



SIGNIFICANT RISKS ASSOCIATED WITH INVESTMENTS IN INITIAL PUBLIC OFFERINGS (IPOs)

This Risk Disclosure Statement contains a brief summary of certain risk factors related to investing in new issue securities. It is not meant to be all-inclusive but instead is intended to focus on some of the most important risk factors associated with public offerings in general and, in particular, those associated with initial public offerings (IPOs). Furthermore, the information contained herein is not intended to address the merits of any particular offering or investment strategy and should not be construed as a recommendation by ClickIPO to purchase any specific security or follow any specific investment strategy. Investors must perform their own evaluation of whether investing in new issue securities generally or purchasing securities specific to a particular offering is aligned with one's investment objectives, risk tolerance and financial situation.

This is neither an offer to sell or buy securities; this can only be done by prospectus. For a description of the business, operations, and financial condition of an issuer and the particular risks arising from an investment in an issuer's securities, you should obtain and carefully read the prospectus prepared by the issuer before making any investment. Preliminary prospectuses for upcoming offerings may be obtained by contacting Click IPO.

There is a diverse set of risk factors to be considered when investing in new issue securities. Any one of these could have a material and adverse effect on the price of the issuer's common stock and, therefore, on an investment in the issuer's securities. Some of these factors include:

Issuer's Lack of Operating History – An issuer that engages in an IPO or other public offering may be in the early stages of development with a history of little or no revenues and may operate at a loss following the offering. Such issuers are typically subject to the difficulties, uncertainties, and risks associated with the establishment of a new business such as manufacturing capability, limited product lines, lack of marketing expertise, the existence of more experienced or better capitalized competition, and reliance on a few large suppliers or customers.

No Prior Market for Common Stock; Determination of Offering Price; Potential Volatility – Prior to an IPO, there is generally no public market for an issuer's common stock and there can be no assurance that an active trading market will develop or be sustained following the IPO. The offering price of securities issued in a new issue offering is typically determined by negotiation between the issuer and its underwriters based on factors such as the history of and prospects for the issuer's business and the industry in which it competes, an assessment of the issuer's management, past and present operations, prevailing market and economic conditions, and any other factors deemed relevant. Following the IPO, the market price for the securities may be subject to significant fluctuations in response to numerous factors such as lack of liquidity, general market volatility, and other factors unrelated to the operating performance of the issuer.

Additional Financing – An issuer that operates at a loss or with limited cash flow following an IPO will generally be required to secure additional financing in order to fund its operation. If the issuer decides to issue additional equity securities, it is possible that their issuance will result in dilution of the interests of existing shareholders, including those who purchased in the IPO. To the extent that the issuer incurs indebtedness, the issuer will be subject to certain risks including interest rate fluctuations and inability to generate sufficient cash flow to make scheduled payments. In addition, indebtedness generally ranks prior to the common stock of an issuer for purposes of distributing the issuer’s assets in the event of bankruptcy. There is also the possibility that the issuer will be unable to locate financing on satisfactory terms or may be required to significantly curtail its operations.

Dependence on Key Personnel – An issuer is often highly dependent on the services of key technical and management personnel and loss of their services could have a material adverse effect on the issuer’s business operations.

Proprietary Rights and Licenses – Because many issuers depend on proprietary and/or licensed technology in their operations, their success is therefore closely related to their ability to obtain and enforce intellectual property protection for such technology. There exists the possibility that certain patents would not be sufficiently broad to protect key aspects of the issuer’s or its licensor’s technology so that competitors would be able to duplicate the issuer’s products or that patent laws would not provide effective legal or injunctive remedies to prevent infringement. Patents are also frequently challenged, invalidated, or circumvented by competitors. Litigation of patent or infringement claims may result in substantial cost and diversion of resources.

Business Expansion – Rapid and substantial demand for products may lead to delays in filling orders and meeting delivery schedules. Such delays, if recurring, can increase the risk that customers will cancel orders and seek to meet all or a portion of their needs from the issuer’s competitors. To the extent that the issuer seeks to expand to meet demand, the costs of doing so may be underestimated.

Dependence on Key Suppliers – Some issuers rely significantly on a limited group of suppliers to obtain product components or materials. If an issuer is unable to obtain sufficient quantities or such components or materials fail to meet specifications, delays or reductions in shipments may result

Dependence on Limited Number of Customers – An issuer’s primary customer base may be limited to a small number of customers, the loss of any one of which could have a material adverse effect on the issuer’s business and financial condition.

Competition – Most issuers experience significant competition in their product lines from other companies including larger companies which have access to greater financial, technical, and other resources. It may be difficult for an issuer to continue to make investments necessary to maintain its competitive position.

Rapid Technological Change – Issuers that produce products or engage in manufacturing techniques are subject to technological changes and are susceptible to the risk that future technologies will render those products or technologies obsolete. Such issuers may be unable to develop or introduce new products or enhancements to existing products and processes in a timely manner to achieve market acceptance or satisfy customer needs.