RISK DISCLOSURE STATEMENT

What you are taking on — including the possibility of losing everything.

DOCUMENT Risk Disclosure Statement	LAST UPDATED July 2026
APPLIES TO The Ticket4Life Interface & Protocol on Base	CONTACT X @Ticket4Life · Telegram

This statement explains, in plain terms, the ways you can lose money by taking part in Ticket4Life — please read all of it before you mint.

> Plain-language summary: Ticket4Life is a game, not an investment. Prizes come from yield, never from your principal, and nothing is guaranteed. You may recover less than you paid, or nothing at all. The "sell back to the Protocol" option pays only when the Protocol wallet is funded and open, and it can be closed, re-priced, or removed at any time. You are self-custodial and solely responsible for your keys, your local laws, and your taxes. Only take part with money you can afford to lose entirely.

1. PURPOSE & ACKNOWLEDGEMENT

This Risk Disclosure Statement describes the material risks of acquiring, holding, and disposing of a Ticket4Life Ticket and of using the Ticket4Life Interface (the "Interface") to interact with the Ticket4Life smart contracts (the "Protocol"). It is written to be read in full **before you mint a Ticket**.

The risks below are not exhaustive. Crypto, blockchain, and prize-linked products carry risks that cannot all be foreseen or described. You should not take part unless you understand how the Protocol works and are prepared to bear a total loss.

By minting a Ticket, you confirm that you have read, understood, and accepted this Risk Disclosure Statement, and that you are taking part with full awareness of the risks set out here. The on-chain mint requires a gas-free EIP-712 signature accepting the disclaimer: *"I understand Ticket4Life is a lifetime lottery ticket. Prizes come from treasury yield, not my principal. Randomness is provided by Pyth Entropy. I accept the terms and the risks."*

2. THIS IS A GAME, NOT AN INVESTMENT

A Ticket is a prize-linked digital collectible intended for entertainment. It is a transferable ERC-721 NFT that, while held, is automatically entered into every weekly Draw. It is **not** a security, a share, a fund unit, a deposit, a loan, e-money, or any other regulated financial instrument, and it is not marketed or sold as one.

Holding a Ticket does not entitle you to any profit, interest, dividend, or return. No yield accrues to you as a holder. The Protocol retains no obligation to make you money. Any value you receive comes only if a Ticket you hold is drawn as a winner in a given week, or if you later dispose of the Ticket for more than you paid — neither of which is promised or guaranteed.

You should treat the amount you commit as the price of participation in a game, not as capital you expect to grow or preserve.

3. YOU MAY LOSE EVERYTHING

You may lose some or all of the amount you commit. You may recover less than you paid, or nothing at all.

This is the single most important sentence in this document. There is no scenario in which your participation is risk-free, capital-protected, or guaranteed. The mint price you pay is put to work in strategies that carry real risk, the buyback you might rely on to exit is discretionary and conditional, and prizes depend on yield that may never materialize. A combination of adverse events could leave your Ticket worth substantially less than you paid, or effectively worthless.

Do not commit funds you cannot afford to lose in full.

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4. HOW YOUR MONEY MOVES

When you mint, you pay the mint price in USDC (currently 250 USDC per Ticket; total supply is capped at 10,000 Tickets, and Tickets are never burned). Those proceeds are held in the Treasury Vault and are then deployed into the Protocol's yield strategies (see Section 6).

Each week, the yield those strategies produce is split 80% to the prize pot and 20% to the Protocol. **Prizes are paid only from yield** — the Protocol does not draw down treasury capital to fund prizes.

However, this does not mean your capital is idle or safe. The treasury capital (your mint proceeds) is itself deployed into the yield strategies and also backs the Buyback. Your money is at work, and money at work is money at risk. The mechanics that generate prizes are the same mechanics that expose the treasury — and therefore your ability to exit — to loss.

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5. TREASURY RISK & THE BUYBACK

This is the section you most need to understand.

A holder may sell a Ticket back to the Protocol ("sell to Protocol") for approximately 90% of its mint price in USDC (currently 225 USDC), after a one-time 90-day cooldown per wallet enforced by the Interface via the Cooldown Registry. It is easy to read that as a guaranteed exit at 90%. **It is not.** Please note each of the following:

- **The Buyback is funded from a Protocol wallet, and pays only if that wallet is funded and authorised.** The transaction executes only if the wallet holds sufficient USDC and has authorised the payment. If the treasury or Protocol wallet is insufficiently funded, the Buyback transaction fails and **no redemption occurs** — you will not be able to exit that way at that time.
- **The Buyback is discretionary and conditional, not a right.** The Operator can close it, re-price it, or withdraw it at any time. It is not a redemption right, a repurchase obligation, or a guarantee of any kind.
- **You may recover less than 90%, or nothing, through the Buyback.** Because it depends on treasury solvency and on the Operator keeping it open at a given price, the amount you can recover — if any — is not fixed and not assured.
- **The 90-day cooldown applies.** Even where the Buyback is open and funded, you cannot use it until the one-time per-wallet cooldown has elapsed.

Your alternative exits are to list the Ticket peer-to-peer on the in-app marketplace at a price you choose (settled in USDC) or to sell the NFT on an external marketplace. Neither guarantees a buyer or a price (see Section 11). In short: **you should not assume you can get your money back on demand.**

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6. YIELD-STRATEGY RISK

Prizes and the treasury's ability to fund the Buyback depend on yield generated from two kinds of sources, both of which can underperform or lose value:

- **Automated grid trading bots on Hyperliquid** (the primary engine, trading ETH and HYPE today, with BTC planned). Automated trading strategies can lose money in volatile, trending, or illiquid market conditions, and can be affected by execution failures, parameter errors, and venue outages.
- **A stablecoin allocation held on third-party venues** (which may include Aave, Rujira, Nexo, or others). These venues carry counterparty, custody, smart-contract, and liquidity risk. A venue could freeze withdrawals, become insolvent, be exploited, or otherwise fail to return the allocated funds.

These strategies carry market, liquidity, smart-contract, and counterparty risk and may underperform or lose value. In a poor week there may be little or no yield, meaning small prizes, deferred Draws, or an underfunded Buyback. In an adverse event, the deployed treasury capital itself could be impaired. Past performance is not indicative of future results.

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7. NO GUARANTEED PRIZES OR ODDS

Prize amounts depend on accrued yield and Protocol parameters and are **not** guaranteed. A weak yield week produces a small pot; a strong week produces a larger one. There is no minimum prize.

A Draw takes place each Sunday at approximately 20:00 UTC and requires at least three distinct eligible Tickets and a funded pot. If those conditions are not met, the Draw is deferred or marked unresolved and the pot is preserved — nothing is skipped, but no one is paid that week. Each Draw produces 13 winners (50% / 25% / 10% of the pot to the top three, and the remaining 15% shared equally among the next ten), with winning Tickets de-duplicated by Ticket.

Your odds of winning in any Draw fall as more Tickets are minted, up to the 10,000 cap. Holding more Tickets gives you proportionally more entries, but winning is a matter of verifiable randomness and is **never** guaranteed. You may hold a Ticket for a long time and never win.

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8. SMART-CONTRACT & ORACLE RISK

The Protocol is a set of public smart contracts. Smart contracts can contain bugs, logic errors, or vulnerabilities that may be exploited, potentially resulting in the loss of funds held by, or flowing through, the contracts. Audits, reviews, and testing reduce but do not eliminate this risk; **no audit guarantees security.**

Draw randomness is provided by Pyth Entropy and verified on-chain. The Protocol depends on this oracle functioning correctly and remaining available; a failure, manipulation, or discontinuation of the oracle could delay Draws or otherwise impair the Protocol. The Protocol also relies on external components and infrastructure (including venues used for yield and the underlying network), any of which could fail. You interact with the contracts at your own risk.

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9. BLOCKCHAIN & NETWORK RISK

The Protocol runs on Base, an Ethereum Layer-2 network operated by Coinbase. The network may experience sequencer downtime, congestion, delays, reorganizations, or other disruptions outside the control of Ticket4Life. During such events, transactions — including mints, Draws, marketplace trades, and Buybacks — may fail, be delayed, become stuck, or behave unexpectedly.

You pay network gas fees on Base for your own transactions, and each Draw pays a Pyth Entropy fee in native ETH. Fee levels vary with network conditions. The Protocol does not guarantee uptime, timely settlement, or that any particular transaction will succeed.

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10. CUSTODY & PRIVATE-KEY RISK

Ticket4Life is non-custodial. The Interface is a frontend only; your Ticket and your USDC are held by you and by public smart contracts, never by Ticket4Life. This means **you** are solely responsible for the security of your wallet and private keys.

If you lose your keys or recovery phrase, fall victim to phishing or a malicious contract approval, or send funds or a Ticket to the wrong address, the result is typically **irreversible**. Ticket4Life cannot access, move, freeze, or seize your funds or your NFT, cannot reverse, cancel, or modify a transaction, and cannot recover lost keys. Nobody can restore what is lost through a key compromise or user error.

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11. MARKET, LIQUIDITY & SECONDARY-SALE RISK

The Protocol operates in USDC and depends on stablecoins. Stablecoins, including USDC and any stablecoins used in the yield strategies, carry the risk of losing their peg ("depeg"), becoming illiquid, or being frozen by their issuers. A depeg or freeze could reduce the value of prizes, the treasury, or your recovered funds.

If you seek to exit by selling your Ticket rather than through the Buyback, there is no guaranteed buyer and no guaranteed price. The in-app peer-to-peer marketplace is approval-based and non-custodial (a listed Ticket stays in your wallet and keeps entering Draws until it sells), but liquidity and price are set by the market, not by the Protocol. You may be unable to sell your Ticket, or may only be able to sell it for far less than you paid.

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12. REGULATORY & LEGAL RISK

Laws and regulations applying to crypto assets, prize-linked products, lotteries, and gaming vary widely between jurisdictions and are evolving. The regulatory treatment of the Protocol and of your Ticket is uncertain and may change. A change in law or its interpretation could restrict, prohibit, or otherwise affect your ability to hold, use, or dispose of a Ticket, and could affect the Protocol itself.

Access to the Interface is geo-restricted: it is not available in Cuba, Iran, North Korea, Syria, Russia, Belarus, or any jurisdiction where prize-linked or crypto products are prohibited, or to persons subject to OFAC, UN, or EU sanctions. You must be of legal age in your jurisdiction and legally permitted to use prize-linked and crypto services. You are solely responsible for complying with the laws that apply to you.

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13. TAX RISK

You are solely responsible for determining, reporting, and paying any taxes arising from your participation, including on mints, secondary-market sales, Buyback proceeds, and any prizes you win. Tax treatment depends on your circumstances and your jurisdiction and may change. Ticket4Life does not provide tax advice and does not withhold, report, or account for any tax on your behalf. If you are unsure, seek advice from a qualified professional.

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14. OPERATOR & GOVERNANCE RISK

A single Operator wallet — the on-chain owner of the Prize Pool and related contracts — manages the treasury, deposits yield into the pot, settles Buybacks, and configures key parameters (including mint price, marketplace fee, and whether the Buyback is open and at what price). The Treasury Vault is intended to be held by a multi-signature wallet (a Gnosis Safe), and its ownership cannot be renounced.

This means the Protocol is not fully decentralized and depends on the continued, honest, and competent operation of the Operator. Parameters can change, the Buyback can be altered or closed, and the treasury is subject to the Operator's management. While every Operator action is a public on-chain transaction that anyone can verify, on-chain transparency does not prevent an Operator from making decisions you disagree with, from acting adversely, or from ceasing to operate. You rely on the Operator, and you bear the risk of that reliance.

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15. NO RECOURSE & NO COMPENSATION SCHEME

Your participation is not protected by any deposit-insurance scheme, investor-compensation fund, or ombudsman service. There is no company, no legal entity, and no jurisdictional base behind the Protocol against which to claim, and there is no fiduciary relationship. Ticket4Life is not a bank, broker, custodian, exchange, money-services business, fund, or financial adviser.

If you lose funds — through market losses, a smart-contract failure, an underfunded or closed Buyback, a network problem, a lost key, or any other cause — there is no backstop and no party obligated to compensate you. The Interface may also go offline at any time and without notice; if it does, you can still interact with the public smart contracts directly through any compatible wallet or block explorer, but no continued availability of the Interface is promised.

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16. SUITABILITY

Participation in Ticket4Life is suitable only for people who understand the mechanics described here and who can afford to lose the entire amount they commit. It is not suitable as a savings vehicle, a source of income, a substitute for regulated investments, or a place to hold funds you may need.

Consider your financial situation, your risk tolerance, and your local laws before taking part. If you are in any doubt about whether participation is appropriate for you, seek independent financial, legal, and tax advice before you mint. Everything is provided "as is" and "as available", without warranties of any kind, express or implied.

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17. ACKNOWLEDGEMENT & ACCEPTANCE

By minting a Ticket and signing the on-chain disclaimer, you confirm that:

- you have read and understood this Risk Disclosure Statement in full;
- you understand that a Ticket is a prize-linked game item, not an investment, and that no profit, yield, or return is promised to you;
- you understand that **you may lose some or all of the amount you commit, and may recover less than you paid, or nothing at all**;

- you understand that the Buyback is discretionary, conditional on treasury solvency, subject to a 90-day cooldown, and can be closed, re-priced, or removed at any time;
- you are of legal age, legally permitted to take part, and not accessing the Interface from a restricted jurisdiction or as a sanctioned person;
- you are solely responsible for your local-law compliance, your taxes, and the security of your wallet and private keys; and
- you are taking part as a free, informed choice, with full awareness of the risks set out above.

If you do not accept these risks, do not mint a Ticket.