

**RISK FACTORS**

*An investment in the Notes involves a high degree of risk. The risks and uncertainties described below are not the only ones we face. Additional risks and uncertainties not presently known to us or that we currently deem immaterial may also affect our business, financial condition and operating results. If any of the following risks, or any other risks not described below, actually occur, it is likely that business, financial condition and operating results could be seriously harmed. As a result you could lose part or all of your investment.*

**Risks Related to the Company**

*We are a development stage company with little or no revenues to date. There can be no assurance that we will be able to develop our business and obtain projected revenues and profits.*

*The COVID-19 pandemic and ensuing governmental responses have negatively impacted, and could further materially adversely affect the operations of our business, financial condition, results of operations and cash flows.*

*Many of our proposed casino customers are experiencing operational difficulties as a result of COVID-19, which in turn may have an adverse effect on our ability to sell or lease our products and technologies to them.*

*Casino growth and expansion in the legal gaming market is typically slow and can be stagnant, which would limit our existing and potential customer base.*

*The gaming industry is highly competitive and we face significant competition, including from illegal operators.*

*Economic conditions could adversely affect our business.*

*We face high levels of competition in the supply of products and services for newly legalized gaming jurisdictions.*

*Our competitors including IGT have substantially greater capital resources than we do, and may be able to design products and systems that compete with our technologies and there can be no assurance that our patents and intellectual property will afford adequate protection.*

*Our success is dependent upon a number of factors, including:*

- *our ability to adapt to and offer products to casinos and game players that keep pace with evolving technology related to our business;*
- *our ability to respond to dynamic customer and player demand by producing new and innovative products and services;*
- *the protection of our intellectual property; and*
- *preventing fraudulent manipulation of our electronic gaming machines and systems*

*We source our equipment and products from a limited number of suppliers and may experience delays in delivery as well as manufacturing, operational or design problems.*

*We will likely need additional capital to fund the expansion of our operations, we may not be able to consummate our contemplated initial public offering or otherwise obtain sufficient capital on terms favorable to us; as a result of which and may be forced to limit the expansion of our operations.*

*Our business depends substantially on the continuing efforts of John Acres and our other executive officers and our business may be severely disrupted if we lose their services.*

*We have invested, and may continue to invest, significant resources in research and development efforts.*

*Litigation may adversely affect our business, financial condition and results of operations.*

*If we are unable to effectively obtain casino customers, our reputation and operating results may be harmed.*

*There can be no assurance that gaming regulators will approve a transfer of ownership of Acres 4.0 or Acres Manufacturing Company to the Company; failing which there could be conflicts of interest resulting from related party transactions.*

*There can be no assurance we will be able to maintain our compliance with applicable gaming laws.*

*We will derive some of our revenue from Native American Tribal customers and our agreements with Native American Tribes are subject to review by regulatory authorities*

*Our reliance on a limited base of suppliers may result in disruptions to our supply chain and business and adversely affect our financial results.*

*Our operations may be impaired if our information technology systems fail to perform adequately or if we are the subject of a data breach or cyber-attack.*

*Our success may be limited by the performance and pricing of our partners who provide services under the “Cloud-based” or “Software as a Service” (SaaS) models.*

*We face extensive regulation from gaming authorities, which could have a material adverse effect on us.*

*Changes in legislation and regulation of our business could have an adverse effect on our financial condition, results of operations, and cash flows.*

*While we plan to expand our operations into new jurisdictions, there can be no assurance that we will be able to obtain the requisite licensure or compete effectively in new jurisdictions, or that we will be successful and general sufficient returns on our investment.*

#### **Risks Related to Our Notes and Common Stock**

*The offering price of the Notes is arbitrary.*

*Investors in this Offering will be obtaining a long-term investment in the Company with no immediate liquidity, as the Notes will be subject to transferability restrictions.*

*We may never complete our proposed IPO, as a result of which the Notes will be illiquid investments and a market for the Notes may never develop.*

*Even if we do complete our IPO, there are risks, including stock market volatility, inherent in owning our common stock.*

*If we are unable to complete an IPO, unless we consummate an RTO prior to the maturity date of the Notes, we may not have sufficient working capital or liquidity to pay the Notes when due.*

*The holders of shares of our Common Stock may experience immediate and substantial dilution.*

*The executive officers of the Company own 66.97% of the outstanding Common Stock of the Company and may have the power to control the Company for an indefinite period of time.*

*We will be an emerging growth company and a smaller reporting company within the meaning of the Securities Act, and if we take advantage of certain exemptions from disclosure requirements available to “emerging growth companies” or “smaller reporting companies,” this could make our securities less attractive to investors and may make it more difficult to compare our performance with other public companies.*

*We will be relying on certain exemptions from registration requirements under the Securities Act, which if unavailable could have a material adverse effect on our business.*

**Acres Technology Investor Presentation**