

## Offering Statement for Laoshi Inc. ("Laoshi")

Laoshi Inc. ("Laoshi," the "Company," "we," or "us"), a Delaware C-Corp incorporated on 11/12/2021, is holding the following offering:

SAFE with a \$5M Post-money valuation cap.

The Minimum Individual Purchase Amount accepted under this Regulation CF Offering is \$10,000. The Company must reach its Target Offering Amount of \$10,000 by 12/31/22 (the "Offering Deadline"). Unless the Company raises at least the Target Offering Amount of \$10,000 under the Regulation CF offering by the Offering Deadline, no securities will be sold in this Offering, investment commitments will be cancelled, and committed funds will be returned.

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All regulation CF offerings are conducted through PicMii Crowdfunding LLC, a FINRA/SEC registered funding-portal. For inquiries related to Regulation CF securities, contact PicMii Crowdfunding LLC:

Chandler Kline: [chandler.kline@picmiicrowdfunding.com](mailto:chandler.kline@picmiicrowdfunding.com)

PicMii does not make investment recommendations and no communication through this website or in any other medium should be construed as a recommendation for any security offered on or off this investment platform. Equity crowdfunding investments in private placements, Regulation A, D and CF offerings, and start-up investments in particular are speculative and involve a high degree of risk and those investors who cannot afford to lose their entire investment should not invest in start-ups. Companies seeking startup investments through equity crowdfunding tend to be in earlier stages of development and their business model, products and services may not yet be fully developed, operational or tested in the public marketplace. There is no guarantee that the stated valuation and other terms are accurate or in agreement with the market or industry valuations. Additionally, investors may receive illiquid and/or restricted stock that may be subject to holding period requirements and/or liquidity concerns. In the most sensible investment strategy for start-up investing, start-ups should only be part of your overall investment portfolio. Further, the start-up portion of your portfolio may include a balanced portfolio of different start-ups. Investments in startups are highly illiquid and those investors who cannot hold an investment for the long term (at least 5-7 years) should not invest.

### **Cautionary Note Concerning Forward-Looking Statements**

This Form C and any documents incorporated by reference herein contain forward-looking statements and are subject to risks and uncertainties. All statements other than statements of historical fact or relating to present facts or current conditions included in this Form C are forward-looking statements. Forward-looking statements give our current reasonable expectations and projections regarding our financial condition, results of operations, plans, objectives, future performance and business. You can identify forward-looking statements by the fact that they do not relate strictly to historical or current facts. These statements may include words such as "anticipate," "estimate," "expect," "project," "plan," "intend," "believe," "may," "should," "can have," "likely," and other words and terms of similar meaning in connection with any discussion of the timing or nature of future operating or financial performance or other events.

The forward-looking statements contained in this Form C and any documents incorporated by reference herein are based on reasonable assumptions we have made in light of our industry experience, perceptions of historical trends, current conditions, expected future developments and other factors we believe are appropriate under the circumstances. As you read and consider this Form C, you should understand that these statements are not guarantees of performance or results. Although we believe that these forward-looking statements are based on reasonable assumptions, you should be aware that many factors could affect our actual operating and financial performance and cause our performance to differ materially from the performance anticipated in the forward-looking statements. Should one or more of these risks or uncertainties materialize or should any of these assumptions prove incorrect or change, our actual operating and financial performance may vary in material respects from the performance projected in these forward-looking statements.

Investors are cautioned not to place undue reliance on these forward-looking statements. Any forward-looking statements made in this Form C or any documents incorporated by reference herein is accurate only as of the date of those respective documents. Except as required by law,

we undertake no obligation to publicly update any forward- looking statements for any reason after the date of this Form C or to conform these statements to actual results or to changes in our expectations.

## **About This Form C**

**In making an investment decision, investors must rely on their own examination of the Company and the terms of the Offering, including the merits and risks involved. These Securities have not been recommended or approved by any federal or state securities commission or regulatory authority. Furthermore, these authorities have not passed upon the accuracy or adequacy of this document.**

**The U.S. Securities and Exchange Commission does not pass upon the merits of any Securities offered or the terms of the Offering, nor does it pass upon the accuracy or completeness of any Offering document or literature.**

**These Securities are offered under an exemption from registration; however, the U.S. Securities and Exchange Commission has not made an independent determination that these Securities are exempt from registration.**

THESE SECURITIES INVOLVE A HIGH DEGREE OF RISK THAT MAY NOT BE APPROPRIATE FOR ALL INVESTORS. THERE ARE ALSO SIGNIFICANT UNCERTAINTIES ASSOCIATED WITH AN INVESTMENT IN OUR COMPANY AND THE SECURITIES. THE SECURITIES OFFERED HEREBY ARE NOT PUBLICLY TRADED. THERE IS NO PUBLIC MARKET FOR THE SECURITIES AND ONE MAY NEVER DEVELOP. AN INVESTMENT IN OUR COMPANY IS HIGHLY SPECULATIVE. THE SECURITIES SHOULD NOT BE PURCHASED BY ANYONE WHO CANNOT BEAR THE FINANCIAL RISK OF THIS INVESTMENT FOR AN INDEFINITE PERIOD OF TIME AND WHO CANNOT AFFORD THE LOSS OF THEIR ENTIRE INVESTMENT. SEE THE SECTION OF THIS FORM C TITLED "RISK FACTORS".

THE SECURITIES OFFERED HEREBY WILL HAVE TRANSFER RESTRICTIONS. NO SECURITIES MAY BE PLEDGED, TRANSFERRED, RESOLD OR OTHERWISE DISPOSED OF BY ANY INVESTOR EXCEPT PURSUANT TO RULE 501 OF REGULATION CF. YOU SHOULD BE AWARE THAT YOU WILL BE REQUIRED TO BEAR THE FINANCIAL RISKS OF THIS INVESTMENT FOR AN INDEFINITE PERIOD OF TIME.

YOU ARE NOT TO CONSTRUE THE CONTENTS OF THIS FORM C AS LEGAL, ACCOUNTING OR TAX ADVICE OR AS INFORMATION NECESSARILY APPLICABLE TO YOUR PARTICULAR FINANCIAL SITUATION. EACH INVESTOR SHOULD CONSULT THEIR OWN FINANCIAL ADVISER, COUNSEL AND ACCOUNTANT AS TO LEGAL, TAX AND RELATED MATTERS CONCERNING THEIR INVESTMENT.

THIS OFFERING IS ONLY EXEMPT FROM REGISTRATION UNDER THE LAWS OF THE UNITED STATES AND ITS TERRITORIES. NO OFFER IS BEING MADE IN ANY

JURISDICTION NOT LISTED ABOVE. PROSPECTIVE INVESTORS ARE SOLELY RESPONSIBLE FOR DETERMINING THE PERMISSIBILITY OF THEIR PARTICIPATING IN THIS OFFERING, INCLUDING OBSERVING ANY OTHER REQUIRED LEGAL FORMALITIES AND SEEKING CONSENT FROM THEIR LOCAL REGULATOR, IF NECESSARY. THE INTERMEDIARY FACILITATING THIS OFFERING IS LICENSED AND REGISTERED SOLELY IN THE UNITED STATES AND HAS NOT SECURED, AND HAS NOT SOUGHT TO SECURE, A LICENSE OR WAIVER OF THE NEED FOR SUCH LICENSE IN ANY OTHER JURISDICTION. THE COMPANY, THE ESCROW AGENT AND THE INTERMEDIARY, EACH RESERVE THE RIGHT TO REJECT ANY INVESTMENT COMMITMENT MADE BY ANY PROSPECTIVE INVESTOR, WHETHER FOREIGN OR DOMESTIC.

## **SPECIAL NOTICE TO FOREIGN INVESTORS**

IF YOU LIVE OUTSIDE THE UNITED STATES, IT IS YOUR RESPONSIBILITY TO FULLY OBSERVE THE LAWS OF ANY RELEVANT TERRITORY OR JURISDICTION OUTSIDE THE UNITED STATES IN CONNECTION WITH ANY PURCHASE OF THE SECURITIES, INCLUDING OBTAINING REQUIRED GOVERNMENTAL OR OTHER CONSENTS OR OBSERVING ANY OTHER REQUIRED LEGAL OR OTHER FORMALITIES. WE RESERVES THE RIGHT TO DENY THE PURCHASE OF THE SECURITIES BY ANY FOREIGN INVESTOR.

## **NOTICE REGARDING THE ESCROW AGENT**

PRIME TRUST LLC, THE ESCROW AGENT SERVICING THE OFFERING, HAS NOT INVESTIGATED THE DESIRABILITY OR ADVISABILITY OF AN INVESTMENT IN THIS OFFERING OR THE SECURITIES OFFERED HEREIN. THE ESCROW AGENT MAKES NO REPRESENTATIONS, WARRANTIES, ENDORSEMENTS, OR JUDGEMENT ON THE MERITS OF THE OFFERING OR THE SECURITIES OFFERED HEREIN. THE ESCROW AGENT'S CONNECTION TO THE OFFERING IS SOLELY FOR THE LIMITED PURPOSES OF ACTING AS A SERVICE PROVIDER.

## **Bad Actor Disclosure**

The Company is not subject to any bad actor disqualifications under any relevant U.S. securities laws.

## **Ongoing Reporting**

Following the first sale of the Securities, the Company will file a report electronically with the Securities and Exchange Commission annually and post the report on its website, no later than 120 days after the end of the Company's fiscal year.

Once posted, the annual report may be found on the Company's website as

<https://laoshi.io>

The Company must continue to comply with the ongoing reporting requirements until:

1. the Company is required to file reports under Section 13(a) or Section 15(d) of the Exchange Act;
2. the Company has filed at least three annual reports pursuant to Regulation CF and has total assets that do not exceed \$10,000,000;
3. the Company has filed at least one annual report pursuant to Regulation CF and has fewer than 300 holders of record;
4. the Company or another party repurchases all of the Securities issued in reliance on Section 4(a)(6) of the Securities Act, including any payment in full of debt securities or any complete redemption of redeemable securities; or
5. the Company liquidates or dissolves its business in accordance with applicable state law.

## The Company

### 1. What is the name of the issuer?

Laoshi Inc.

2810 N Church St, Ste 87474, Wilmington, Delaware 19802-4447, United States

## Eligibility

### 2. The following are true for Laoshi Inc.:

1. Organized under, and subject to, the laws of a State or territory of the United States or the District of Columbia.
2. Not Subject to the requirement to file reports pursuant to Section 13 or Section 15(d) of the Securities Exchange Act of 1934.
3. Not an investment company registered or required to be registered under the Investment Company Act of 1940.
4. Not ineligible to rely on this exemption under Section 4(a)(6) of the Securities Act as a result of a disqualification specified in Rule 503(a) of Regulation Crowdfunding. (For more information about these disqualifications, see Question 30 of this Question and Answer Format).
5. Has filed with the Commission and provided investors, to the extent required, the ongoing annual reports required by Regulation Crowdfunding during the two years immediately preceding the filing of this offering statement (or for such shorter period that the issuer was required to file such reports).
6. Not a development stage company that (a) has no specific business plan or (b) has indicated that its business plan is to engage in a merger or acquisition with an unidentified company or companies.

3. Has the issuer or any of its predecessors previously failed to comply with the ongoing reporting requirements of Rule 202 of Regulation Crowdfunding?

No.

## Directors, Officers and Promoters of the Company

4. The following individuals (or entities) represent the company as a director, officer or promoter of the offering:

### Employee Name and Title

Danil Khasanshin // Business Development Manager

### Employee Background

Serial entrepreneur (with experience in corporates) and runner. First exit at my 24, several years in top management at media companies (Sanoma, Hearst), then I was CEO of UGC media about startups and businesses, the biggest one in CIS with 10mln MAU.

### 3-Year Work History

Business Development Manager  
Laoshi · Full-time (Primary Position)  
Jan 2021 - Present · 1 yr 7 mos  
United States

CEO  
Komitet · Full-time  
Jun 2016 - Dec 2020 · 4 yrs 7 mos  
Moscow

### Employee Name and Title

Sergei Kondrashov // CEO

### Employee Background

Operating director & company owner — Chinese language learning school

2011 - 2020 · 9 yrs 7 mos

Russian Federation

- Managed a staff of ten people to create top Chinese language school in Russia.
- Published most viral Chinese language textbook in Russia. Sold 2 000 books in less than 1 year without promotion: <http://book.laoshi.ru>
- Expanded the business up to 8 offices in 6 cities across Russia and 1 office in Ukraine.
- Implemented 3 ambitious projects for the company. Two of them being profitable.
- Developed company structure, that allows to operate within remote team and to be profitable even in small cities.
- Cultivated loyal community that supports new projects and make them viral hits.

### **3-Year Work History**

Chief Executive Officer

Mandarin Chinese with Laoshi · Full-time (Primary Position)

Jan 2021 - Present · 1 yr 7 mos

The whole world

Operating director & company owner of Chinese language learning school

2011 - 2020 · 9 yrs 7 mos

Russian Federation

- Managed a staff of ten people to create top Chinese language school in Russia.
- Published most viral Chinese language textbook in Russia. Sold 2 000 books in less than 1 year without promotion: <http://book.laoshi.ru>
- Expanded the business up to 8 offices in 6 cities across Russia and 1 office in Ukraine.
- Implemented 3 ambitious projects for the company. Two of them being profitable.
- Developed company structure

the biggest one in CIS with 10mln MAU.

## **Principal Security Holders**

5. Provide the name and ownership level of each person, as of the most recent practicable date, who is the beneficial owner of 20 percent or more of the issuer's outstanding voting equity securities, calculated on the basis of voting power. To calculate total voting power, include all securities for which the person directly or indirectly has or shares the voting power, which includes the power to vote or to direct the voting of such securities. If the person has the right to acquire voting power of such securities within 60 days, including through the exercise of any option, warrant or right, the conversion of a security, or other arrangement, or if securities are held by a member of the family, through corporations or partnerships, or otherwise in a manner

that would allow a person to direct or control the voting of the securities (or share in such direction or control - as, for example, a co-trustee) they should be included as being "beneficially owned." You should include an explanation of these circumstances in a footnote to the "Number of and Class of Securities Now Held." To calculate outstanding voting equity securities, assume all outstanding options are exercised and all outstanding convertible securities converted.

**Principal Security Holder Name**

Danil Khasanshin

**Securities**

4,250,000

**Security Class**

Common

**Voting Power**

42.5%

**Principal Security Holder Name**

Sergei Kondrashov

**Securities**

4,250,000

**Security Class**

Common

**Voting Power**

42.5%

## **Business and Anticipated Business Plan**

**6. Describe in detail the business of the issuer and the anticipated business plan of the issuer.**

**We started to work on Laoshi in January 2020, and have been working full-time since November 2020.**



**Mandarin Chinese words are really hard to remember. According to our surveys, about 90% of Mandarin Chinese learners consider learning vocabulary to be the most time-consuming and difficult task.**

**Sergei has unique expertise in Chinese language that others don't have. He has a great network of Mandarin Chinese teachers and learners that help Laoshi with permanent customer development.**

**And Danil used to work in 2-sided markets and UGC media.**

**These experiences are a “must have” for building a product that will connect teachers and learners.**

**We have a plan: how to become number one in the Mandarin Chinese language learning market.**

**We made a mobile app with tools for learning Mandarin Chinese more efficiently.**

**Our tools help teachers increase student retention rate up to 60% for months.**

**Now, we are making tools for learning and teaching that will connect students and teachers inside our app.**

**The app's data will help us make applicable offers to our users: special word lists and study texts, the best matches with tutors, and even scholarships for students in Chinese universities.**

**Building teacher-student connections and gathering key data from users will help the app become the number one platform for learning and teaching Mandarin Chinese.**

**We want to make an exercise builder for teachers inside the app. Teachers will be able to make their own exercises covering different themes for vocabulary and grammar. They can share these exercises with either their subscribers or the whole Laoshi community.**

**We have iOS and Android apps with 11,000 MAU.**

**We made a few tools for students and we have the best app for Mandarin Chinese learners right now.**

**We believe that our go-to-market is tutors and we have made a few tools for them.**

**We are constantly monitoring our customer acquisition and unit economy. We haven't yet reached our breakeven point, but the main indicators are getting better.**

**Competitors like Duolingo and Busuu go for “digital-only” self-studies, ignoring 85% of the market who study Mandarin Chinese using a “traditional approach”.**

**People have to use several apps to learn Mandarin Chinese vocabulary. This is a difficult task when you want to learn hundreds of words per week.**

**We are making an all-in-one solution. We want our users to spend time learning a language, not preparing materials.**

**Since our first tool launched, which helps students to learn Chinese words and characters, on ProductHunt <https://www.producthunt.com/products/laoshi> we proved that our users are willing to pay, and proceeds \$6k ( iOS only, because Android was free) from early birds.**

# Risk Factors

**Investing in the Securities involves a high degree of risk and may result in the loss of your entire investment. Before making an investment decision with respect to the Securities, we urge you to carefully consider the risks described in this section and other factors set forth in this Form C. In addition to the risks specified below, the Company is subject to 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 hacking and the ability to prevent hacking). Additionally, early-stage companies are inherently riskier than more developed companies. Prospective Investors should consult with their legal, tax and financial advisors prior to making an investment in the Securities. The Securities should only be purchased by persons who can afford to lose all of their investment.**

## **Risks Related to the Company's Business and Industry**

We have a limited operating history upon which you can evaluate our performance, and accordingly, our prospects must be considered in light of the risks that any new company encounters. The Company is still in an early phase and we are just beginning to implement our business plan. There can be no assurance that we will ever operate profitably. The likelihood of our success should be considered in light of the problems, expenses, difficulties, complications and delays usually encountered by early-stage companies. The Company may not be successful in attaining the objectives necessary for it to overcome these risks and uncertainties.

## **Global crises such as COVID-19 can have a significant effect on our business operations and revenue projections.**

There is an ongoing outbreak of a novel and highly contagious form of coronavirus ("COVID-19"), which the World Health Organization declared a global pandemic on March 11, 2020. The outbreak of COVID-19 has caused a worldwide public health emergency with a substantial number of hospitalizations and deaths and has significantly adversely impacted global commercial activity and contributed to both volatility and material declines in equity and debt markets. The global impact of the outbreak is rapidly evolving, and many national, state, and local governments have reacted by instituting mandatory or voluntary quarantines, travel prohibitions and restrictions, closures or reductions of offices, businesses, schools, retail stores, restaurants, and other public venues and/or cancellations, suspensions and/or postponements of certain events and activities, including certain non-essential government and regulatory activities. Businesses are also implementing their own precautionary measures, such as voluntary closures, temporary or permanent reductions in work force, remote working arrangements and emergency contingency plans.

Such measures, as well as the general uncertainty surrounding the dangers, duration, and impact of COVID-19, are creating significant disruption to supply chains and economic activity, impacting consumer confidence and contributing to significant market losses, including by having particularly adverse impacts on transportation, hospitality, healthcare, tourism, sports,

entertainment and other industries dependent upon physical presence. Technological infrastructure has, and will likely continue to be, strained for so long as mandatory or voluntary quarantines are instituted, which will change, and potentially disrupt, the operations of the Company. As COVID-19 continues to spread, potential additional adverse impacts, including a global, regional or other economic recession of indeterminate duration, are increasingly likely and difficult to assess and, if the spread of COVID-19 is prolonged, it could adversely affect many economies, global financial markets and the Company even after COVID- 19 is contained.

The extent of the impact of COVID-19 on the Company's operational and financial performance will depend on many factors, all of which are highly uncertain and cannot be predicted. Those factors include the duration and scope of the resulting public health emergency; the extent of any related restrictions implemented; the impact of such public health emergency on overall supply and demand, goods and services, investor liquidity, consumer confidence and levels of economic activity; and the extent of its disruption to important global, regional and local supply chains and economic markets. The effects of the COVID-19 pandemic may materially and adversely impact the value, performance and liquidity of the Company.

In addition, COVID-19 and the resulting changes to global businesses and economies likely will adversely impact the business and operations of the Company and therefore the business and operations of the Company. Certain businesses and activities may be temporarily or permanently halted as a result of government or other quarantine measures, voluntary and precautionary restrictions on travel or meetings and other factors, including the potential adverse impact of COVID-19 on the health of key personnel.

### **Regulatory changes and uncertainties.**

The Company operates in a highly regulated industry subject to substantial change. In addition, both its labor and customer base are licensed and regulated by local, state, and federal governments. Policies may be changed for several reasons including, but not limited to economic conditions, public safety, socio-political factors, and such. As policy changes are made by regulators, there is no guarantee that the company will be able to provide services in its current form, which may place a substantial hardship on operations, causing an Investor to lose all or a portion of their investment.

### **The amount of capital the Company is attempting to raise in this Offering may not be enough to sustain the Company's current business plan.**

In order to achieve the Company's near and long-term goals, the Company may need to procure funds in addition to the amount raised in the Offering. There is no guarantee the Company will be able to raise such funds on acceptable terms or at all. If we are not able to raise sufficient capital in the future, we may not be able to execute our business plan, our continued operations may require a significant pivot in strategy and execution, which could cause an Investor to lose all or a portion of their investment.

### **We may face potential difficulties in obtaining capital**

We may have difficulty raising needed capital in the future as a result of, among other factors, our lack of revenue, as well as the inherent business risks associated with our Company and present and future market conditions.

**The Company's success depends on the experience and skill of its manager and other key personnel.**

In particular, we are dependent on our managers. The loss of the Managers, the Principals or any other key personnel could harm the Company's business, financial condition, cash flow and performance. Accordingly, you should not invest in the Company unless you are willing to entrust all aspects of the management of the Company and the investment decisions we make on the behalf of the Company.

**Although dependent on certain key personnel, the Company does not have any key person life insurance policies on any such people**

We are dependent on certain key personnel in order to conduct our operations and execute our business plan, however, the Company has not purchased any insurance policies with respect to those individuals in the event of their death or disability. Therefore, if any of these personnel die or become disabled, the Company will not receive any compensation to assist with such person's absence. The loss of such person could negatively affect the Company and our operations. We have no way to guarantee key personnel will stay with the Company, as many states do not enforce non-competition agreements, and therefore acquiring key man insurance will not ameliorate all of the risk of relying on key personnel.

**Damage to our reputation could negatively impact our business, financial condition and results of operations.**

Our reputation and the quality of our brand are critical to our business and success and will be critical to our success as we form and advise new markets. Any incident that erodes confidence in our brand could significantly reduce the Company's value and damage our business. We may be adversely affected by any negative publicity, regardless of its accuracy. Also, there has been a marked increase in the use of social media platforms and similar devices, including blogs, social media websites and other forms of internet-based communications that provide individuals with access to a broad audience. The availability of information on social media platforms is virtually immediate as is its impact. Information posted may be adverse to our interests or may be inaccurate, each of which may harm our performance, prospects or business. The harm may be immediate and may disseminate rapidly and broadly, without affording us an opportunity for redress or correct.

**Risks Related to the Offering**

**The U.S. Securities and exchange Commission does not pass upon the merits of the Securities or the terms of the Offering, nor does it pass upon the accuracy or completeness of any Offering document or literature.**

*You should not rely on the fact that our Form C is accessible through the U.S. Securities and Exchange Commission's EDGAR filing system as an approval, endorsement or guarantee of compliance as it relates to this Offering. The U.S. Securities and Exchange Commission has not reviewed this Form C, nor any document or literature related to this Offering.*

**Neither the Offering nor the Securities have been registered under federal or state securities laws.**

No governmental agency has reviewed or passed upon this Offering or the Securities. Neither the Offering nor the Securities have been registered under federal or state securities laws. Investors will not receive any of the benefits available in registered Offerings, which may include access to quarterly and annual financial statements that have been audited by an independent accounting firm. Investors must therefore assess the adequacy of disclosure and the fairness of the terms of this Offering based on the information provided in this Form C and the accompanying exhibits.

**The Company's management may have broad discretion in how the Company uses the net proceeds of the Offering.**

Unless the Company has agreed to a specific use of the proceeds from the Offering, the Company's management will have considerable discretion over the use of proceeds from the Offering. You may not have the opportunity, as part of your investment decision, to assess whether the proceeds are being used appropriately.

**The Company has the right to limit individual Investor commitment amounts based on the Company's determination of an Investor's sophistication.**

The Company may prevent any Investor from committing more than a certain amount in this Offering based on the Company's determination of the Investor's sophistication and ability to assume the risk of the investment. This means that your desired investment amount may be limited or lowered based solely on the Company's determination and not in line with relevant investment limits set forth by the Regulation CF rules. This also means that other Investors may receive larger allocations of the Offering based solely on the Company's determination.

**The Company has the right to extend the Offering Deadline.**

The Company may extend the Offering Deadline beyond what is currently stated herein. This means that your investment may continue to be held in escrow while the Company attempts to raise the Target Amount even after the Offering Deadline stated herein is reached. While you have the right to cancel your investment in the event the Company extends the Offering Deadline, if you choose to reconfirm your investment, your investment will not be accruing interest during this time and will simply be held until such time as the new Offering Deadline is reached without the Company receiving the Target Amount, at which time it will be returned to you without interest or deduction, or the Company receives the Target Amount, at which time it will be released to the Company to be used as set forth herein. Upon or shortly after the release of such funds to the Company, the Securities will be issued and distributed to you.

## **The Company may also end the Offering early.**

If the Target Offering Amount is met after 21 calendar days, but before the Offering Deadline, the Company can end the Offering by providing notice to Investors at least 5 business days prior to the end of the Offering. This means your failure to participate in the Offering in a timely manner, may prevent you from being able to invest in this Offering “ it also means the Company may limit the amount of capital it can raise during the Offering by ending the Offering early.

## **The Company has the right to conduct multiple closings during the Offering.**

If the Company meets certain terms and conditions, an intermediate close of the Offering can occur, which will allow the Company to draw down on half of the proceeds committed and captured in the Offering during the relevant period. The Company may choose to continue the Offering thereafter. Investors should be mindful that this means they can make multiple investment commitments in the Offering, which may be subject to different cancellation rights. For example, if an intermediate close occurs and later a material change occurs as the Offering continues, Investors whose investment commitments were previously closed upon will not have the right to re-confirm their investment as it will be deemed to have been completed prior to the material change.

## **Risks Related to the Securities**

**The Securities will not be freely tradable under the Securities Act until one year from the initial purchase date. Although the securities may be tradable under federal securities law, state securities regulations may apply, and each Investor should consult with their attorney.**

You should be aware of the long-term nature of this investment. There is not now and likely will not ever be a public market for the Securities. Because the Securities have not been registered under the Securities Act or under the securities laws of any state or foreign jurisdiction, the Securities have transfer restrictions and cannot be resold in the United States except pursuant to Rule 501 of Regulation CF. It is not currently contemplated that registration under the Securities Act or other securities laws will be affected. Limitations on the transfer of the Securities may also adversely affect the price that you might be able to obtain for the Securities in a private sale. Investors should be aware of the long-term nature of their investment in the Company. Each Investor in this Offering will be required to represent that they are purchasing the Securities for their own account, for investment purposes and not with a view to resale or distribution thereof.

**Although Investors will have no right to voluntarily withdraw capital from the Company or withdraw their Securities, in certain circumstances they may be forced to withdraw from the Company.**

An Investor may be forced to withdraw from the Company if the Company reasonably determines that it is necessary or desirable to do so in order to comply with applicable law or

regulations, or to avoid a material adverse effect on the Company or the other holders of securities in the Company.

**Investors will have no right to control the Company's operations.**

The Investors will have no opportunity to control the day-to-day operations of the Company, including, without limitation, the investment and disposition decisions of the Portfolio Companies. In order to safeguard your limited liability for the liabilities and obligations of the Company, you must rely entirely on the Manager and Principals to conduct and manage the business affairs of the Company

**Investors will not be entitled to any inspection or information rights other than those required by law.**

Investors will not have the right to inspect the books and records of the Company or to receive financial or other information from the Company, other than as required by law. Other security holders of the Company may have such rights. Regulation CF requires only the provision of an annual report on Form C and no additional information. Additionally, there are numerous methods by which the Company can terminate annual report obligations, resulting in no information rights, contractual, statutory or otherwise, owed to Investors. This lack of information could put Investors at a disadvantage in general and with respect to other security holders, including certain security holders who have rights to periodic financial statements and updates from the Company such as quarterly unaudited financials, annual projections and budgets, and monthly progress reports, among other things.

**The Company may never undergo a liquidity event and Investors may have to hold the Securities indefinitely.**

*The Company may never undergo a liquidity event such as a repurchase of the Securities by the Company, a sale of the Company or an initial public or coin offering. If a liquidity event does not occur, Investors could be left holding the Securities in perpetuity. The Securities have numerous transfer restrictions and will likely be highly illiquid, with no secondary market on which to sell them. The Securities have no voting rights or ability to direct the Company or its actions.*

**The Securities may be significantly diluted as a consequence of subsequent equity financings.**

*The Company's equity securities will be subject to dilution. The Company may issue additional equity to third-party financing sources in amounts that are uncertain at this time, and as a consequence holders of the Securities will be subject to dilution in an unpredictable amount. Such dilution may reduce the Investor's economic interests in the Company. The amount of additional financing needed by the Company will depend upon several contingencies not foreseen at the time of this Offering. Generally, additional financing (whether in the form of loans or the issuance of other securities) will be intended to provide the Company with enough capital to reach the next major corporate milestone. If the funds received in any additional*

*financing are not sufficient to meet the Company's needs, the Company may have to raise additional capital at a price unfavorable to their existing investors, including the holders of the Securities. The availability of capital is at least partially a function of capital market conditions that are beyond the control of the Company. There can be no assurance that the Company will be able to accurately predict the future capital requirements necessary for success or that additional funds will be available from any source. Failure to obtain financing on favorable terms could dilute or otherwise severely impair the value of the Securities.*

***The Securities may be substantially different from other equity securities offered or issued by the Company.***

*The Securities may be materially different from the other equity securities of the Company in many ways, including, but not limited to, liquidation preferences, dividend rights, or anti-dilution protection. The Securities may not provide the holders of such Securities with the same rights, preferences, protections, and other benefits or privileges provided to other investors of the Company.*

***In the event of the dissolution or bankruptcy of the Company, Investors will not be treated as debt holders and therefore are unlikely to recover any proceeds.***

In the event of the dissolution or bankruptcy of the Company, the holders of the Securities will be entitled to distributions as described in the Securities. This means that such holders will only receive distributions once all of the creditors and more senior security holders, including any holders of preferred membership interests, have been paid in full. Neither holders of the Securities can be guaranteed any proceeds in the event of the dissolution or bankruptcy of the Company.

***There is no guarantee of a return on an Investor's investment.***

There is no assurance that an Investor will realize a return on their investment or that they will not lose their entire investment. For this reason, each Investor should read this Form C and all exhibits carefully and should consult with their attorney and business advisor prior to making any investment decision.

IN ADDITION TO THE RISKS LISTED ABOVE, RISKS AND UNCERTAINTIES NOT PRESENTLY KNOWN, OR WHICH WE CONSIDER IMMATERIAL AS OF THE DATE OF THIS FORM C, MAY ALSO HAVE AN ADVERSE EFFECT ON OUR BUSINESS AND RESULT IN THE TOTAL LOSS OF YOUR INVESTMENT.

***Additional Issuer Specific Risks:***

**Title of Risk**

**Description of Risk**



## The Offering

<b>Minimum Amount of the Securities Offered</b>	10,000
<b>Total Amount of the Securities Outstanding After Offering (if Target Offering Amount Met)</b>	10,000
<b>Maximum Amount of the Securities Outstanding after Offering (if Maximum Offering Amount Met)</b>	100,000
<b>Total Amount of the Securities Outstanding after Offering (if Maximum Offering Amount is Met)</b>	100,000
<b>Price Per Security</b>	1.00
<b>Minimum Individual Purchase Amount</b>	\$10,000
<b>Offering Deadline</b>	12/31/22
<b>Use of Proceeds</b>	See Question 8
<b>Voting Power</b>	See Question 13

\*The Company reserves the right to amend the Minimum Individual Purchase Amount, in its sole discretion. In particular, the Company may elect to participate in one of the Intermediary's special investment programs and may offer alternative Minimum Individual Purchase Amounts to Investors participating in such programs without notice.

Laoshi Inc. ("Company") is offering securities under Regulation CF, through PicMii Crowdfunding LLC ("PicMii"). PicMii is a FINRA/SEC registered funding portal and will receive cash compensation equal to "ENTER PERCENTAGE"% of the value of the securities sold through Regulation CF. Investments made under Regulation CF involve a high degree of risk and those investors who cannot afford to lose their entire investment should not invest.

The Company plans to raise between \$10,000 and \$100,000 through an offering under Regulation CF. Specifically, if we reach the Minimum Raise Amount of \$10,000, we may conduct the first of multiple or rolling closings of the offering early if we provide notice about the new offering deadline at least five business days prior to such new offering deadline (absent a material change that would require an extension of the offering and reconfirmation of the investment commitment). Oversubscriptions will be allocated on a first come, first served basis. Changes to the offering, material or otherwise, occurring after a closing, will only impact investments which have not yet to be closed.

In the event The Company fails to reach the minimum offering amount of \$10,000, any investments made under the offering will be cancelled and the investment funds will be returned to the investor.

### 7. What is the purpose of this offering?

If the maximum offering amount is raised, our anticipated use of proceeds is as follows in Question 8.

### 8. How does the issuer intend to use the proceeds of this offering?

Add rows as necessary to account for all ways you intend to use the proceeds of this offering.

	<b>% of Capital if Target Offering Amount Raised</b>	<b>Amount if Target Offering Amount Raised</b>	<b>% of Capital if Maximum Offering Amount Raised</b>	<b>Amount if Maximum Offering Amount Raised</b>
<b>Marketing</b>	75	\$7500	75	\$75000
<b>Development</b>	25	\$2500	25	\$25000
<b>Total</b>	100%	\$10,000	100%	\$100,000

**We reserve the right to change the above use of proceeds if management believes it is in the best interest of the Company.**

**9. How will the issuer complete the transaction and deliver securities to the investors?**

Manage Own Records - In entering into an agreement on PicMii Crowdfunding's Funding Portal to purchase securities, both investors and the Company must agree that a transfer agent, which keeps records of our outstanding Common Stock (the "Securities"), will issue digital Securities in the investor's name (a paper certificate will not be printed) or that the Company is capable of maintaining investment records on their own. In this Case, they will be managing their records on their own. Stock ownership is recorded in the company's electronic books and records, which may be kept online if directed by the Board, with issuance and transfers of stock made electronically.

**10. How can an investor cancel an investment commitment?**

You may cancel an investment commitment for any reason until 48 hours prior to the deadline identified in the offering. PicMii will notify investors when the target offering amount has been met. If the issuer reaches the target offering amount prior to the deadline identified in the offering materials, it may close the offering early if it provides notice about the new offering deadline at least five business days prior to such new offering deadline (absent a material change that would require an extension of the offering and reconfirmation of the investment commitment). PicMii Crowdfunding will notify investors when the target offering amount has been met. If an investor does not cancel an investment commitment before the 48-hour period prior to the offering deadline, the funds will be released to the issuer upon closing of the offering and the investor will receive securities in exchange for his or her investment. If an investor does not reconfirm his or her investment commitment after a material change is made to the offering, the investor's investment commitment will be cancelled, and the committed funds will be returned.

**11. Can the company perform multiple closings or rolling closings for the offering?**

If we reach the target offering amount prior to the offering deadline, we may conduct the first of multiple closings of the offering early, if we provide notice about the new offering deadline at least five business days prior (absent a material change that would require an extension of the offering and reconfirmation of the investment commitment). Thereafter, we may conduct additional closings until the offering deadline. We will issue Securities in connection with each

closing. Oversubscriptions will be allocated on a first come, first served basis. Changes to the offering, material or otherwise, occurring after a closing, will only impact investments which have yet to be closed.

# Ownership and Capital Structure

## The Offering

### **12. Describe the terms of the securities being offered.**

SAFE with a \$5M valuation cap. Securities will convert to common stock with no voting rights.

### **13. Do the securities offered have voting rights? Voting Rights and Proxy:**

No, the securities will convert to common stock with no voting rights.

### **14. Are there any limitations on any voting or other rights identified above? See Question 13.**

### **15. How may the terms of the securities being offered be modified?**

We may choose to modify the terms of the securities before the offering is completed. However, if the terms are modified, and we deem it to be a material change, we need to contact you and you will be given the opportunity to reconfirm your investment. Your reconfirmation must be completed within five business days of receipt of the notice of a material change, and if you do not reconfirm, your investment will be cancelled and your money will be returned to you.

## Restrictions on Transfer of the Securities Offered

The securities being offered may not be transferred by any purchaser of such securities during the one-year period beginning when the securities were issued, unless such securities are transferred:

- to the issuer;
- to an accredited investor;
- as part of an offering registered with the U.S. Securities and Exchange Commission; or to a member of the family of the purchaser or the equivalent, to a trust controlled by the purchaser, to a trust created for the benefit of a member of the family of the purchaser or the equivalent, or in connection with the death or divorce of the purchaser or other similar circumstance.
- The term "accredited investor" means any person who comes within any of the categories set forth in Rule 501(a) of Regulation D, or who the seller reasonably believes comes within any of such categories, at the time of the sale of the securities to that person. The term "member of the family of the purchaser or the equivalent" includes a child, stepchild, grandchild, parent, stepparent, grandparent, spouse or spousal equivalent,

sibling, mother-in-law, father-in-law, son-in-law, daughter-in-law, brother-in-law, or sister-in-law of the purchaser, and includes adoptive relationships. The term "spousal equivalent" means a cohabitant occupying a relationship generally equivalent to that of a spouse.

## Description of Issuer's Securities

16. What other securities or classes of securities of the issuer are outstanding? Describe the material terms of any other outstanding securities or classes of securities of the issuer.

Class of Security	Amount Authorized	Amount Outstanding	Reserved Options	Convertible Note/SAFEs	Voting Rights
Common	10,000,000	10,000,000	N/A	N/A	

## Options, Warrants and Other Rights

**17. How may the rights of the securities being offered be materially limited, diluted or qualified by the rights of any other class of securities?** Investors should understand the potential for dilution. The investor's stake in a company could be diluted due to the company issuing additional shares. In other words, when the company issues more shares, the percentage of the company that you own will go down, even though the value of the company may go up. You will own a smaller piece of a larger company. This increase in number of shares outstanding could result from a stock offering (such as an initial public offering, another crowdfunding round, a venture capital round, angel investment), employees exercising stock options, or by conversion of certain instruments (e.g., convertible bonds, preferred shares or warrants) into stock. If the company decides to issue more shares, an investor could experience value dilution, with each share being worth less than before, and control dilution, with the total percentage an investor owns being less than before. There may also be earnings dilution, with a reduction in the amount earned per share (though this typically occurs only if the company offers dividends, and most early-stage companies are unlikely to offer dividends, preferring to invest any earnings into the company)

**18. Are there any differences not reflected above between the securities being offered and each other class of security of the issuer?**

Yes, the securities being offered will convert to common stock with no voting rights. The current outstanding shares all have voting rights within the company.

**19. How could the exercise of rights held by the principal owners identified in Question 5 above affect the purchasers of Securities being offered?** The holder of a majority of the voting rights in the company may make decisions with which you disagree, or that negatively affect the value of your investment in the company, and you will have no recourse to change those decisions. Your interests may conflict with the interests of other investors, and there is no guarantee that the company will develop in a way that is advantageous to you. For example, the majority shareholder may decide to issue additional shares to new investors, sell convertible debt

instruments with beneficial conversion features, or make decisions that affect the tax treatment of the company in ways that may be unfavorable to you. Based on the risks described above, you may lose all or part of your investment in the securities that you purchase, and you may never see positive returns.

**20. How are the securities being offered valued? Include examples of methods for how such securities may be valued by the issuer in the future, including during subsequent corporate actions.**

The securities being offered are valued at the issuer's discretion. An early-stage company typically sells its shares (or grants options over its shares) to its founders and early employees at a very low cash cost, because they are, in effect, putting their "sweat equity" into the company. When the company seeks cash investments from outside investors, like you, the new investors typically pay a much larger sum for their shares than the founders or earlier investors, which means that the cash value of your stake is immediately diluted because each share of the same type is worth the same amount, and you paid more for your shares than earlier investors did for theirs.

There are several ways to value a company, and none of them is perfect and all of them involve a certain degree of guesswork. Any of these methods, plus others, may be used to determine valuation in the future:

**Liquidation Value** - The amount for which the assets of the company can be sold, minus the liabilities owed, e.g., the assets of a bakery include the cake mixers, ingredients, baking tins, etc. The liabilities of a bakery include the cost of rent or mortgage on the bakery. However, this value does not reflect the potential value of a business, e.g., the value of the secret recipe. The value for most startups lies in their potential, as many early stage companies do not have many assets.

**Book Value** - This is based on analysis of the company's financial statements, usually looking at the company's balance sheet as prepared by its accountants. However, the balance sheet only looks at costs (i.e., what was paid for the asset), and does not consider whether the asset has increased in value over time. In addition, some intangible assets, such as patents, trademarks or trade names, are very valuable but are not usually represented at their market value on the balance sheet.

**Earnings Approach** - This is based on what the investor will pay (the present value) for what the investor expects to obtain in the future (the future return), taking into account inflation, the lost opportunity to participate in other investments, the risk of not receiving the return. However, predictions of the future are uncertain and valuation of future returns is a best guess.

Different methods of valuation produce a different answer as to what your investment is worth. Typically, liquidation value and book value will produce a lower valuation than the earnings approach. However, the earnings approach is also most likely to be risky as it is based on many assumptions about the future, while liquidation value and book value are much more conservative.

Future investors (including people seeking to acquire the company) may value the company differently. They may use a different valuation method, or different assumptions about the company's business and its market. Different valuations may mean that the value assigned to your investment changes. It frequently happens that when a large institutional investor such as a venture capitalist makes an investment in a company, it values the company at a lower price than the initial investors did. If this happens, the value of the investment would go down.

**21. What are the risks to purchasers of the securities relating to minority ownership in the issuer?**

The company's Certificate of Incorporation or Bylaws can be amended by the holders of a majority of the issued and outstanding shares of the Company. As minority owners, the crowdfunding investors are subject to the decisions made by the majority owners. The issued and outstanding shares of common stock give management voting control of the company. As a minority owner, you may be outvoted on issues that impact your investment, such as, among other things: (a) the liquidation, dissolution or winding up of the company, or effecting any merger or consolidation; (b) amendment of any provision of the Certificate of Incorporation or Bylaws; (c) creation and issuance of other securities having rights, preferences or privileges senior to the common stock sold to the crowdfunding investors, or increasing the authorized number of shares of stock of the company; or (d) creation of any debt security.

**22. What are the risks to purchasers associated with corporate actions including:**

1. Additional issuances of securities
2. Issuer repurchases of securities
3. A sale of the issuer or of assets of the issuer
4. Transactions with related parties

The authorization and issuance of additional shares of the company's common stock will dilute the ownership of the crowdfunding investors. As a result, if the company achieves profitable operations in the future, its net income per share will be reduced because of dilution, and the market price of the company's common stock, if there is a market price, could decline as a result of the additional issuances of securities. If the company repurchases securities, so that the above risk is mitigated, and there are fewer shares of common stock outstanding, the company may not have enough cash available for marketing expenses, growth, or operating expenses to reach our goals. If we do not have enough cash to operate and grow, we anticipate the market price of our securities would decline. A sale of the company or of all of the assets of the company may result in an entire loss of your investment. We cannot predict the market value of the company or its assets, and the proceeds of a sale may not be cash, but instead, unmarketable securities, or an assumption of liabilities. It is unlikely that in the near term, a sale would result in a premium that is significant enough over book value to generate a return to our investors. We may need to negotiate with a related party for additional capital. No assurance can be given that such funds will be available or, if available, will be on commercially reasonable terms satisfactory to us. Even if such financing is available, it may be on terms that are materially adverse to your interests with respect to dilution of book value, dividend preferences, liquidation preferences, or other terms.

**23. Describe the material terms of any indebtedness of the issuer:**

Creditor(s)	Amount Outstanding	Interest Rate	Maturity Date
N/A	N/A	N/A	N/A

**24. What other exempt offerings has the Company conducted within the past three years?**

None

25. Was or is the issuer or any entities controlled by or under common control with the issuer a party to any transaction since the beginning of the issuer's last fiscal year, or any currently proposed transaction, where the amount involved exceeds five percent of the aggregate amount of capital raised by the issuer in reliance on Section 4(a)(6) of the Securities Act during the preceding 12-month period, including the amount the issuer seeks to raise in the current offering, in which any of the following persons had or is to have a direct or indirect material interest:

1. Any director or officer of the issuer;
2. Any person who is, as of the most recent practicable date, the beneficial owner of 20 percent or more of the issuer's outstanding voting equity securities, calculated on the basis of voting power;
3. If the issuer was incorporated or organized within the past three years, any promoter of the issuer; or
4. Any immediate family members of any of the foregoing persons.

N/A

## **Financial Condition of the Issuer**

**26. Does the issuer have an operating history?**

2020 - MVP (iOS only),  
2021 - launch (Android from May) and FFF investments,  
2022 - the first VC + angel investments

We have published Laoshi app on Product Hunt, and it became the second product of the day  
<https://www.producthunt.com/posts/laoshi>  
Red Dot Design Award winner <https://www.red-dot.org/project/laoshi-app-55187>

**27. Describe the financial condition of the issuer, including, to the extent material, liquidity, capital resources and historical results of operations.**

2020 - bootstrapping MVP (founder's savings and credits)  
2021 - proofed that users were willing to pay and raised \$230k from FFF. Team of 7 = founders + development team + design + content.  
Delaware, USA incorporation. IPs are accumulating in Laoshi Inc.

2022 - raised \$350k, hired more developers and now we are a team of 12. Our current runway is 5-6 months.

Most of our expenses are development and we haven't paid acquisition yet, just a few experiments.

Every month we have around 5,000 new users, that demand looks like enough for testing new features and developing our core part's Community.

The company has no debts. Please view our financial statements for more information.

**28. Include the financial information specified by regulation, covering the two most recently completed fiscal years or the period(s) since inception if shorter.**

See attachments:

See Exhibit A

**29. With respect to the issuer, any predecessor of the issuer, any affiliated issuer, any director, officer, general partner or managing member of the issuer, any beneficial owner of 20 percent or more of the issuer's outstanding voting equity securities, calculated in the same form as described in Question 6 of this Question and Answer format, any promoter connected with the issuer in any capacity at the time of such sale, any person that has been or will be paid (directly or indirectly) remuneration for solicitation of purchasers in connection with such sale of securities, or any general partner, director, officer or managing member of any such solicitor, prior to May 16, 2016:**

1. Has any such person been convicted, within 10 years (or five years, in the case of issuers, their predecessors and affiliated issuers) before the filing of this offering statement, of any felony or misdemeanor:
  - i. In connection with the purchase or sale of securities?
  - ii. Involving the making of any false filing with the commission?
  - iii. Arising out of the conduct of the business of an underwriter, broker, dealer, municipal securities dealer, investment advisor, funding portal or paid solicitor of purchasers of securities?
2. Is any such person subject to any order, judgment or decree of any court of competent jurisdiction, entered within five years before the filing of the information required by Section 4A(b) of the Securities Act that, at the time of filing of this offering statement, restrains or enjoins such person from engaging or continuing to engage in any conduct or practice:
  - i. In connection with the purchase or sale of any security?
  - ii. Involving the making of any false filing with the Commission?
  - iii. Arising out of the conduct of the business of an underwriter, broker, dealer, municipal securities dealer, investment advisor, funding portal or paid solicitor of purchasers of securities?
3. Is any such person subject to a final order of a state securities commission (or an agency or officer of a state performing like functions); a state authority that supervises or examines banks, savings associations or credit unions; a state insurance commission (or an agency or officer of a state performing like functions); an appropriate federal banking



agency; the U.S. Commodity Futures Trading Commission; or the National Credit Union Administration that:

i. At the time of the filing this offering statement bars the person from:

1. Association with an entity regulated by such commission, authority, agency or officer?
2. Engaging in business of securities, insurance, or banking?
3. Engaging in savings association or credit union activities?

ii. constitutes a final order based on a violation of any law or regulation that prohibits fraudulent, manipulative or deceptive conduct and for which the order was entered within the 10-year period ending on the date of the filing of this offering statement?

4. Is any such person subject to an order of the Commission entered pursuant to Section 15(b) or 15B(c) of the Exchange Act or Section 203(e) or (f) of the Investment Advisers Act of 1940 that, at the time of the filing of this offering statement:
  - i. Suspends or revokes such person's registration as a broker, dealer, municipal securities dealer, investment advisor or funding portal?
  - ii. Places limitations on the activities, functions or operations of such person?
  - iii. Bars such person from being associated with any entity or from participating in the offering of any penny stock?
5. Is any such person subject to any order of the Commission entered within five years before the filing of this offering statement that, at the time of the filing of this offering statement, orders the person to cease and desist from committing or causing a violation or future violation of:
  - i. Any scienter-based anti-fraud provision of the federal securities laws, including without limitation Section 17(a)(1) of the Securities Act, Section 10(b) of the Exchange Act, Section 15(c)(1) of the Exchange Act and Section 206(1) of the Investment Advisers Act of 1940 or any other rule or regulation thereunder?
  - ii. Section 5 of the Securities Act?
6. Is any such person suspended or expelled from membership in, or suspended or barred from association with a member of, a registered national securities exchange or a registered national or affiliated securities association for any act or omission to act constituting conduct inconsistent with just and equitable principles of trade?
7. Has any such person filed (as a registrant or issuer), or was any such person or was any such person named as an underwriter in, any registration statement or Regulation A offering statement filed with the Commission that, within five years before the filing of this offering statement, was the subject of a refusal order, stop order, or order suspending the Regulation A exemption, or is any such person, at the time of such filing, the subject of an investigation or proceeding to determine whether a stop order or suspension order should be issued?
8. Is any such person subject to a United States Postal Service false representation order entered within five years before the filing of the information required by Section 4A(b) of the Securities Act, or is any such person, at the time of filing of this offering statement, subject to a temporary restraining order or preliminary injunction with respect to conduct alleged by the United States Postal Service to constitute a scheme or device for obtaining money or property through the mail by means of false representations?

Laoshi Inc. answers 'NO' to all of the above questions.

## Other Material Information

30. In addition to the information expressly required to be included in this Form, include: any other material information presented to investors; and such further material information, if any, as may be necessary to make the required statements, in the light of the circumstances under which they are made, not misleading. The following documents are being submitted as part of this offering:

Governance:

Articles of Incorporation:

See Attachment.

Corporate Bylaws:

See Attachment.

Opportunity:

Offering Page: See Exhibit B

Financials:

See Exhibit A

Subscription Agreement:

See Exhibit C

### **Exhibit A**

*Financial Statements I hereby certify that the financial statements provided for Laoshi Inc. and notes thereto for the periods provided included in this Form C Offering Statement are true and complete in all material aspects and that the information below reflects accurately the information stated on our Federal Income Tax Returns for this time period.*

*Financial information certified by this principal executive officer has been provided instead of financial statements reviewed by a public accountant that is independent of the issuer in reliance on SEC Rule 227.201(bb).*

*In WITNESS THEREOF, this Principal Executive Officer's Financial Statement Certification has been executed as of the date signed.*

***Danil Khasanshin***

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## Profit and Loss Statement

July 2022

	NOTES	Jul 2022	Total Jun 2022 (PP)
<b>INCOME</b>			
4000 Platform Revenues	2		220.83
<b>Total Income</b>		<b>0.00</b>	<b>220.83</b>
<b>GROSS PROFIT</b>		<b>0.00</b>	<b>220.83</b>
<b>EXPENSES</b>			
6200 General & Admin Business Expenses	3	1,256.83	911.41
6300 Legal & Accounting Services	4	350.00	350.00
6400 Contractors Expenses	5	37,238.00	32,030.00
6800 Travel	6	2,027.41	
<b>Total Expenses</b>		<b>40,872.24</b>	<b>33,291.41</b>
<b>NET OPERATING INCOME</b>		<b>-40,872.24</b>	<b>-33,070.58</b>
<b>OTHER EXPENSES</b>			
Exchange Gain or Loss		37.47	
<b>Total Other Expenses</b>		<b>37.47</b>	<b>0.00</b>
<b>NET OTHER INCOME</b>		<b>-37.47</b>	<b>0.00</b>
<b>NET INCOME</b>		<b>\$ -40,909.71</b>	<b>\$ -33,070.58</b>

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## Balance Sheet Statement

As of July 31, 2022

	NOTES	Total
	As of Jul 31, 2022	As of Jun 30, 2022 (PP)
<b>ASSETS</b>		
Current Assets		
Bank Accounts		
1015 Mercury EBT (C) USD	151,083.46	191,869.89
Total Bank Accounts	151,083.46	191,869.89
Accounts Receivable		
1210 Accounts Receivable (A R) USD	0.00	220.83
Total Accounts Receivable	0.00	220.83
Other Current Assets		
1261 Loans to Shareholders	2,245.00	2,245.00
Total Other Current Assets	2,245.00	2,245.00
Total Current Assets	153,328.46	194,335.72
<b>TOTAL ASSETS</b>	<b>\$153,328.46</b>	<b>\$194,335.72</b>
<b>LIABILITIES AND EQUITY</b>		
Liabilities		
Current Liabilities		
Accounts Payable		
2110 Accounts Payable (A P) USD	410.00	507.55
Total Accounts Payable	410.00	507.55
Total Current Liabilities	410.00	507.55
Long-Term Liabilities		
2710 Simple Agreement for Future Equity (SAFE)	587,274.00	587,274.00
Total Long-Term Liabilities	587,274.00	587,274.00
Total Liabilities	587,684.00	587,781.55
Equity		
3100 Common Stock	95.00	95.00
3190 Unpaid Common Stock	-95.00	-95.00
3900 Retained Earnings	-238,574.00	-238,574.00
Net Income	-195,781.54	-154,871.83
Total Equity	-434,355.54	-393,445.83
<b>TOTAL LIABILITIES AND EQUITY</b>	<b>\$153,328.46</b>	<b>\$194,335.72</b>

## Cash Flows Statement

July 2022

	NOTES	Total
<b>OPERATING ACTIVITIES</b>		
Net Income		-40,909.71
Adjustments to reconcile Net Income to Net Cash provided by operations:		
1210 Accounts Receivable (A/R) USD		220.83
2110 Accounts Payable (A/P) USD		-97.55
<b>Total Adjustments to reconcile Net Income to Net Cash provided by operations:</b>		<b>123.28</b>
<b>Net cash provided by operating activities</b>		<b>-40,786.43</b>
<b>NET CASH INCREASE FOR PERIOD</b>		<b>-40,786.43</b>
Cash at beginning of period		191,869.89
<b>CASH AT END OF PERIOD</b>		<b>\$151,083.46</b>

**Laoshi Inc.**  
**Owners' Equity Statement**  
**As of August 31, 2022**

	<u>Total</u>
<b>Equity</b>	
<b>3100 Common Stock</b>	95.00
<b>3190 Unpaid Common Stock</b>	-95.00
<b>3900 Retained Earnings</b>	-238,574.00
<b>Net Income</b>	-239,004.35
<b>Total Equity</b>	<b>-\$ 477,578.35</b>

Monday, Sep 26, 2022 09:03:24 AM GMT-7 - Accrual Basis

## Notes and Disclosures

1. This schedule displays detailed breakdowns of any sub-accounts for line items.

### 2. 4000 Platform Revenues

	Total	
	Jul 2022	Jun 2022 (PP)
4000 Platform Revenues		
4010 Revenue from Apple Store		
4011 Laoshi 1M		180.99
4012 Laoshi 1Y		33.72
<b>Total 4010 Revenue from Apple Store</b>		<b>214.71</b>
4020 Revenue from Google Store		
4021 Laoshi 1M		6.12
<b>Total 4020 Revenue from Google Store</b>		<b>6.12</b>
<b>Total 4000 Platform Revenues</b>		<b>220.83</b>

### 3. 6200 General & Admin Business Expenses

	Total	
	Jul 2022	Jun 2022 (PP)
6200 General & Admin Business Expenses		
6220 Software & Apps Fees	1,157.83	911.41
6230 Memberships & Subscriptions Fees	99.00	
<b>Total 6200 General &amp; Admin Business Expenses</b>	<b>1,256.83</b>	<b>911.41</b>

### 4. 6300 Legal & Accounting Services

	Total	
	Jul 2022	Jun 2022 (PP)
6300 Legal & Accounting Services		
6320 Accounting Fees	350.00	350.00
<b>Total 6300 Legal &amp; Accounting Services</b>	<b>350.00</b>	<b>350.00</b>

### 5. 6400 Contractors Expenses

	Total	
	Jul 2022	Jun 2022 (PP)
6400 Contractors Expenses		
6410 Inner Contractors	37,238.00	32,030.00
<b>Total 6400 Contractors Expenses</b>	<b>37,238.00</b>	<b>32,030.00</b>

### 6. 6800 Travel

	Total	
	Jul 2022	Jun 2022 (PP)
6800 Travel		

CONFIDENTIAL

		Total
	Jul 2022	Jun 2022 (PP)
6810 Airfare	2,027.41	
Total 6800 Travel	2,027.41	

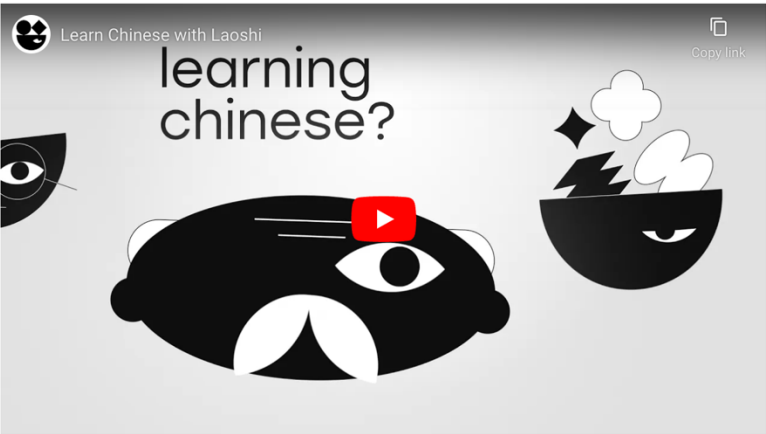
## Exhibit B

*Offering Page*

# Laoshi



We are developing — Laoshi.io — the necessary tools for Mandarin Chinese learners and tutors. Our team includes domain expertise, deep product vision, and growth hacking skills. Mandarin Chinese had the fastest CAGR since 2020, and we want to lead that expanding market. It looks like we are close to Product Market-Fit, and it's just the beginning.



Progress: 0 %

Funding Raised

\$0

Funding Goal

\$10,000-\$100,000

Days Remaining

Closed

Company Website

SAVE DEAL ☐

Invest Now

[Virtual Business Pitch](#) [Market Projection](#) [Communication Channel](#) [Team](#) [About](#)

## Business Description

We are developing Laoshi.io — the necessary tools for Mandarin Chinese learners and tutors. Mandarin Chinese had the fastest CAGR since 2020, and we want to lead that expanding market. It looks like we are close to PMF, and it's just the beginning.

Security Type:

SAFE

Post Money Valuation:



Over 4,000 colleges across the globe have added Chinese language courses to their curriculums and estimated that 25 million people were currently learning Chinese as a second language and that over 200 million people outside China had learned Chinese.

The team has many years of expertise in creating a product for the study of the Mandarin Chinese language, a successful entrepreneurial experience.

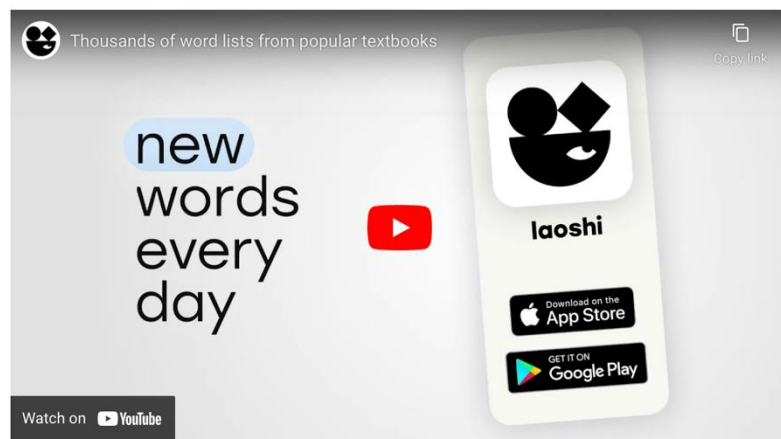
Recognized expertise and reputation in the product design community.

Strong expertise and resources in mobile development and two-sided market.

All necessary competencies are presented, and expertise is confirmed by reputation and successful experience in past projects

Strengths

- Strong product with a platform model
- Solve pain for both sides users (learners and tutors)
- The value and quality of the product are confirmed
- The approach and quality of the solution stand out from other competitors



## Problem

According to our surveys, about 90% of Mandarin Chinese learners consider learning vocabulary to be the most time-consuming and difficult task.

- Chinese words are much harder to learn than European languages
- Traditional methods of learning Mandarin Chinese are time-consuming
- There are many apps for Mandarin Chinese edutainment, but only a few for serious learners

Chinese tutors don't have any solution for teaching

## Post Money Valuation:

**5,000,000**

## Regulatory Exemption:

**Regulation Crowdfunding – Section 4(a)(6)**

## Deadline:

**December 31, 2022**

## Minimum Investment Amount:

**\$0**

## Target Offering Range:

**\$10,000-\$100,000**

\*If the sum of the investment commitments does not equal or exceed the minimum offering amount at the offering deadline, no securities will be sold and investment commitments will be cancelled returned to investors.

[Form C Submission](#)

- Chinese words are much harder to learn than European languages
- Traditional methods of learning Mandarin Chinese are time-consuming
- There are many apps for Mandarin Chinese edutainment, but only a few for serious learners
- Mandarin Chinese tutors don't have any solution for teaching

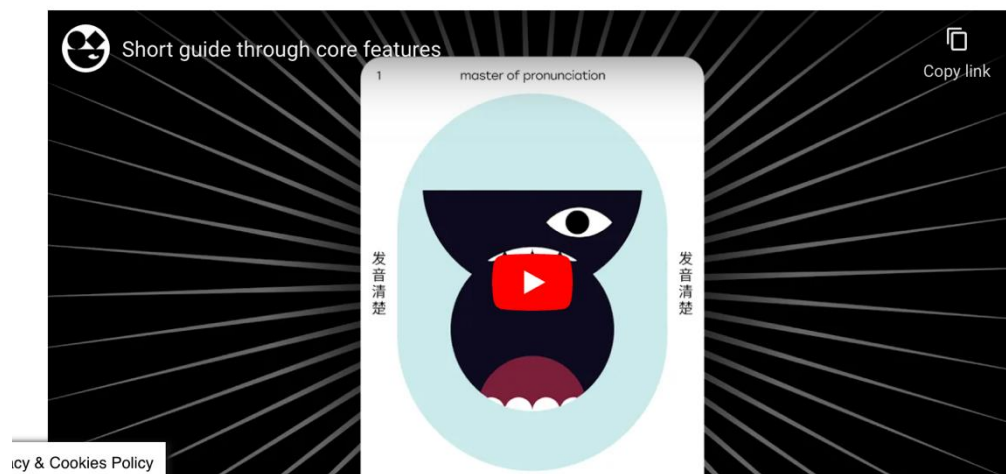
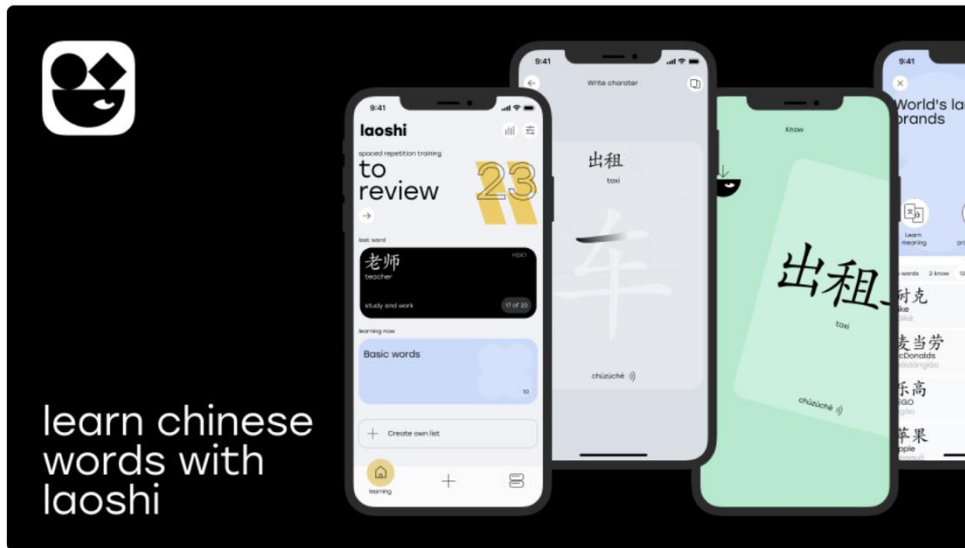
Solves the problem:

Student:

no high-quality profile solution for learning Chinese. Use a combination of different apps.

Teachers:

no good tool for preparing materials, a well-formed base of vocabulary lists. constant lack of students, hard to find effective channels of students attraction



Privacy & Cookies Policy

## Solution

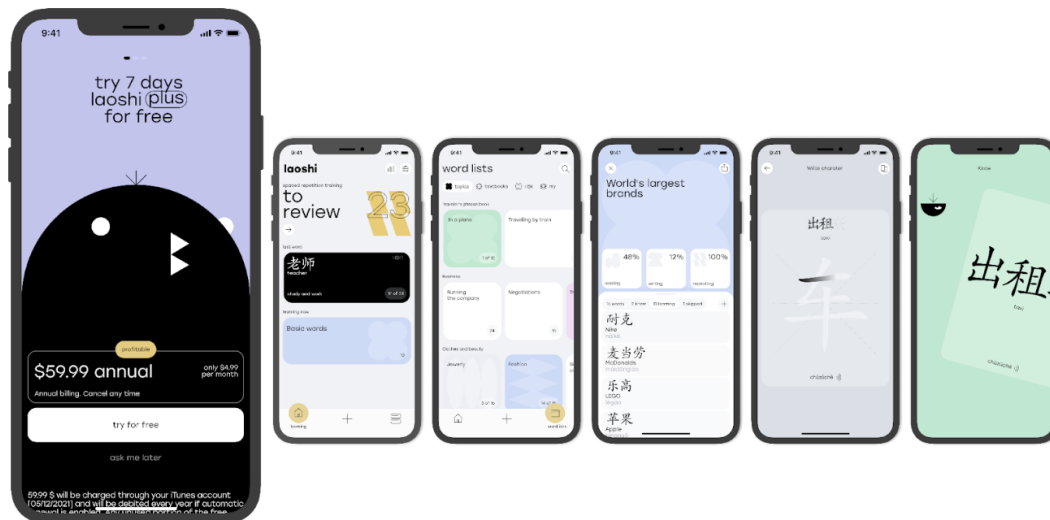
The one-stop tool to learn and teach Mandarin Chinese.

- Mini-courses for beginners
- Learn words and write characters right on the app
- Understand and practice grammar
- Help tutors prepare and manage students' homework

The application has a good rating and reviews in the App Store and Google Play. Users note the high quality of the product design of the application in comparison with others. They highlight the presence of functions and capabilities that could not be found in other applications, well-composed vocabulary lists, and the ability to create your own.

- the #2 Product of the Day on Product Hunt <http://producthunt.com/products/laoshi>
- winner of a Red Dot product design award <https://www.red-dot.org/project/laoshi-app-55187>
- Formed vocabulary lists from most Chinese textbooks

The application has already found customers, and solves their pains, stands out from competitors, and has strong advantages.



## Business Model

B2C mobile subscription model with pricing: \$7.99/\$49.99/\$149.99 (month/year/lifetime)

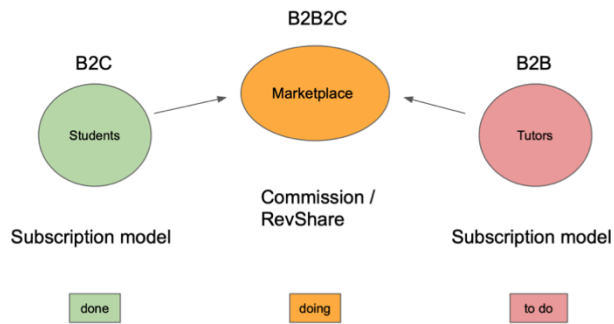
Our product is a two-sided market example. The first is the student's side, and through testing, the app has proven to work significantly.

We have a pre-release of a second side (tutors), which shows that we are on the right path.

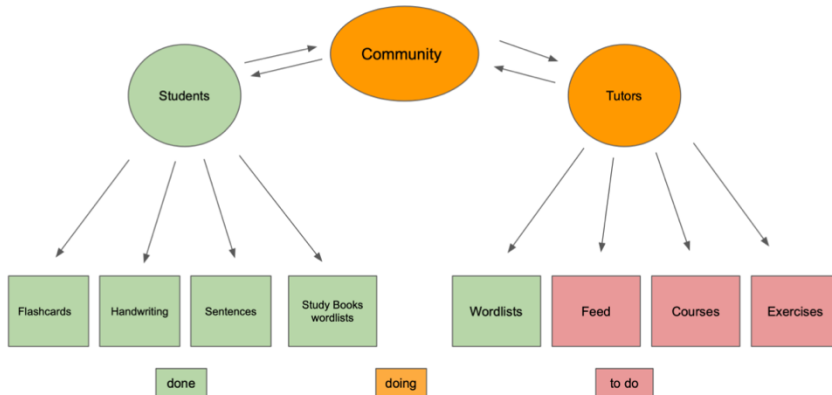
The chosen platform Business model gives a wide range of opportunities for product monetization. There will always be a


The chosen platform Business model gives a wide range of opportunities for product monetization. There will always be a chance to test new models and prices to find the best option. Right now, there are already many monetization tools that can be applied to achieve the required metrics.

## General business model




## General business model






4 reasons for learning Mandarin Chinese with Laoshi



Learn Mandarin Chinese right on your smartphone



成功之路

vocabulary lists from over 130 Chinese language

Copy link



## Traction & Customers

Zero budget marketing

11K MAU (iOS + Android)

406 paying users

A conversion rate of installs to paid users — 3,6%, Churn — 30%

In July we onboarded:

1052 students,

118 tutors,

and 4617 newbies

## Investors

We have raised \$570k

FFF (mainly entrepreneurs and angels) + Joint Journey <https://jj.capital> as a lead investor

## Terms

## Risks

## Market Projection

- Estimated that 25 million people were currently learning Chinese as a second language and that over 200 million people outside China had learned Chinese
- 70 countries around the world have incorporated Chinese into their national education system
- Sequoia Capital, Tiger Global, and others have already invested \$176 million in LingoAce, a platform providing online live classes for Mandarin Chinese language learners from ages 4 to 15

sources:

<https://www.language magazine.com/2021/01/06/chinese-progresses-as-a-world-language/>

<http://www.chinanews.com/gn/2020/12-22/9368158.shtml>

[https://en.wikipedia.org/wiki/List\\_of\\_languages\\_by\\_total\\_number\\_of\\_speakers](https://en.wikipedia.org/wiki/List_of_languages_by_total_number_of_speakers)



## Competition

Competitors like Duolingo and Busuu go for "digital-only" self-studies, ignoring 85% of the market who study Mandarin Chinese using "a traditional approach".

People have to use several apps to learn Mandarin Chinese vocabulary. This is a difficult task when you want to learn hundreds of words per week.

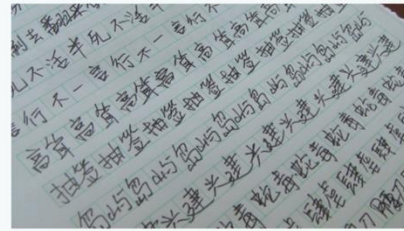
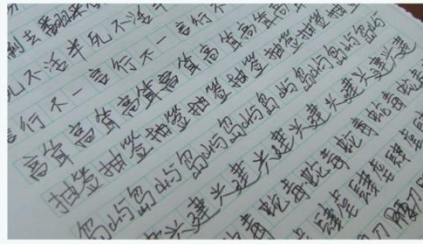
We are making an all-in-one solution. We want our users to spend time learning a language, not preparing materials.

Our main competitor is paper flashcards and old-school habits.

<https://lahlahbanana.wordpress.com/2021/11/06/chinese-character-flash-cards-and-leitner-box/>

<https://www.amazon.com/Chinese-Flash-Cards-Kit-Ebook-ebook/dp/B00KO9K5LG>

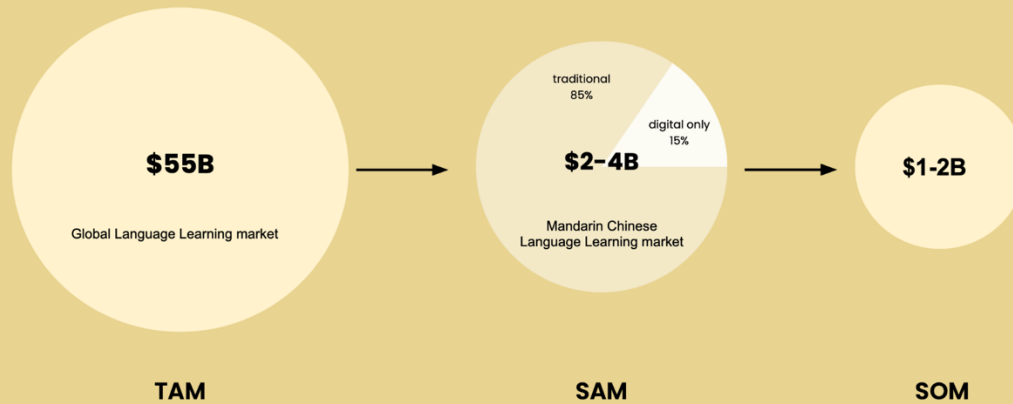
# competitors



## Chinese language learning market

traditional

# Chinese language learning market



HolonIQ, businesswire, ReportLinker



## Sergei Kondrashov

CEO/co-founder

### Background

Ten years of teaching Mandarin Chinese. In 2013, created a web-service for learning Mandarin Chinese. Author of a Mandarin Chinese textbook. Runs network of Chinese language schools.



## Danil Khasanshin

COO /co-founder

### Background

Media manager and entrepreneur. First exit at 24, several years in a top management in media companies (Sanoma, Hearst, CTC Media), last 4 years served as CEO of vc.ru (UGC media about startups and businesses, which was the biggest one in CIS with 10 mln MAU)



**Legal Company Name**

**Laoshi**

**Incorporation Type**

**C-Corp**

**Location**

**2810 N Church St  
Ste 87474  
Wilmington, Delaware 19802-  
4447**

**State of Incorporation**

**Delaware**

**Date Founded**

**November 12, 2021**

**Number of Employees**

**12**

## **Exhibit C**

### ***Subscription Agreement***

*THIS INSTRUMENT AND ANY SECURITIES ISSUABLE PURSUANT HERETO HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED (THE "SECURITIES ACT"), OR UNDER THE SECURITIES LAWS OF CERTAIN STATES. THESE SECURITIES MAY NOT BE OFFERED, SOLD OR OTHERWISE TRANSFERRED, PLEDGED OR HYPOTHECATED EXCEPT AS PERMITTED IN THIS SAFE AND UNDER THE ACT AND APPLICABLE STATE SECURITIES LAWS PURSUANT TO AN EFFECTIVE REGISTRATION STATEMENT OR AN EXEMPTION THEREFROM.*

*[LAOSHI INC.]*

## *SAFE*

*(Simple Agreement for Future Equity)*

*THIS CERTIFIES THAT in exchange for the payment by %%INVESTOR\_NAME%% (the “Investor”) of %%AMOUNT%%(the “Purchase Amount”) on or about %%TODAY%%, [Laoshi Inc.], a [Delaware, USA] corporation (the “Company”), issues to the Investor the right to certain shares of the Company’s Capital Stock, subject to the terms described below. The securities will convert to preferred stock with no voting rights.*

*This Safe is one of the forms available at <http://ycombinator.com/documents> and the Company and the Investor agree that neither one has modified the form, except to fill in blanks and bracketed terms.*

*The “Post-Money Valuation Cap” is \$5,000,000. 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 into the greater of: (1) the number of shares of Standard Preferred Stock equal to the Purchase Amount divided by the lowest price per share of the Standard Preferred Stock; or (2) the number of shares of Safe Preferred Stock equal to the Purchase Amount divided by the Safe Price.*

*In connection with the automatic conversion of this Safe into shares of Standard Preferred Stock or Safe Preferred Stock, the Investor will execute and deliver to the Company all of the transaction documents related to the Equity Financing; provided, that such documents (i) are the same documents to be entered into with the purchasers of Standard Preferred Stock, with appropriate variations for the Safe Preferred Stock 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, this Safe will 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 shares of Common Stock equal to the Purchase Amount divided by the Liquidity Price (the “Conversion Amount”). If any of the Company’s securityholders 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 consideration 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 securityholders, 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 for U.S. federal income tax purposes, 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 non-participating Preferred Stock. 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 Capital Stock);*

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

(iii) *Senior to payments for Common Stock.*

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

(e) *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 Capital Stock 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*

*"Capital Stock" means the capital stock of the Company, including, without limitation, the "Common Stock" and the "Preferred Stock."*

*"Change of Control" means (i) a transaction or series of related transactions in which any "person" or "group" (within the meaning of Section 13(d) and 14(d) of the Securities Exchange Act of 1934, as amended), becomes the "beneficial owner" (as defined in Rule 13d-3 under the Securities Exchange Act of 1934, as amended), directly or indirectly, of more than 50% of the outstanding voting securities of the Company having the right to vote for the election of members of the Company's board of directors, (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 securities of the Company outstanding immediately prior to such transaction or series of related transactions retain, immediately after such transaction or series of related transactions,*

*at least a majority of the total voting power represented by the outstanding voting securities 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 Company.*

*“Company Capitalization” is calculated as of immediately prior to the Equity Financing and (without double-counting, in each case calculated on an as-converted to Common Stock basis):*

*Includes all shares of Capital Stock issued and outstanding;*

*Includes all Converting Securities;*

*Includes all (i) issued and outstanding Options and (ii) Promised Options; and*

*Includes the Unissued Option Pool, except that any increase to the Unissued Option Pool in connection with the Equity Financing shall 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 Capital Stock.*

*“Direct Listing” means the Company’s initial listing of its Common Stock (other than shares of Common Stock not eligible for resale under Rule 144 under the Securities Act) on a national securities exchange by means of an effective registration statement on Form S-1 filed by the Company with the SEC that registers shares of existing capital stock of the Company for resale, as approved by the Company’s board of directors. For the avoidance of doubt, a Direct Listing shall not be deemed to be an underwritten offering and shall 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 Common Stock, the amount of such dividend that is paid per share of Common Stock 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 a bona fide transaction or series of transactions with the principal purpose of raising capital, pursuant to which the Company issues and sells Preferred Stock at a fixed valuation, including but not limited to, a pre-money or post-money valuation.*

*“Initial Public Offering” means the closing of the Company’s first firm commitment underwritten initial public offering of Common Stock pursuant to a registration statement filed under the Securities Act.*

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

*Includes all shares of Capital Stock issued and outstanding;*

*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 shares of Preferred Stock) 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 Capitalization.*

*“Options” includes options, restricted stock awards or purchases, RSUs, SARs, warrants or similar securities, vested or unvested.*

*“Proceeds” means cash and other assets (including without limitation stock 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 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 Preferred Stock’s 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 Capital Stock, 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 Preferred Stock” means the shares of the series of Preferred Stock issued to the Investor in an Equity Financing, having the identical rights, privileges, preferences and restrictions as the shares of Standard Preferred Stock, other than with respect to: (i) the per share liquidation preference and the initial conversion price for purposes of price-based anti-dilution protection, which will equal the Safe Price; and (ii) the basis for any dividend rights, which 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 Capitalization.*

*“Standard Preferred Stock” means the shares of the series of Preferred Stock 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 of Capital Stock 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 corporation duly organized, validly existing and in good standing under the laws of its state 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 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 bylaws, (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.*

*(c) 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 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.*

*(d) 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 authorization of Capital Stock issuable pursuant to Section 1.*

*(e) 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 investor as such term is defined in Rule 501 of Regulation D under the Securities Act, and acknowledges and agrees that if not an accredited 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 the Securities Act, or any state securities laws and, therefore, cannot be resold*

*unless they are registered under the Securities Act and applicable state securities laws 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.*

## *5. 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 clause (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 overnight courier or sent by email to the relevant address listed on the signature page, or 48 hours after being deposited in the U.S. mail 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 Capital Stock 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 stockholder or rights to vote for the election of directors or on any matter submitted to Company stockholders, 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 outstanding shares of Common Stock (that is not payable in shares of Common Stock) 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; and provided, further, that the Company may assign this Safe in whole, without the consent of the Investor, in connection with a reincorporation to change the Company's domicile.*

*(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) All rights and obligations hereunder will be governed by the laws of the State of [Governing Law Jurisdiction], without regard to the conflicts of law provisions of such jurisdiction.*

*(g) 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 characterized as stock, and more particularly as common stock for purposes of Sections 304, 305, 306, 354, 368, 1036 and 1202 of the 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).*

%%PAGE\_BREAK%%

SIGNATURE PAGE

*Subscriber subscribes for the number of Shares set forth below. This Subscription Agreement and the representations, warranties, acknowledgements, and agreements contained in this Subscription Agreement shall be binding upon the successors and assigns of Subscriber.*

*Subscribers, sign below:*

*Investor Type: %%INVESTOR\_TYPE%%*

*Subscriber Details: %%SUBSCRIBER\_DETAILS%%*

*Number of Shares: %%UNIT\_COUNT%%*

*Purchase Price: %%UNIT\_PRICE%%*

*Funds tendered: %%AMOUNT%% (Payable to "Laoshi Inc."), which shall be tendered by wire transfer, ACH, or Bitcoin/Ethereum of immediately available funds to the Company's account specified by the Company.*

*Laoshi Inc., a Delaware corporation (the "Company") hereby accepts the subscription of %%AMOUNT%% for %%UNIT\_COUNT%% shares of common stock of the Company as of the date set forth below.*

*COMPANY: Laoshi Inc.*

*Subscriber: %%INVESTOR\_SIGNATURES%%*

*Issuer:%%ISSUER\_SIGNATURE%%*

*Date:%%NOW%%*