 to 4 – TO BE COMPLETED BY THE PURCHASER</b>	
<b>2. Risk acknowledgement</b>	
This investment is risky. Initial that you understand that:	<b>Your Initials</b>
<b>Risk of loss</b> – You could lose your entire investment of \$	
<b>Liquidity risk</b> – You may not be able to sell your investment quickly – or at all.	
<b>Lack of information</b> – You may receive little or no information about your investment.	
<b>Lack of advice</b> – You will not receive advice from the salesperson about whether this investment is suitable for you unless the salesperson is registered. The salesperson is the person who meets with, or provides information to, you about making this investment. To check whether the salesperson is registered, go to <a href="http://www.aretheyregistered.ca">www.aretheyregistered.ca</a> .	
<b>3. Accredited investor status</b>	
You must meet at least one of the following criteria to be able to make this investment. Initial the statement that applies to you. (You may initial more than one statement.) The person identified in section 6 is responsible for ensuring that you meet the definition of accredited investor. That person, or the salesperson identified in section 5, can help you if you have questions about whether you meet these criteria.	<b>Your Initials</b>
<ul style="list-style-type: none"><li>Your net income before taxes was more than CAD\$200,000 in each of the 2 most recent calendar years, and you expect it to be more than CAD\$200,000 in the current calendar year. (You can find your net income before taxes on your personal income tax return.)</li></ul>	
<ul style="list-style-type: none"><li>Your net income before taxes combined with your spouse's was more than \$300,000 in each of the 2 most recent calendar years, and you expect your combined net income before taxes to be more than CAD\$300,000 in the current calendar year.</li></ul>	
<ul style="list-style-type: none"><li>Either alone or with your spouse, you own more than CAD\$1 million in cash and securities, after subtracting any debt related to the cash and securities.</li></ul>	
<ul style="list-style-type: none"><li>Either alone or with your spouse, you have net assets worth more than CAD\$5 million. (Your net assets are your total assets (including real estate) minus your total debt.)</li></ul>	
<b>4. Your name and signature</b>	
By signing this form, you confirm that you have read this form and you understand the risks of making this investment as identified in this form.	
First and Last Name (please print):	
Signature:	
Date:	
<b>Section 5 – TO BE COMPLETED BY THE SALESPERSON</b>	
<b>5. Salesperson information</b>	
First and Last Name of Salesperson (please print):	
Telephone:	Email:
Name of Firm (if registered):	

**Section 6 – TO BE COMPLETED BY THE ISSUER OR SELLING SECURITY HOLDER**

**6. For more information about this investment**

**For more information about this investment / the Issuer:**

Company Name: **BOXABL**

Address: 6120 North Hollywood Boulevard, Las Vegas, Nevada 89115

Contact: Investor Relations

Email: [invest@boxabl.com](mailto:invest@boxabl.com)

**For more information about prospectus exemptions, contact your local securities regulator. You can find contact information at [www.securities-administrators.ca](http://www.securities-administrators.ca).**

**INTERNATIONAL INVESTOR CERTIFICATE**

**FOR SUBSCRIBERS RESIDENT OUTSIDE OF CANADA AND THE UNITED STATES**

**TO: BOXABL** (the “**Corporation**”)

The undersigned (the “**Subscriber**”) represents covenants and certifies to the Corporation that:

- i. the Subscriber (and if the Subscriber is acting as agent for a disclosed principal, such disclosed principal) is not resident in Canada or the United States or subject to applicable securities laws of Canada or the United States;
- ii. the issuance of the securities in the capital of the Corporation under this agreement (the “**Securities**”) by the Corporation to the Subscriber (or its disclosed principal, if any) may be effected by the Corporation without the necessity of the filing of any document with or obtaining any approval from or effecting any registration with any governmental entity or similar regulatory authority having jurisdiction over the Subscriber (or its disclosed principal, if any);
- iii. the Subscriber is knowledgeable of, or has been independently advised as to, the applicable securities laws of the jurisdiction which would apply to this subscription, if there are any;
- iv. the issuance of the Securities to the Subscriber (and if the Subscriber is acting as agent for a disclosed principal, such disclosed principal) complies with the requirements of all applicable laws in the jurisdiction of its residence;
- v. the applicable securities laws do not require the Corporation to register the Securities, file a prospectus or similar document, or make any filings or disclosures or seek any approvals of any kind whatsoever from any regulatory authority of any kind whatsoever in the international jurisdiction;
- vi. the purchase of the Securities by the Subscriber, and (if applicable) each disclosed beneficial subscriber, does not require the Corporation to become subject to regulation in the Subscriber’s or disclosed beneficial subscriber’s jurisdiction, nor does it require the Corporation to attorn to the jurisdiction of any governmental authority or regulator in such jurisdiction or require any translation of documents by the Corporation;
- vii. the Subscriber will not sell, transfer or dispose of the Securities except in accordance with all applicable laws, including applicable securities laws of Canada and the United States, and the Subscriber acknowledges that the Corporation shall have no obligation to register any such purported sale, transfer or disposition which violates applicable Canadian or United States securities laws; and
- viii. the Subscriber will provide such evidence of compliance with all such matters as the Corporation or its counsel may request.

The Subscriber acknowledges that the Corporation is relying on this certificate to determine the Subscriber’s suitability as a purchaser of securities of the Corporation. The Subscriber agrees that the representations, covenants and certifications contained to this certificate shall survive any issuance of Securities and warrants of the Corporation to the Subscriber.

The statements made in this Form are true and accurate as of the date hereof.

DATED:

INVESTOR:

(Print Full Name of Entity or Individual)

By:

(Signature)

Name:

(If signing on behalf of entity)

Title:

(If signing on behalf of entity)

**EXHIBIT B: FOURTH AMENDED AND RESTATED STOCKHOLDERS' AGREEMENT**

**EXHIBIT C: FIFTH AMENDED AND RESTATED ARTICLES OF INCORPORATION**

## EXHIBIT D: RISK FACTORS

The company is subject to all the same risks that all companies in its business, and all companies in the economy, are exposed to. These include risks relating to economic downturns, political and economic events and technological developments (such as cyber-attacks and the ability to prevent those attacks). Additionally, early-stage companies are inherently more risky than more developed companies. You should consider general risks as well as specific risks when deciding whether to invest.

### Risks Relating to the Company's Business

***We have a limited operating history with a history of losses and we may not achieve or maintain profitability in the future.*** The Company has operated at a loss since inception and historically relied on contributions from its founders and proceeds from its offerings of securities to meet its growth needs. Further, we have only recently begun to record revenue from the sale of Boxes, our sole intended product. We expect to make significant future investments in order to develop and expand our business, which we believe will result in additional capital expenses, marketing and general and administrative expenses that will require raising funds in this and other securities offerings to cover these additional costs until we are able to generate significant revenue.

***If we cannot raise sufficient funds, we will not succeed.*** To date, our primary source of funding has been from offerings of our securities. Until we generate enough revenue from our operations to fund our working capital and other business plans, we are likely to need additional funds in the future in order to continue to grow, including from offerings of securities, loans or other types of financing. If we cannot raise those funds for whatever reason, including reasons relating to the Company itself or to the broader economy, the Company may not survive. If we are unable to raise enough funds to develop our Company as outlined herein, we will have to find other sources of funding.

***We are dependent on our ability to receive debt financing and fully draw down our potential future debt financing, which may restrict our ability to conduct our business.*** Our plan for manufacturing our room modules that are stacked and connected to almost any shape and style of finished buildings, and for developing the world's largest and most advanced house factory (the "Boxzilla") depends on our ability to receive sufficient financing. We are anticipating applying for a loan. There is no assurance this loan will move past the application stages. If the loan is approved, we anticipate the need to fully draw down on the potential loan facility. We may not, however, access all of these funds at once, but only over a period through periodic draws as eligible costs are incurred. Our ability to draw down these potential funds may be conditioned upon several draw conditions, including the potential achievement of progress milestones relating to the design and development of the Boxzilla, and any positive covenants, such as completed and approved facility assessments. Additionally, we anticipate the loan facility, if accepted, will require us to comply with certain operating covenants and will place additional restrictions on our ability to operate our business. We are unaccustomed to managing our business with such restrictions and others that are associated with a significant credit agreement. If we are unable to draw down the anticipated funds under the potential loan facility, or our ability to make such drawdowns is delayed, we may need to obtain additional or alternative financing to operate our facilities to the extent our cash on hand is insufficient. Any failure to obtain the loan or secure other alternative funding could materially and adversely affect our business and prospects. Such additional or alternative financing may not be available on attractive terms, if at all, and could be more costly for us to obtain. As a result, our plans for building our Boxes and Boxzilla could be significantly delayed which would adversely affect our business, prospects, financial condition, and operating results.

***Demand for our Casitas and any other products we develop may be cyclical and affected by changes in the economy, real estate or other conditions that could adversely affect our business and financial results.*** During 2022 and into 2023, the construction market has been slowing. According to the US Census Bureau, privately owned housing statistics in December 2022 were at a seasonally adjusted annual rate of 1,382,000, which represents a 21.8% reduction from the housing statistics in December 2021 of 1,768,000. The economic impact of inflation and rising interest rates did not have a material impact on BOXABL's demand during 2023 and 2022. Management does not anticipate these matters will have a material impact on the Company's future results of operations given the characteristics of the Company's value proposition. For instance, the US Census Bureau reported 1,487,000 seasonally adjusted building permits in October 2023 which is 1.1% above the September 2023 estimate of 1,471,000, but 4.4% below the October 2021 rate of 1,555,000.

Consequently, demand for our Casitas, Boxes or other products we develop may be cyclical and significantly affected by changes in general and local economic and real estate conditions, such as:

- Employment levels;
- Consumer confidence and spending;
- Housing demand;
- Availability of financing for individuals and companies who purchase our Casitas, including the purchase of land;
- Interest rates;
- Inflation;
- Availability and prices of new homes and existing homes for sale and availability and market values of rental properties; and
- Demographic trends.

Management does not anticipate these matters will have a material impact on the Company's future results of operations given the characteristics of the Company's value proposition.

Adverse changes in these general and local economic conditions or deterioration in the broader economy may negatively impact our business and financial results and increase the risk for asset impairments and write-offs. Changes in these economic conditions may affect some of our regions or markets more than others. If adverse conditions affect our larger markets, they could have a proportionately greater impact on us than on some other companies.

The federal government's fiscal policies and the Federal Reserve's monetary policies may negatively impact the financial markets and consumer confidence and could hurt the U.S. economy, the housing and rental markets, and in turn, could adversely affect the operating results of our business. In response to increased inflation, the Federal Reserve has raised interest rates significantly, which could result in higher costs to purchasers of our Casitas and the land on which the Casita will be installed to the extent the purchaser funds these purchases with loans. Prolonged periods of elevated interest rates or further increases in interest rates could have an adverse impact on our business and financial results.

If we experience any of the foregoing, potential customers may be less willing or able to buy our Casitas. Additionally, cancellations of sales contracts in backlog may increase if purchasers do not honor their contracts due to any of the factors discussed above. Our pricing and product strategies may also be limited by market conditions. We may be unable to change the pricing or mix of our Casita offerings, reduce the costs of Casitas we build, offer more affordable Boxes or satisfactorily address changing market conditions in other ways without adversely affecting our profits and returns.

***Significant inflation, higher interest rates or deflation could adversely affect our business and financial results.*** Inflation can adversely affect us by increasing costs of land, materials and labor, and interest rates. All of these factors can have a negative impact on housing affordability. In a highly inflationary environment, we may be unable to raise the sales prices of our Casitas, Boxes or other products at or above the rate of inflation, which could reduce our profit margins. In addition, our cost of capital, labor and materials can increase, which could have an adverse impact on our business or financial results. For example, the continued rising interest rates during 2023 negatively affected the housing market overall, but in particular decreased demand for new homes. Although we would anticipate that the impact of higher interest rates, and thus higher mortgage rates, would incentivize people seeking to purchase a home to consider purchasing our Casitas instead; we cannot predict such an outcome. In particular, we have little to no control over the cost of the land on which the Casita would be installed, and that could also create a barrier by increasing costs for potential customers.

Conversely, deflation could cause an overall decrease in spending and borrowing capacity, which could lead to deterioration in economic conditions and employment levels. Deflation could also cause the value of our inventories to decline or reduce the value of existing homes. These, or other factors that increase the risk of significant deflation, could have a negative impact on our business or financial results.

***There is no assurance that BOXABL will be able to finalize the Boxzilla manufacturing facility at all or to achieve the described square footage and size it intends.*** A smaller manufacturing facility than anticipated poses several risks, including reduced production capacity, increased production costs per unit, competitive disadvantages, and negative market perceptions. A smaller manufacturing facility may have limited production capacity, which could lead to reduced output and sales. This could impact the Company's ability to meet market demand and generate profits, potentially resulting in a decrease in the Company's value. A smaller manufacturing facility may not benefit from economies of scale, leading to higher production costs per unit. This could result in lower profit margins and potentially reduced shareholder returns. If the Company's competitors build larger, more efficient manufacturing facilities, the Company may struggle to compete in terms of price and quality. This could result in lower sales and reduced market share. If the Company creates a smaller manufacturing facility than anticipated, then it may expect a lower ability to execute its business plan. This could lead to a negative perception among investors, potentially resulting in reduced interest in the Company's potential future financing rounds. Overall, the anticipated Boxzilla carries significant risks for investors, which should be carefully considered before making any investment decisions.

***If our contract partners providing equipment to our factories default on their obligations, we may experience delays in obtaining the equipment we need to achieve our desired scale of production.*** We require specialized equipment for the production of our Boxes in the factory setting. We have in place the equipment we require to construct our Casita 1.0, while additional equipment is necessary to construct Casita 2.0 with the scale and efficiency we desire. The Company has engaged with contractors to produce this specialized equipment, and have orders in place for \$15 million worth of equipment. These contractors further rely on subcontractors and vendors for our ordered equipment. Should any of the contractors, subcontractors, or vendors default on their obligations under the terms and conditions of our purchase orders, we may encounter delays and additional costs to obtain our ordered equipment. This would have a negative financial impact on the Company as it would not be able to begin production of our Casita 2.0 on our desired timeline.

***The Company has realized significant net losses to date and expects to incur losses in the future.*** The Company has operated at a loss since inception, and these losses are likely to continue. BOXABL's net loss for the fiscal years ended December 31, 2023 and 2022 was approximately \$39,526,000 and approximately \$612,395,000, respectively. A significant amount of the net loss reported for the fiscal year ended December 31, 2022, was the result of the conversion of outstanding Convertible Promissory Notes being accounted as extinguishment of debt at fair market value. See *Management's Discussion and Analysis of Financial Condition and Results of Operations* and *Note 6 to the Consolidated Financial Statements for the fiscal years Ended December 31, 2023 and 2022*. Nevertheless, we expect to continue to see a net

loss in connection with our results of operations as we continue to increase production, expand our manufacturing facilities, and develop our manufacturing processes. Until the Company achieves profitability, it will have to seek other sources of capital in order to continue operations.

***The Company has incurred much higher production costs during 2021, 2022, 2023 than the expected costs once we fully ramp-up production.*** From October 2021, when we first began producing Casitas, through December 2023, the Company's cost of goods sold were affected by various reasons, including the following:

- Inefficiencies due to new machinery and newness of product and procedures which required significant training of the workforce.
- In order to catch up with its delivery obligation under the ADS sales contract, the Company hired additional outside labor and paid overtime and double-time shifts.
- Tight skilled labor market which caused higher labor rate.
- Supply chain delivery issues which caused the purchase of several items of material from local vendors with a substantially higher price.
- The Company is still undertaking major research and development activities to streamline its production, substitute new material, and upgrade its equipment in order to automate its production.

The regular one-shift production capacity of Factory 1 was one to two units per day during 2023. We produced 35 units in the last quarter of 2021, 259 units in 2022 and 260 units in 2023 due to the above factors. There is no guarantee that our efforts will resolve all of the challenges we face in ramping up production of Casitas sufficient to meet demand. If we fail to successfully scale up our production, or incorrectly estimated the cost of production related to the price of each Casita, the Company's results of operations and financial condition may be adversely impacted. Moreover, if we fail to produce enough Casitas to meet demand, we may lose potential customers who have indicated interest in our products.

***The Company is a reporting company with the SEC.*** The Company registered its Non-Voting Series A Preferred Stock, Non-Voting Series A-1 Preferred Stock, Non-Voting Series A-2 Preferred Stock, and its Common Stock with the SEC and became a reporting public company during 2023. Becoming a reporting company means the Company is subject to additional ongoing compliance and reporting costs and administrative burdens, additional professional fees (legal and accounting) as well as costs associated with internal staff. Therefore, the costs for these functions in previous years are not indicative of future costs.

***As we grow our business, we may not be able to manage our growth successfully, including development of our internal controls.*** As we build and scale up our factories, develop our automated processes for building Boxes, increase the output of our Boxes and other products, and grow our customer base, we will face business risks commonly associated with rapidly growing companies, including the risk that existing management, information systems and financial and internal controls may be inadequate to support our growth. We cannot predict whether we will be able to respond on a timely basis, or at all, to the changing demands that our growth may impose on our existing management and infrastructure. For example, increasing demands on our infrastructure and management could cause any of the following to occur or increase:

- inadequate internal controls required for a regulated entity;
- inadequate financial controls needed as we transition to become a reporting company;
- delays in our ability to handle the volume of customers; and
- failure to properly review and supervise personnel to make sure we are compliant with our duties as a public company.

We have found it difficult to hire and retain qualified persons to manage our internal controls and reporting functions, including roles such as legal counsel, controller and other positions. In terms of employee oversight, we have become aware of at least one instance in which an employee engaged in fraudulent conduct. As part of our work in establishing strong internal controls, we have undertaken an internal audit for compliance with all applicable laws. If we fail to adapt our management, information systems and financial and internal controls to our growth, or if we encounter other unexpected difficulties, our business, financial condition and operating results will suffer. The Company did not record any material impact related to the fraudulent conduct mentioned above. Management does not anticipate this matter will have a material impact on the Company's results of operations or financial condition.

***Our future success is dependent on the continued service of our senior management and in particular our Founder and Chief Executive Officer Paolo Tiramani.*** Any loss of key members of our executive team could have a negative impact on our ability to manage and grow our business effectively. This is particularly true of our Founder and Chief Executive Officer Paolo Tiramani. We do not maintain "key person" life insurance coverage for our CEO. The experience, technical skills and commercial relationships of our key personnel provide us with a competitive advantage, particularly as we are building our brand recognition and reputation.

***We may not be able to effectively manage our growth, and any failure to do so may have an adverse effect on our business and operating results.*** We have received substantial interest in our Casita Boxes and will strive to meet that demand. This will require significant scaling up of operations, including acquiring additional facilities space, and skilled labor. To date, we have limited experience manufacturing our products at a commercial scale. If we are unable to effectively manage our scaling up in operations, we could face unanticipated slowdowns, problems and costs that harm our ability to meet production demands.

***We may not succeed in developing our business plans, or our business plans may not work as we intend.*** There is no assurance that the Company will be successful in marketing any of its products, or that the revenues from the sale of such products will be significant.



Consequently, the Company's revenues may vary by quarter, and its operating results may experience fluctuations. If our business plans do not succeed, our Company may liquidate, dissolve or declare bankruptcy and our investors may receive nothing.

***Decreased demand in the housing industry would adversely affect our business.*** Demand for new housing construction is tied to the broader economy and factors outside the Company's control. Should factors such as the post-COVID-19 economy, including rising interest rates, a slowdown in the housing market, concerns regarding the health of the U.S. economy, and a continued loss of general economic activity, we could experience a slower growth in demand for our Boxes.

***We are subject to different macro-economic sensitivity.*** The Company's business is subject to the impact of changes in global economic conditions, including, but not limited to, recessionary or inflationary trends, market conditions, pandemics, consumer credit availability, interest rates, consumers' disposable income and spending levels, job security and unemployment, and overall consumer confidence. These economic conditions may be further affected by political events throughout the world that cause disruptions in the financial markets, either directly or indirectly. Adverse economic and political developments could have a material adverse effect on the Company's profitability, results of operations and financial condition.

***Insufficient or delayed supply of materials for manufacturing and assembling our products threatens our ability to meet customer demands while over capacity threatens our ability to generate profits.*** Any failure by us to properly manage our supply chain could have a material adverse effect on our business, financial condition, and results of operations. As we increase the scale of our operations, we may need to change partners and suppliers on a frequent basis to ensure quality control, manage costs, and production schedules. Changing partners or suppliers could result in delays or other unintended consequences, such as an increase in costs and/or a decrease in quality. Additionally, any border restriction, delays, or closures may threaten our ability to meet customer demands, earn revenues, or impact our ability to either continue or develop relationships with partners and suppliers. The extent of the impact of natural disasters, climate events, epidemics, war, inflation, and other potential macroeconomic events on future periods will depend on future developments, all of which are uncertain and cannot be predicted; including the resurgence of a pandemic, government responses and health and safety measures or directives put in place by public health authorities, and sustained pressure on global supply chains causing supply and demand imbalances. Limited or disrupted supply of our products, including key raw materials to make these products could have an adverse effect on our business. There is a risk of the inability to scale production and manage our supply chain.

***The global COVID-19 pandemic and containment measures taken in response to it adversely impacted our business, results of operations, capital spending, business planning, and financial condition, and may continue to do so depending on uncertain future developments.*** Global health concerns relating to the COVID-19 outbreak impacted the macroeconomic environment, and the outbreak significantly increased economic uncertainty. The outbreak resulted in governments in countries across the globe implementing measures to try to contain the virus, such as travel restrictions, social distancing, and restrictions on business operations which have impacted consumers and businesses. These measures adversely impacted our business, and may further impact our workforce and operations and the operations of our business partners, customers, stakeholders, and suppliers. While these measures have either eased or been lifted in most countries, another resurgence of the COVID-19 virus or another communicable illness could cause those measures to be reinstated. The extent to which current health measures are removed or new measures are put in place will depend on how the COVID-19 virus and other infectious diseases evolve, as well as the progress of the local and global roll-out and acceptance of vaccines. As a result, we may continue to experience material adverse impacts on our business and our results of operations because of its global economic impact, including any recession that has occurred or may occur in the future.

***If we do not protect our brand and reputation for quality and reliability, or if consumers associate negative impressions of our brand, our business will be adversely affected.*** As a new entrant in the highly competitive home construction market, our ability to successfully grow our business is highly dependent on the reputation we establish for quality and reliability. To date, we have built a positive reputation based on our demonstration products for trade shows and conferences. As we expand operations to selling Boxes, we will need to deliver on the quality and reliability that is expected of us. If potential customers create a negative association about our brand, whether warranted or not, our business could be harmed.

***Public perception is important as a public company engaged in equity crowdfunding, potentially making BOXABL susceptible to negative postings and false allegations about the Company and its products.*** As a company raising money from the crowd, BOXABL's funding is highly dependent upon investors who get information from a wide variety of sources that rely on user-generated content (e.g., social media, Reddit, message boards, blogs, etc.). These sources often have little to no standards for posting, and many of them allow people to post without even requiring a real name. As a result, these mediums can be susceptible to misinformation, disinformation, and campaigns where individuals using bots and/or fake accounts can create the illusion of "social proof." For instance, BOXABL and its management have previously been the subject of negative postings, including misinformation and false allegations, made on multiple social media platforms. To the extent the Company becomes the target of a negative PR campaign from one or more individuals, the negative publicity may have an adverse impact on the Company, its fundraising, its reputation, and has the potential to distract management's attention from the Company's business.

***Our business depends upon our patents and trademarks. Any failure to protect those intellectual property rights, or any claims that our technology infringes upon the rights of others may adversely affect our competitive position and brand equity.*** Our future success depends significantly on the intellectual property created by our founder and CEO. If the Company is unable to protect that intellectual property from

infringement, or if it is found to infringe on others, our business would be materially harmed as competitors could utilize our same building and shipping designs.

***Inability to license other intellectual property rights.*** The technology we use may require the use of other existing technologies and processes, which are currently, or in the future, will be, subject to patents, copyrights, trademarks, trade secrets or other intellectual property rights held by other parties, in which case we will need to obtain one or more licenses to use those other technologies. If we are unable to obtain licenses on reasonable commercial terms from the holders of such other intellectual property rights, we could be required to halt development and manufacturing or redesign our technology, failing at which it could bear a substantial risk of litigation for misuse of the other technologies. In any such event, our business and operations could be materially adversely affected.

***Additional engineering is required for our manufacturing facility to begin production as the scale necessary to make the business viable.*** We are in the process of expanding our initial manufacturing space (Factory 1, 2 and 3) in the Las Vegas area for our Boxes and to refine the manufacturing process. Our business relies on being able to produce our Boxes at scale, which can only be done once we refine our manufacturing process for specialization of functions. If we are not able to refine our processes to achieve production at scale, our financial results may be negatively impacted.

***We have accepted deposits for a product we are not yet able to produce at scale.*** We hold deposits ranging from \$100, \$200, \$1,200 or \$5,000 from approximately 8,300 prospective customers as of December 31, 2023. These deposits are being recorded as liabilities of the Company and have not been maintained in a segregated account. As such, if the Company is not able to deliver the requested product, we will be obligated to return the deposit, whether funds are available or not. If the prospective purchaser merely decides to not purchase a Box once they are available, they will forfeit their deposit.

***Volatility in commodity prices and product shortages may adversely affect our gross margins.*** Volatility in commodity prices and product shortages may adversely affect our gross margins. Our Boxes contain commodity-priced materials. Commodity prices and supply levels affect our costs. For example, steel is a key material in our Casita. The price of steel will vary based on the level of supply in the market, and demand from other users. Any shortages could adversely affect our ability to produce our Boxes and significantly raise the cost of their production. Further, our ability to pass on such increases in costs in a timely manner depends on market conditions, and the inability to pass along cost increases could result in lower gross margins.

***We will rely on third-party builders to construct our Boxes on site, and we intend to rely on third-party franchisees to manufacture Boxes. The failure of those builders to properly construct homes and franchisee manufacturers to properly manufacture Boxes could damage our reputation, result in costly litigation and materially impact our ability to succeed.*** We sell our Boxes to BOXABL trained and certified builders, who are then responsible for on-site building and assembly. Purchasers can also order directly from us, and they will need to engage their own builders. We may discover that builders are engaging in improper construction practices, negatively impacting the reliability of our Boxes. Further, we not only intend to manufacture the Boxes at our own factories but also to rely on third-party franchisees to manufacture our Boxes. To the extent that we do, we cannot be certain that any such franchisees will act in a manner consistent with our standards and requirements and produce Boxes in accordance with our quality standards. We may discover that our franchisees do not end up operating their franchises in accordance with our standards or applicable law. Furthermore, mistakes made by builders in connection with on-site construction, or mistakes made by franchisees when manufacturing Boxes, could result in Boxes failing to meet advertised standards. The occurrence of such events by the builders or franchisees could result in liability to us, as well as reputational damage.

***If an unknown defect was detected in our Boxes or Box designs, our business would suffer and we may not be able to stay in business.*** In the ordinary course of our business, we could be subject to home warranty and construction defect claims. Defect claims may arise for a significant period of time after a building with our Boxes has been completed. Although we maintain general liability insurance that we believe is adequate and may be reimbursed for losses by subcontractors that we engage to assemble our homes, an increase in the number of warranty and construction defect claims could have a material adverse effect on our results of operations. Furthermore, any design defect in our components may require us to correct the defect in all of the projects sold up until that time. Depending on the nature of the defect, we may not have the financial resources to do so and would not be able to stay in business. Even a defect that is relatively minor could be extremely costly to correct in every home and could impair our ability to operate profitably.

***We may be subject to litigation arising out of our operations.*** Damages claimed under such litigation may be material, and the outcome of such litigation may materially impact our operations and the value of the Company's securities. While we will assess the merits of any lawsuits and defend such lawsuits accordingly, we may be required to incur significant expenses or devote significant financial resources to such defenses. In addition, the adverse publicity surrounding such claims may have a material adverse effect on our operations. Some potential examples include the following: reputational damage, legal action, regulatory scrutiny, financial impacts, and operational impacts. Additionally, a negative outcome could make it more difficult for BOXABL to secure financing or investment in the future. The various risks and material impacts may result in lower revenue and market shares, financial penalties, legal fees, potential litigation that could be costly and time-consuming, potential restrictions on business operations, refunds, returns, or other forms of compensation to the customer. Furthermore, a negative outcome to the complaint may require us to make changes to our business practices, processes, or products which could be time-consuming and costly and impact our ability to deliver on our commitments to other customers.

***The Company's activities will generally be taxable in the jurisdictions in which it operates.*** Changes to taxation laws in any jurisdiction where the Company operates could materially affect the business. No assurance can be given that new taxation rules will not be enacted or

that existing rules will not be applied in a manner that could materially affect the Company's profits and that may result in a material adverse effect on the Company's profitability, results of operations and financial condition.

***Interest-bearing financial instruments can pose risks with any changes in market interest rates.*** The Company may hold both cash and loans payable with variable interest rates as well as loans receivable, loans payable, or other forms of debt securities. These interest-bearing financial instruments pose risks with any changes in market interest rates of the period in which they are held. In the event interest rates continue to rise, the Company's debt obligations that are subject to variable rates of interest, including loans or other commitments, could increase and potentially have a material impact on the Company's financial condition.

***A significant uninsured loss or a loss that significantly exceeds the limits of the Company's insurance policies could have a material adverse effect on our operations.*** We maintain insurance policies covering usual and customary risks associated with our business. A large-scale manufacturer is generally exposed to the risks inherent in the construction and operation of manufacturing facilities, such as breakdowns, manufacturing defects, natural disasters, theft, terrorist attacks and sabotage. We rely on our own insurance policies to cover losses as a result of *force majeure*, natural disasters, terrorist attacks or sabotage among other things. While we perform a review of insurance policies, a significant uninsured loss or a loss that significantly exceeds the limits of such insurance policies or the failure to renew such insurance policies on similar or favorable terms could have a material adverse effect on our operations and ability to continue as a going concern.

***The housing industry is highly competitive and many of our competitors have greater financial resources than we do. Increased competition may make it difficult for us to operate and grow our business.*** The housing industry is highly competitive and we compete with traditional custom builders, manufactured and modular home builders, and other innovative entrants. In addition, we compete with existing homes that are offered for sale, which can reduce the interest in new construction. Many of our competitors have significantly greater resources than we do, a greater ability to obtain financing and the ability to accept more risk than we can prudently manage. If we are unable to compete effectively in this environment, we may not be able to continue to operate our business or achieve and maintain profitability.

***Government regulations may cause project delays, increase our expenses, or increase the costs to our customers which could have a negative impact on our operations.*** We are subject to state modular home building codes, and projects are subject to permitting processes at the local level. We have encountered difficulties obtaining such approvals or with such processes in certain jurisdictions, and we have experienced increased costs and penalties for purported non-compliance with applicable regulations. Until we establish a process that will enable us to resolve issues in our permitting processes, we may be limited in our ability to access certain state or local markets, although we have adopted a strategy targeting certain states and counties where our Casitas fits within the codes and regulations established in those locations.

Further, modular home codes may change over time, potentially increasing our costs, which we may not be able to pass on to customers, negatively impacting our sales and profitability. Existing or new laws and regulations affecting modular home construction, shipping and installation and the housing industry generally could adversely affect our business, including significant expenses necessary to comply with such laws and regulations, and could limit our business growth. Changes in zoning laws designed to increase housing density and solve housing affordability are allowing people around the country, and especially in California, to build accessory dwelling units ("ADUs") for use and rent. This is a burgeoning market for which the BOXABL product is well positioned.

While we believe ADUs are an easy way to enter the market, BOXABL is not limited to small residential units. We expect the BOXABL product can be used in a wide range of building types — residential, commercial, high rise, multi-family, apartment, disaster relief, military, labor housing and more. However, changes of regulations, including permits and zoning laws, may slow our ability to sell our Casitas and other products if we have to implement changes in order to meet new regulations and requirements. To the extent such changes broadly impact our operations, we may experience material and adverse effects on our financial condition and results of operations.

***Increases in the cost of raw materials, or supply disruptions, could have a material adverse effect on our business.*** Our raw materials consist of steel, foams, and plastics, which primarily are sourced from, or dependent on materials sourced from domestic vendors who may source their material from overseas. The costs of these materials may increase due to increased tariffs or shipping costs or reduced supply availability of these materials more generally. Further, global or local natural disruptions, including pandemics, may impact the supply chain, including limiting work in factories producing the materials into useable forms or impacts on the supply chain. Disruptions in supply could result in delays in our production line, delaying delivery of products. Further, we may not be able to pass through any increased material costs to our customers which could have a material adverse effect on our ability to achieve profitability. To the extent that we are able to pass through increased costs, it may lessen any competitive advantage that we have based on price.

***Disruptions in payment processing systems could adversely impact our operations.*** We receive payments for our products and services using a variety of different payment methods, including credit and debit cards. We rely on systems of third parties to process payment. Acceptance and processing of these payment methods are subject to certain rules and regulations and require payment of interchange and other fees. To the extent there are disruptions in payment processing systems, increases in payment processing fees, material changes in the payment ecosystem, such as large re-issuances of payment cards, delays in receiving payments from payment processors, or changes to rules or regulations concerning payment processing, our revenue, operating expenses, and results of operations could be adversely impacted. If these third parties become unwilling or unable to continue processing payments on behalf of our affiliates or partners, it would have to find alternative methods of collecting payments, which could adversely impact user acquisition and retention.

***We may not be able to collect amounts owed to us.*** As part of our regular business operations, we will facilitate and fulfill orders/purchases on a credit or invoice basis. The customers receiving these effective advances may not meet financing criteria for conventional lending from institutional lenders. As a result, these advances and loans are generally riskier and carry a high credit risk. Failure to receive, or requirement to collect, the amounts owed to us thereunder may result in financial losses and expenses which would adversely affect our returns and operations.

***The Company has never paid a dividend nor made a distribution on any of our securities.*** Further, the Company may never achieve a level of profitability that would permit payment of dividends or other forms of distribution to its stockholders. Given the stage of the Company's business, it will likely be a long period before the Company could be in a position to declare dividends or make distributions to its stockholders. The payment of any future dividends by the Company will be at the sole discretion of the Company's management. Holders of eligible shares will be entitled to receive dividends only when, as, and if declared by the Company's Board.

***Delays and cost over-runs may occur each time we enter into production for a new model, as well as in the setup, upgrade, and construction of our facilities to meet our assembly and production requirements.*** Several factors which could cause such delays or cost over-runs include, without limitation, permitting delays, construction pricing escalation, changing engineering and design requirements, the performance of contractors, labor disruptions, adverse weather conditions, and the availability of financing. Even when complete, a production and assembly plant may not operate as planned due to design or manufacturing flaws, which may not all be covered by warranty.

***Our growth in part depends on our ability to develop and market new products and improvements to our existing products that appeal to consumer preferences.*** The success of our innovation and product development efforts is affected by our ability to anticipate changes in consumer preferences, the technical capability of our research and development team in developing and testing product prototypes, including complying with applicable governmental regulations, the success of our management and sales and marketing team in introducing and marketing new products and positive acceptance by consumers. Failure to develop and successfully market and sell new products, including the products we are currently working to develop, may inhibit our growth, sales, and profitability.

***We are exposed to risks from loss of information and data breaches.*** Through the use of our applications and software we gather certain non-identifiable user information. As such, we are exposed to the legal and reputational risk of the loss, misuse, or theft of any such information. Cybersecurity has become an increasingly problematic issue for businesses in the United States, UK and around the world. A cyber-attack could compromise confidential information and result in negative consequences, including remediation costs, loss of revenue, regulatory scrutiny, litigation, and reputational damage. As a result, we continually monitor for malicious threats and adapt accordingly to ensure we follow industry best practices and maintain high privacy and security standards.

***There could be an anti-spam legislation risk.*** The Company may employ a direct marketing strategy using email communication. It may acquire email addresses through consumer sign-ups, the purchase of email distribution lists, organic growth, events, or other means. Emails sent by BOXABL are subject to the regulation and anti-spam legislation or similar legislation in other jurisdictions that it may be operating in. Violation of these or other similar legislation may result in legal, regulatory and/or financial action taken against the Company that could have an adverse impact on its operations, financial results or reputation.

***We include a discussion of our future plans and goals that rely on the occurrence of certain assumptions, and should those assumptions not be correct or not occur, then the timing of our plans may change or not occur at all.*** We discuss plans for the Company's business development based on certain assumptions. Our plans will only be achieved if the assumptions they are based on are correct. There are many reasons why the assumptions could be inaccurate, including customer acceptance, competition, general economic conditions and our own inability to execute our plans. If our assumptions are inaccurate or otherwise incorrect, we may have to change our business development plans, which may have an adverse impact on the Company and its financial condition.

***The Company is aware that it is the subject of inquiries from the Securities and Exchange Commission.*** Former employees have allegedly provided statements to a reporter that they have been contacted by the Securities and Exchange Commission regarding the Company. Throughout its history, BOXABL has utilized exempt offerings of securities made possible by the JOBS Act of 2012, including through crowdfunding, which allows for unconventional marketing of securities offerings. Further, as can be seen in the business and financial discussion included herein, the Company has rapidly expanded its operations from a basic idea to a full manufacturing operation based on the success of those crowdfunding efforts. Additionally, there are pending lawsuits separately addressed herein that are public. The Company understands that the foregoing will often draw the scrutiny of regulators, but the Company is not in position to comment on any non-public inquiries. Should the Company ever be subject to any alleged violation of state or federal securities law, it, like any other company in such a situation, may incur additional expense and effort to defend and/or resolve such hypothetical allegations, which could divert such funds from business operations and occupy the time of management, and which could have a negative effect on the Company's financial performance. BOXABL routinely collaborates with government agencies at the federal, state, and local levels and endeavors to fully cooperate in addressing regulatory issues, as appropriate.

## **Risks Relating to the Securities and the Offering**

***Any valuation at this stage is difficult to assess.*** The valuation for this offering was established by the Company based on the best estimates of management, and is not based on historical financial results. Unlike listed companies that are valued publicly through market-driven stock

prices, the valuation of private companies, especially early-stage companies, is difficult to assess and you may risk overpaying for your investment.

***We include projections of future plans and performance in our filings with the Commission. Projections rely on the occurrence of stated assumptions and should not assumptions not be correct or not occur, then the stated projections may be inaccurate.*** We include projected timelines in our filings with the Commission, such as in our annual report under *Planned Timeline* (see *Management’s Discussion and Analysis of Financial Condition and Results of Operations – Planned Timeline*), and include projected cost comparisons on our offering page. Those projections will only be achieved if the assumptions they are based on are correct. There are many reasons why the assumptions could be inaccurate, including customer acceptance, competition, general economic conditions and our own inability to execute our plans. Potential investors should take the assumptions in consideration when reading those projections, and consider whether they think they are reasonable.

***We are offering a discount on our stock price, to some investors who purchase Non-Voting Series A-3 Preferred Stock in this Offering.*** Certain investors who purchase Non-Voting Series A-3 Preferred Stock in this Offering are entitled to receive a discount on the share price of Non-Voting Series A-3 Preferred Stock that provide a discount on price based on the amount invested. The amount of the Discount will be determined by the amount of money they invest in this Offering. Consequently, the value of shares of investors who pay the full price or are entitled to a smaller amount of Discount in this Offering will be immediately diluted by investments made by investors entitled to the discount, who will pay less for their stake in the Company.

***The Company is in control as to when Preferred Stock converts into Common Stock.*** Under the Company’s Articles of Incorporation, the Preferred Stock converts mandatorily upon (i) upon the occurrence of firm underwritten registered offering (an “IPO”) or (ii) upon the Company offering its Common Stock in an exempt offering in reliance on Regulation A. SEC guidance dictates that when an issuer offers convertible securities that may convert within one year or at the issuer’s discretion, the issuer must include the underlying securities as part of that offering. The Company takes the view that an offering of its Preferred Stock is not the same as an offering of the underlying Common Stock for purposes of a conversion event described in the Articles of Incorporation. In particular, such an interpretation of our Articles of Incorporation would be circular in nature and contrary to the intended purpose of allowing the Company to raise capital without also triggering a conversion event. In the event a court or regulator should disagree with our understanding of our Articles of Incorporation, the Company may be required to convert its Preferred Stock into Common Stock, and cause investors to surrender the preferences associated with their purchase of our Preferred Stock prior to the occurrence of a liquidity event for their shares intended by that conversion provision.

***Our stockholders do not have significant influence on the management of the Company.*** The day-to-day management, as well as big-picture decisions, are made exclusively by our executive officers and directors. Effectively, our stockholders other than Paolo and Galiano Tiramani have a very limited ability, if any, to vote on issues of Company management and do not have the right or power to take part in the management of the Company.

***The Company has broad discretion in the use of proceeds in this Offering.*** The Company has broad discretion on how to allocate the proceeds received as a result of this Offering and may use the proceeds in ways that differ from the proposed uses discussed in the Offering Materials. If the Company fails to spend the proceeds effectively, its business and financial condition could be harmed and there may be the need to seek additional financing sooner than expected.

***This investment is illiquid.*** There is no currently established market for reselling these securities and the Company currently has no plans to list any of its shares on any over-the-counter (OTC) or similar exchange. If you decide that you want to resell these securities in the future, you may not be able to find a buyer. You should assume that you may not be able to liquidate your investment for some time, or be able to pledge these shares as collateral.

***We expect to raise additional capital through equity and/or debt offerings to support our working capital requirements and operating losses.*** In order to fund future growth and development, we will likely need to raise additional funds in the future through offerings of equity or debt that converts into equity, which would dilute the ownership percentage of investors in this offering. Furthermore, if we raise capital through debt, the holders of our debt may have priority over holders of equity, and we may be required to accept terms that restrict our ability to incur more debt. We cannot assure you that the necessary funds will be available on a timely basis, on favorable terms, or at all, or that such funds if raised, would be sufficient. The level and timing of future expenditures will depend on a number of factors, many of which are outside our control. If we are not able to obtain additional capital on acceptable terms, or at all, we may be forced to curtail or abandon our growth plans, which could adversely impact our business, development, financial condition, operating results or prospects.

***The holders of our classes of Preferred Stock have liquidation preferences in the event of the voluntary or involuntary liquidation, dissolution or winding up of the Company.*** In the event the Company should liquidate, dissolve or wind up its business, after payment to all of the Company’s creditors, the remaining assets would be available for distribution to holders of the Company’s capital stock. The Preferred Stockholders take priority over the holders of the Company’s Common Stock. The following table summarizes the liquidation preferences as of December 31, 2023 in order of liquidation:

	<u>Shares Authorized</u>	<u>Shares Issued and Outstanding</u>	<u>Liquidation Preference Balance</u>
Non-Voting Series A-3 Preferred Stock	8,750,000	8,343,400	6,674,720
Non-Voting Series A-2 Preferred Stock	2,050,000,000	173,955,898	139,164,718

Non-Voting Series A-1 Preferred Stock	1,100,000,000	850,380,223	67,180,038
Non-Voting Series A Preferred Stock	250,000,000	194,422,430	3,305,183
Total Series A Preferred Stock as of December 31, 2023	3,400,000,000	1,227,102,032	\$ 216,324,659

Should there be insufficient assets to pay all the holders of all classes of Preferred Stock the full amount to which they shall be entitled, then the available assets will be distributed pro rata. In that event, holders of the Company's Common Stock would not receive any distributions until the liquidation preferences due to holders of the Company's Preferred Stock have been paid in full.

***By executing the subscription agreement in this offering, investors will join as Stockholders under our Stockholders Agreement.*** The Company has established a Fourth Amended and Restated Stockholders Agreement (the "Stockholders Agreement") between itself, Paolo Tiramani, Galiano Tiramani, and each new stockholder to the Company. The agreement provides for among, other items, control of the directorships of the Company by Paolo Tiramani and Galiano Tiramani, and restrictions on transfer of the securities in this offering. As such, this agreement places contractual restrictions on the ability of investors to exercise rights traditionally associated with equity ownership in a company. For instance, an investor would not be able to resell or otherwise dispose of their shares in the Company without complying with Article III of the Stockholders Agreement, which establishes certain permitted transfers, and transfers that must be approved by the Company's Board of Directors.

Investors should carefully review the terms of the Stockholders Agreement, which is included as an exhibit to this Subscription Agreement, and be certain they are willing to accept the contractual terms of the Stockholders Agreement limiting their ability to exercise full control of their shares. In addition to the forum selection provisions and jury trial waiver described below, for further emphasis the company is highlighting the following risks associated with the Stockholders Agreement:

*The Stockholders Agreement places limitations on the transferability of our securities.*

Pursuant to Article III of the Stockholders Agreement, investors will not be allowed to transfer shares acquired in this offering, except under limited circumstance following approval of the Board of Directors of the company. Investors should note that these restrictions on transferability are in addition to any restrictions provided by statute or regulation. This means that investors will not be able to dispose of their shares on their own volition without satisfying the requirements of the Stockholders Agreement.

*The Stockholders Agreement ensures that the Company will be controlled by Paolo Tiramani and Galiano Tiramani while the agreement is in place.*

Under the Stockholders Agreement, each of Paolo Tiramani and Galiano Tiramani have the sole right to appoint one director, as well as jointly appoint a third director. No other stockholder currently has any right to appoint directors to the Company's board of directors. This means that investors will have no control over the management of the company, or policy setting role of the board of directors. Instead, investors must rely on the efforts of Paolo Tiramani and Galiano Tiramani.

*Director Designation Rights by 15% Stockholders*

In the event a stockholder, other than Paolo or Galiano, acquires 15% or more of the Company's then-outstanding shares of Common Stock (the "Designating Stockholder"), the Board shall expand by one (1) seat and the Designating Stockholder shall have the right to designate the new director.

*Voting Agreements Impact the Ability to Vote Common Stock*

Each stockholder holding shares of Common Stock agrees to vote all shares under the stockholder's control to elect to the Board any individual designated by Paolo, Galiano or a Designating Stockholder (defined above as any holder of 15% or more of the Company's then-outstanding Common Stock).

Each of Paolo, Galiano and any Designating Stockholder have the right at any time to remove, with or without cause, any director designated by them for election to the Board, and each shall vote all shares of Common Stock owned by Paolo, Galiano and any Designating Stockholder to remove from the Board any individual designated by Paolo, Galiano or any Designating Stockholder. Unless Paolo, Galiano or a Designating Stockholder consent in writing, no other stockholder shall take any action to cause the removal of any directors designated by them.

*Drag-Along Provision*

In the event one or more stockholders intend to sell in the aggregate more than 50% of the Company's total outstanding shares to a third party, and the third-party conditions such sale on the third party's ability to purchase all of the Company issued and outstanding share, then the selling stockholders have the right to require each of the other stockholders to sell all of their shares to the third-party purchaser on the same terms and conditions.

*Supermajority Approval*

The Stockholder Agreement further provides for supermajority approval of the voting holders of Common Stock of the Company for the Company to undertake specified actions, including, but not limited to, amending the Articles of Incorporation or Bylaws, appointing or removing the Company's independent accountant or changing accounting methods or policies other than as required by GAAP, effectuating a change of control of the Company, or elect or remove (with or without cause) any officer of the Company.

*Investors who are married will be required to deliver a spousal consent to the Stockholders Agreement.*

The Company requires that a married investor provide a spousal consent pursuant to the Stockholders Agreement. Furthermore, certain married investors will be required to confirm the consent of their spouse pursuant to the Stockholders Agreement. Married investors in "community property states" (Arizona, California, Idaho, Louisiana, Nevada, New Mexico, Texas, Washington, and Wisconsin) are required to confirm the consent of their spouse to purchase the Company's securities. A spousal consent is important to the Company because in the event of dissolution of a marriage, or death of the investor with the spouse inheriting the securities in this Offering, the spouse taking possession of the shares will be bound by the terms of the Stockholders Agreement, providing certainty to the Company for the enforcement of the agreement. The Company requires that the spousal consent be provided to the Company within 15 days of confirmation of an investment in the Company. While non-receipt of a spousal consent may result in equitable remedies pursuant to the Stockholders Agreement, it is not a condition of the investment or being a stockholder of the Company. This means that investors whose shares are transferred by reason of dissolution of marriage or death of the investor may be in breach of the Stockholders Agreement if no spousal consent was provided to the Company.

***Investors in this offering may not be entitled to a jury trial with respect to claims arising under the Subscription Agreement or Stockholders Agreement, which could result in less favorable outcomes to the plaintiff(s) in any action under these agreements.*** Investors in this offering will be bound by the Subscription Agreement and Stockholders Agreement, both of which include a provision under which investors waive the right to a jury trial of any claim they may have against the company arising out of or relating to these agreements. By signing these agreements, the investor warrants that the investor has reviewed this waiver with his or her legal counsel, and knowingly and voluntarily waives the investor's jury trial rights following consultation with the investor's legal counsel.

If we opposed a jury trial demand based on the waiver, a court would determine whether the waiver was enforceable based on the facts and circumstances of that case in accordance with the applicable state and federal law. To our knowledge, the enforceability of a contractual pre-dispute jury trial waiver in connection with claims arising under the federal securities laws has not been finally adjudicated by a federal court. However, we believe that a contractual pre-dispute jury trial waiver provision is generally enforceable, including under the laws of the State of Nevada, which governs the Subscription Agreement. In determining whether to enforce a contractual pre-dispute jury trial waiver provision, courts will generally consider whether the visibility of the jury trial waiver provision within the agreement is sufficiently prominent such that a party knowingly, intelligently and voluntarily waived the right to a jury trial. We believe that this is the case with respect to the Subscription Agreement. You should consult legal counsel regarding the jury waiver provision before entering into the Subscription Agreement.

If you bring a claim against the Company in connection with matters arising under the Subscription Agreement or Stockholders Agreement, including claims under federal securities laws, you may not be entitled to a jury trial with respect to those claims, which may have the effect of limiting and discouraging lawsuits against us. If a lawsuit is brought against us under one of these agreements, it may be heard only by a judge or justice of the applicable trial court, which would be conducted according to different civil procedures and may result in different outcomes than a trial by jury would have had, including results that could be less favorable to the plaintiff(s) in such an action.

Nevertheless, if this jury trial waiver provision is not permitted by applicable law, an action could proceed under the terms of the Subscription Agreement or Stockholders Agreement with a jury trial. No condition, stipulation or provision of the Subscription Agreement or Stockholders Agreement serves as a waiver by any holder of our shares or by us of compliance with any substantive provision of the federal securities laws and the rules and regulations promulgated under those laws.

***Our Articles of Incorporation, Stockholders Agreement, and Subscription Agreement each include a forum selection provision, which could result in less favorable outcomes to the plaintiff(s) in any action against our company.***

*Articles of Incorporation*

Our Articles of Incorporation includes a forum selection provision that requires any claims against us by stockholders involving, with limited exceptions:

- brought in the name or right of the Company or on its behalf;
- asserting a claim for breach of any fiduciary duty owed by any director, officer, employee or agent of the Company to the Company or the Company's stockholders;
- arising or asserting a claim arising pursuant to any provision of Chapters 78 or 92A of the Nevada Revised Statutes or any provision of these Articles of Incorporation (including any Preferred Stock designation) or the bylaws;
- to interpret, apply, enforce or determine the validity of these Articles of Incorporation (including any Preferred Stock designation) or the bylaws; or



- asserting a claim governed by the internal affairs doctrine.

Any of the above actions are required to be brought in the Eighth Judicial District Court of Clark County, Nevada. If the Eighth Judicial District Court of Clark County does not have jurisdiction, then the matter may be adjudicated in another state district court in the State of Nevada, or in federal court located within the State of Nevada. This forum selection provision may limit investors' ability to bring claims in judicial forums that they find favorable to such disputes and may discourage lawsuits with respect to such claims. Note, this provision does not apply to any suits brought to enforce any liability or duty created by the Securities Act of 1933, as amended, or the Securities Exchange Act of 1934, as amended, or to any claim for which the federal courts have exclusive jurisdiction.

#### Stockholders Agreement

Our Stockholders Agreement includes a forum selection provision that requires any suit, action, or proceeding based in contract or tort arising from the Stockholders Agreement be brought in the Eighth Judicial District Court of Clark County, Nevada. If the Eighth Judicial District Court of Clark County does not have jurisdiction, then the matter may be adjudicated in another state district court in the State of Nevada, or in federal court located within the State of Nevada. This forum selection provision may limit investors' ability to bring claims in judicial forums that they find favorable to such disputes and may discourage lawsuits with respect to such claims. Section 22 of the Securities Act creates concurrent jurisdiction for federal and state courts over all suits brought to enforce any duty or liability created by the Securities Act or the rules and regulations thereunder. We believe that the exclusive forum provision applies to claims arising under the Securities Act, but there is uncertainty as to whether a court would enforce such a provision in this context. Section 27 of the Exchange Act creates exclusive federal jurisdiction over all suits brought to enforce any duty or liability created by the Exchange Act or the rules and regulations thereunder. As a result, the exclusive forum provision may not be used to bring actions in state courts for suits brought to enforce any duty or liability created by the Exchange Act or any other claim for which the federal courts have exclusive jurisdiction. Investors will not be deemed to have waived the Company's compliance with the federal securities laws and the rules and regulations thereunder.

#### Subscription Agreement

Our Subscription Agreement for each manner of investing and class of security includes a forum selection provision that requires any suit, action, or proceeding arising from the subscription agreement be brought in a state or federal court of competent jurisdiction located within the State of Nevada. This forum selection provision may limit investors' ability to bring claims in judicial forums that they find favorable to such disputes and may discourage lawsuits with respect to such claims. Section 22 of the Securities Act creates concurrent jurisdiction for federal and state courts over all suits brought to enforce any duty or liability created by the Securities Act or the rules and regulations thereunder. We believe that the exclusive forum provision applies to claims arising under the Securities Act, but there is uncertainty as to whether a court would enforce such a provision in this context. Section 27 of the Exchange Act creates exclusive federal jurisdiction over all suits brought to enforce any duty or liability created by the Exchange Act or the rules and regulations thereunder. As a result, the exclusive forum provision may not be used to bring actions in state courts for suits brought to enforce any duty or liability created by the Exchange Act or any other claim for which the federal courts have exclusive jurisdiction. Investors will not be deemed to have waived the company's compliance with the federal securities laws and the rules and regulations thereunder.

***Using a credit card to purchase shares may impact the return on your investment.*** Investors in this offering have the option of paying for their investment with a credit card. Transaction fees charged by your credit card company (which can reach 5% of transaction value if considered a cash advance) and interest charged on unpaid card balances (which can reach almost 25% in some states) add to the effective purchase price of the shares you buy. See *Plan of Distribution and Selling Securityholders*. The cost of using a credit card may also increase if you do not make the minimum monthly card payments and incur late fees. These increased costs may reduce the return on your investment.

The SEC's Office of Investor Education and Advocacy issued an Investor Alert dated February 14, 2018 entitled: Credit Cards and Investments – A Risky Combination, which explains these and other risks you may want to consider before using a credit card to pay for your investment.