

THIS INSTRUMENT AND ANY SECURITIES ISSUABLE PURSUANT HERETO HAVE NOT BEEN REGISTERED UNDER THE UNITED STATES OF AMERICA SECURITIES ACT OF 1933, AS AMENDED, OR UNDER THE SECURITIES LAWS OF ANY OTHER JURISDICTION. THESE SECURITIES MAY NOT BE OFFERED, SOLD OR OTHERWISE TRANSFERRED, SUBJECT TO SECURITY OR HYPOTHECATED EXCEPT AS PERMITTED IN THIS SAFE AND UNDER APPLICABLE SECURITIES LAWS PURSUANT TO AN EFFECTIVE REGISTRATION STATEMENT OR AN EXEMPTION THEREFROM.

This Safe is entered into on 5/5/2023.

THIS CERTIFIES THAT in exchange for the payment by [REDACTED], a company incorporated under the laws of Republic of Panama with its registered address at Dresdner Tower, 11th floor, 50th Street and 55th East Street, Panama City, Republic of Panama.

(the "Investor") of US\$ 100,000 (the "Purchase Amount") on or about 5/5/2023, **Socratix Holdings Limited**, a company incorporated under the laws of the British Virgin Islands with company number 2122340 (the "Company"), issues to the Investor the right to certain shares of the Company, subject to the terms described below.

The "Post-Money Valuation Cap" is US\$18,000,000. See **Section 2** for certain additional defined terms.

1. Events

(a) **Equity Financing.** If there is an Equity Financing before the termination of this Safe, on the initial closing of such Equity Financing, this Safe will automatically convert (subject to the Company's obligation to update its register of members accordingly) into the greater of: (1) the number of Standard Preference Shares equal to the Purchase Amount divided by the lowest price per share of the Standard Preference Shares; or (2) the number of Safe Preference Shares equal to the Purchase Amount divided by the Safe Price.

In connection with and for the purposes of effecting such automatic conversion of this Safe into Standard Preference Shares or Safe Preference Shares pursuant to this section 1(a), the Investor shall execute and deliver to the Company all of the transaction documents related to the Equity Financing and/or such other procedural documents as the Company may require for the purposes of issuing the Safe Preference Shares to the Investor; *provided*, that such documents (i) are the same documents to be entered into with the purchasers of Standard Preference Shares in the Equity Financing, with appropriate variations for the Safe Preference Shares if applicable, and (ii) have customary exceptions to any drag-along applicable to the Investor, including (without limitation) limited representations, warranties, liability and indemnification obligations for the Investor.

(b) **Liquidity Event.** If there is a Liquidity Event before the termination of this Safe, the Investor shall, by virtue of this Safe, automatically be entitled (subject to the liquidation priority set forth in Section 1(d) below) to receive a portion of Proceeds, due and payable to the Investor immediately prior to, or concurrent with, the consummation of such Liquidity Event, equal to the greater of (i) the Purchase Amount (the "Cash-Out Amount") or (ii) the amount payable on the number of Ordinary Shares equal to the Purchase Amount divided by the Liquidity Price (the "Conversion Amount"). If any of the Company's shareholders are given a choice as to the form and amount of Proceeds to be received in a Liquidity Event, the Investor will be given the same choice, *provided* that the Investor may not choose to receive a form of Proceeds that the Investor would be ineligible to receive as a result of the Investor's failure to satisfy any requirement or limitation generally applicable to the Company's shareholders, or under any applicable laws.

Notwithstanding the foregoing, in connection with a Change of Control intended to qualify as a tax-free reorganization, the Company may reduce the cash portion of Proceeds payable to the Investor by the amount determined by its board of directors in good faith for such Change of Control to qualify as a tax-free reorganization, provided that such reduction (A) does not reduce the total Proceeds payable to such Investor and (B) is applied in the same manner and on a pro rata basis to all securityholders who have equal priority to the Investor under Section 1(d).

(c) **Dissolution Event**. If there is a Dissolution Event before the termination of this Safe, the Investor will automatically be entitled (subject to the liquidation priority set forth in Section 1(d) below) to receive a portion of Proceeds equal to the Cash-Out Amount, due and payable to the Investor immediately prior to the consummation of the Dissolution Event.

(d) **Liquidation Priority**. In a Liquidity Event or Dissolution Event, this Safe is intended to operate like Standard Preference Shares. The Investor's right to receive its Cash-Out Amount is:

(i) junior to payment of outstanding indebtedness and creditor claims, including contractual claims for payment and convertible promissory notes (to the extent such convertible promissory notes are not actually or notionally converted into shares in the Company);

(ii) on par with payments for other Safes and/or Preference Shares, and if the applicable Proceeds are insufficient to permit full payments to the Investor and such other holders of Safes and/or Preference Shares, the applicable Proceeds will be distributed pro rata to the Investor and such other holders of Safes and/or Preference Shares in proportion to the full payments that would otherwise be due; and

(iii) senior to payments for Ordinary Shares.

The Investor's right to receive its Conversion Amount is (A) on par with payments for Ordinary Shares and other Safes and/or Preference Shares who are also receiving Conversion Amounts or Proceeds on a similar as-converted to Ordinary Shares basis, and (B) junior to payments described in section 1(d)(i) and (ii) above (in the latter case, to the extent such payments are Cash-Out Amounts or similar liquidation preferences).

(f) **Termination**. This Safe will automatically terminate (without relieving the Company of any obligations arising from a prior breach of or non-compliance with this Safe) immediately following the earliest to occur of: (i) the issuance of Safe Preference Shares or Standard Preference Shares to the Investor pursuant to the automatic conversion of this Safe under Section 1(a); or (ii) the payment, or setting aside for payment, of amounts due the Investor pursuant to Section 1(b) or Section 1(c).

2. ***Definitions***

"**BVI Registry**" means the Registry of Corporate Affairs of the British Virgin Islands.

"**Business**" means the business of conducting secondary market over-the-counter cryptocurrency and virtual asset transactions.

"**Change of Control**" means (i) a transaction or series of related transactions in which any "person" or "group", becomes the beneficial owner, directly or indirectly, of more than 50% of the outstanding voting shares of the Company and/or the management of the Company, (ii) any reorganization, merger or consolidation of the Company, other than a transaction or series of related transactions in which the holders of the voting shares of the Company outstanding immediately prior to such transaction or series of related transactions retain, immediately after such transaction or series of related transactions, more than 50% of the total voting power represented by the outstanding voting shares of the Company or such other surviving or resulting entity or (iii) a sale, lease or other disposition of all or substantially all of the assets of the Group Companies.

"**Company Capitalisation**" is calculated as of immediately prior to the Equity Financing and (without double-counting, in each case calculated on an as-converted to Ordinary Shares basis) includes:

- all shares in issue in the Company;
- all Converting Securities;

- all (i) issued and outstanding Options and (ii) Promised Options; and
- the Unissued Option Pool, except that any increase to the Unissued Option Pool in connection with the Equity Financing will only be included to the extent that the number of Promised Options exceeds the Unissued Option Pool prior to such increase.

“Converting Securities” includes this Safe and other convertible securities issued by the Company, including but not limited to: (i) other Safes; (ii) convertible promissory notes and other convertible debt instruments; and (iii) convertible securities that have the right to convert into shares of the Company.

“Direct Listing” means (i) the Company’s initial listing of its Ordinary Shares (other than Ordinary Shares not eligible for resale under Rule 144 under the Securities Act) on a national securities exchange in the United States by means of an effective registration statement on Form F-1 or Form S-1 filed by the Company with the United States Securities and Exchange Commission that registers the Company’s existing Capital Shares for resale, as approved by the Company’s board of directors, or (ii) any analogous listing not involving any underwritten offering of securities in any exchange located in a jurisdiction other than the United States. For the avoidance of doubt, a Direct Listing will not be deemed to be an underwritten offering and will not involve any underwriting services.

“Dissolution Event” means (i) a voluntary termination of operations, (ii) a general assignment for the benefit of the Company’s creditors or (iii) any other liquidation, dissolution or winding up of the Company (excluding a Liquidity Event), whether voluntary or involuntary.

“Dividend Amount” means, with respect to any date on which the Company pays a dividend on its outstanding Ordinary Shares, the amount of such dividend that is paid per Ordinary Share multiplied by (x) the Purchase Amount divided by (y) the Liquidity Price (treating the dividend date as a Liquidity Event solely for purposes of calculating such Liquidity Price).

“Equity Financing” means the next sale (or series of related sales) by the Company of its Standard Preferred Shares following the date of this instrument from which the Company receives gross proceeds of not less than \$5,000,000 (excluding the Purchase Amount converted into Safe Preferred Shares upon conversion of this instrument or any other Simple Agreement for Future Equity (pursuant to Section 1(a)).

“Founder” means Taranveer Singh Sabharwal 1 The Grove, Leeds LS19 7RX, United Kingdom, with UK passport number 133906528.

“Group Companies” means the Company and the Company’s subsidiaries from time to time.

“Initial Public Offering” means the closing of the Company’s first firm commitment underwritten initial public offering of Ordinary Shares in conjunction with the listing of such Ordinary Shares on any securities exchange, which shall be deemed to have occurred upon the consummation of the listing transaction as prescribed under the listing rules of the applicable securities exchange.

“Liquidity Capitalisation” is calculated as of immediately prior to the Liquidity Event, and (without double-counting, in each case calculated on an as-converted to Ordinary Shares basis):

- includes all shares in issue in the Company;
- includes all (i) issued and outstanding Options and (ii) to the extent receiving Proceeds, Promised Options;
- includes all Converting Securities, other than any Safes and other convertible securities (including without limitation Preference Shares) where the holders of such securities are receiving Cash-Out Amounts or similar liquidation preference payments in lieu of Conversion Amounts or similar “as-converted” payments; and
- excludes the Unissued Option Pool.

“Liquidity Event” means a Change of Control, a Direct Listing or an Initial Public Offering.

“Liquidity Price” means the price per share equal to the Post-Money Valuation Cap divided by the Liquidity Capitalisation.

"Options" includes options, restricted share awards or purchases, restricted share units, share appreciation rights, warrants or similar securities, vested or unvested.

"Ordinary Shares" means the ordinary shares or such other similarly named class of share in the Company, having such rights and being subject to such restrictions as are provided for in the Company's memorandum and articles of association.

"Preference Shares" means the preference shares or such other similarly named class of share in the Company, having such rights and being subject to such restrictions as are provided for in the Company's memorandum and articles of association.

"Proceeds" means cash and other assets (including without limitation share consideration) that are proceeds from the Liquidity Event or the Dissolution Event, as applicable, and legally available for distribution.

"Promised Options" means promised but ungranted Options that are the greater of those (i) promised pursuant to agreements or understandings made prior to the execution of, or in connection with, the term sheet or letter of intent for the Equity Financing or Liquidity Event, as applicable (or the initial closing of the Equity Financing or the consummation of the Liquidity Event, if there is no term sheet or letter of intent), (ii) in the case of an Equity Financing, treated as outstanding Options in the calculation of the Standard Preference Shares' price per share, or (iii) in the case of a Liquidity Event, treated as outstanding Options in the calculation of the distribution of the Proceeds.

"Safe" means an instrument containing a future right to shares of the Company, similar in form and content to this instrument, purchased by investors for the purpose of funding the Company's business operations. References to "this Safe" mean this specific instrument.

"Safe Preference Shares" means the series of Preference Shares issued to the Investor in an Equity Financing, having the identical rights, privileges, preferences, seniority, liquidation multiple and restrictions as the Standard Preference Shares, except that any price based preferences, such as the per share liquidation amount, initial conversion price and the basis for any dividend rights will be based on the Safe Price.

"Safe Price" means the price per share equal to the Post-Money Valuation Cap divided by the Company Capitalisation.

"Standard Preference Shares" means the Preference Shares issued to the investors investing new money in the Company in connection with the initial closing of the Equity Financing.

"Unissued Option Pool" means all shares available for issuance in the Company that are reserved, available for future grant and not subject to any outstanding Options or Promised Options (but in the case of a Liquidity Event, only to the extent Proceeds are payable on such Promised Options) under any equity incentive or similar Company plan.

3. ***Company Representations***

(a) The Company is a company limited by shares duly incorporated, validly existing and in good standing under the laws of its jurisdiction of incorporation, and has the power and authority to own, lease and operate its properties and carry on its business as now conducted.

(b) The Company has been incorporated for the purpose of acting as the wholly owned parent entity for any entity beneficially owned by the Founder that is established on or after the date of this SAFE for the purposes of carrying on the Business.

(c) The execution, delivery and performance by the Company of this Safe is within the power of the Company and has been duly authorized by all necessary actions on the part of the Company (subject to section 3(d)). This Safe constitutes a legal, valid and binding obligation of the Company, enforceable against the Company in accordance with its terms, except as limited by bankruptcy, insolvency or other laws of general application relating to or affecting the enforcement of creditors' rights generally and general principles of equity. To its knowledge, the Company is not in violation of (i) its current certificate

of incorporation or memorandum and articles of association, (ii) any material statute, rule or regulation applicable to the Company or (iii) any material debt or contract to which the Company is a party or by which it is bound, where, in each case, such violation or default, individually, or together with all such violations or defaults, could reasonably be expected to have a material adverse effect on the Company.

(d) The performance and consummation of the transactions contemplated by this Safe do not and will not: (i) violate any material judgment, statute, rule or regulation applicable to the Company; (ii) result in the acceleration of any material debt or contract to which the Company is a party or by which it is bound; or (iii) result in the creation or imposition of any security interest, encumbrance or lien on any property, asset or revenue of the Company or the suspension, forfeiture, or nonrenewal of any material permit, license or authorization applicable to the Company, its business or operations.

(e) No consents or approvals are required in connection with the performance of this Safe, other than: (i) the Company's corporate approvals; (ii) any qualifications or filings under applicable securities laws; and (iii) necessary corporate approvals for the authorisation to create the new class of shares in the Company issuable pursuant to Section 1 (together with a BVI Registry stamped copy of the Company's amended and restated memorandum and articles of association).

(f) To its knowledge, the Company owns or possesses (or can obtain on commercially reasonable terms) sufficient legal rights to all patents, trademarks, service marks, trade names, copyrights, trade secrets, licenses, information, processes and other intellectual property rights necessary for its business as now conducted and as currently proposed to be conducted, without any conflict with, or infringement of the rights of, others.

4. *Investor Representations*

(a) The Investor has full legal capacity, power and authority to execute and deliver this Safe and to perform its obligations hereunder. This Safe constitutes valid and binding obligation of the Investor, enforceable in accordance with its terms, except as limited by bankruptcy, insolvency or other laws of general application relating to or affecting the enforcement of creditors' rights generally and general principles of equity.

(b) The Investor is an accredited or sophisticated investor as the term is defined in its country of residence and acknowledges and agrees that if not an accredited or sophisticated investor at the time of an Equity Financing, the Company may void this Safe and return the Purchase Amount. The Investor has been advised that this Safe and the underlying securities have not been registered under any applicable securities regime or unless an exemption from such registration requirements is available. The Investor is purchasing this Safe and the securities to be acquired by the Investor hereunder for its own account for investment, not as a nominee or agent, and not with a view to, or for resale in connection with, the distribution thereof, and the Investor has no present intention of selling, granting any participation in, or otherwise distributing the same. The Investor has such knowledge and experience in financial and business matters that the Investor is capable of evaluating the merits and risks of such investment, is able to incur a complete loss of such investment without impairing the Investor's financial condition and is able to bear the economic risk of such investment for an indefinite period of time.

(c) The Investor hereby undertakes and covenants to the Company that the Investor will promptly provide to the Company and/or its service providers all such information, confirmations, certifications, know-your-customer information and other information as is required of the Investor, the Company, or such service providers by law or applicable regulation in connection with the issuance and allotment of the Safe Preference Shares, pursuant to the automatic conversion of this Safe under Section 1(a). The Investor further agrees and acknowledges that the Company and/or its service providers may rely on the automatic conversion provisions contained herein in lieu of any signed subscription forms or similar subscription documents solely for the purposes of effecting any filings required by law and conversion of this Safe.

Miscellaneous

(a) Any provision of this Safe may be amended, waived or modified by written consent of the Company and either (i) the Investor or (ii) the majority-in-interest of all then-outstanding Safes with the same "Post-Money Valuation Cap" and "Discount Rate" as this Safe (and Safes lacking one or both of such terms will be considered to be the same with respect to such term(s)), provided that with respect to (ii): (A) the Purchase Amount may not be amended, waived or modified in this manner, (B) the consent of the Investor and each holder of such Safes must be solicited (even if not obtained), and (C) such amendment,

waiver or modification treats all such holders in the same manner. "Majority-in-interest" refers to the holders of the applicable group of Safes whose Safes have a total Purchase Amount greater than 50% of the total Purchase Amount of all of such applicable group of Safes.

(b) Any notice required or permitted by this Safe will be deemed sufficient when delivered personally or by internationally recognized overnight courier or sent by email to the relevant address listed on the signature page, or 48 hours after being deposited as certified or registered mail with postage prepaid, addressed to the party to be notified at such party's address listed on the signature page, as subsequently modified by written notice.

(c) The Investor is not entitled, as a holder of this Safe, to vote or be deemed a holder of shares in the Company for any purpose other than tax purposes, nor will anything in this Safe be construed to confer on the Investor, as such, any rights of a Company shareholder or rights to vote for the election of directors or on any matter submitted to Company shareholders, or to give or withhold consent to any corporate action or to receive notice of meetings, until shares have been issued on the terms described in Section 1. However, if the Company pays a dividend on Ordinary Shares in issue (that is not payable in Ordinary Shares) while this Safe is outstanding, the Company will pay the Dividend Amount to the Investor at the same time.

(d) Neither this Safe nor the rights in this Safe are transferable or assignable, by operation of law or otherwise, by either party without the prior written consent of the other; *provided, however*, that this Safe and/or its rights may be assigned without the Company's consent by the Investor (i) to the Investor's estate, heirs, executors, administrators, guardians and/or successors in the event of Investor's death or disability, or (ii) to any other entity who directly or indirectly, controls, is controlled by or is under common control with the Investor, including, without limitation, any general partner, managing member, officer or director of the Investor, or any venture capital fund now or hereafter existing which is controlled by one or more general partners or managing members of, or shares the same management company with, the Investor.

(e) In the event any one or more of the provisions of this Safe is for any reason held to be invalid, illegal or unenforceable, in whole or in part or in any respect, or in the event that any one or more of the provisions of this Safe operate or would prospectively operate to invalidate this Safe, then and in any such event, such provision(s) only will be deemed null and void and will not affect any other provision of this Safe and the remaining provisions of this Safe will remain operative and in full force and effect and will not be affected, prejudiced, or disturbed thereby.

(f) Governing law and jurisdiction: The parties agree that this Safe (and all the rights and obligations hereunder) shall be governed by, and construed and enforced in accordance with, the laws of the British Virgin Islands. Each party hereby submits to the non-exclusive jurisdiction of the Courts of the British Virgin Islands.

(g) Unless otherwise stated herein, all references to "\$" or "Dollars" refers to lawful currency of the United States of America.

(h) [The parties acknowledge and agree that for United States federal and state income tax purposes this Safe is, and at all times has been, intended to be characterised as "stock", and more particularly as "common stock" for purposes of Sections 304, 305, 306, 354, 368, 1036 and 1202 of the U.S. Internal Revenue Code of 1986, as amended. Accordingly, the parties agree to treat this Safe consistent with the foregoing intent for all United States federal and state income tax purposes (including, without limitation, on their respective tax returns or other informational statements).]

(Signature page follows)

IN WITNESS WHEREOF, the undersigned have caused this Safe to be duly executed and delivered.

SOCRATIX HOLDINGS LIMITED

DocuSigned by:

C1548695243145A...

Taranveer Sabharwal
Name: _____

CEO
Title: _____

Cambridge, United Kingdom
Address: _____



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