PRIVATE & CONFIDENTIAL

### NON-BINDING TERM SHEET

### PROPOSED TERMS FOR THE OFFERING OF

### CONVERTIBLE PROMISSORY NOTES

FOR

INGENIOUS, INC.

The following is a summary of the principal terms related to a proposed offering of unsecured convertible promissory notes by Ingenious, Inc. (the “Offering”). This Term Sheet is non-binding and no party shall have any rights, duties or obligations hereunder unless and until final, binding documentation is entered into. This Term Sheet is not an offer or solicitation for an offer for the sale of securities.

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| --- | --- |
| The Company | Ingenious, Inc., a Delaware corporation (the "Company"). |
| Investors | Angel Network and other accredited investors approved by the Company and Angel Network. |
| Capitalization | The Company’s capitalization as of the date hereof is set forth in Exhibit A hereto. |
| Use of Proceeds | The proceeds would be used by the Company to fund the further development and commercialization of the Company’s products. |
| Minimum/MaximumProceeds | A minimum of $250,000; maximum of $500,000. |
| Interest | 10% per annum, simple interest. Interest would be payable in cash upon maturity of the Notes or an Event of Default, and would be converted into equity upon a Next Round of Financing or a Significant Transaction. |
| Maturity Date | December 31, 2024 |
| Next Round of Financing | The Notes would be automatically converted into Equity Securities of the Company upon the closing of the first round of equity in the minimum amount of $1,000,000 (“Next Round Financing”). Upon the Next Round Financing, each Noteholder would be entitled to receive the number of Equity Securities that equals (a) the outstanding principal and accrued and unpaid interest on such Noteholder’s Note, divided by lesser of (b) the price per Equity Security (as paid by the investors in the Next Round Financing) multiplied by the Conversion Discountor (c) the price obtained by dividing (i) $2,000,000 (the “Valuation Cap”) by (ii) the aggregate number of outstanding Company shares on a fully-diluted basis as of immediately prior to the initial closing of the Next Round Financing. “Fully-diluted basis” will include all issued and outstanding shares of stock, vested and unvested options and convertible securities (including the Notes).  “Equity Securities” means (A) in connection with a Next Round Financing, the type of securities that are offered and sold to investors in the Next Round Financing, and (B) in connection with a Significant Transaction, the type of securities that are offered and sold, in connection with such transaction, to the applicable purchaser(s) of the Company or any portion thereof.  “Conversion Discount” means 0.7. |
| Significant Transaction | The Notes would be automatically converted into Equity Securities of the Company upon a sale of all or substantially all the assets of the Company, a merger of the Company pursuant to which the equity holders of the Company cease to own 50% or more of the equity securities of the surviving company, or the equity holders of the Company sell more than 50% of the issued and outstanding securities of the Company (as opposed to the Company issuing equity securities) (“Significant Transaction”). In such event, each Noteholder would be entitled to receive the number of Equity Security that equals (a) the outstanding principal and accrued and unpaid interest on such Noteholder’s Note, divided by (b) the greater of (A) (b) an amount equal to the value of the Company imputed in the Significant Transaction, multiplied by the Conversion Discount or (B) the Valuation Cap, and divided by the number of the Company’s outstanding shares on a fully-diluted basis. Upon a Significant Transaction, in the alternative, at each Noteholder’s option, such Noteholder will have a right to receive an amount equal to the accrued and unpaid interest and two times the outstanding principal amount of the Note.If no Significant Transaction occurs by the Maturity Date, each Noteholder would be entitled to receive the number of Company shares that equals (a) the outstanding principal and accrued and unpaid interest on such Noteholder’s Note, divided by (b) the price obtained by dividing (i) the Valuation Cap by (ii) the aggregate number of outstanding shares of the Company as of immediately prior to the Maturity Date on a fully-diluted basis. |
| Prepayment | The Notes may not be prepaid. |
| Closing Date | June 30, 2023. |
| Event of Default | Upon an Event of Default, the holders of a majority of the outstanding principal of the Notes (a “Majority in Interest”) would be entitled to exercise all rights and remedies set forth in the Notes, including collecting all principal and unpaid interest. An “Event of Default” means a failure to pay any interest or principal on the Notes when due, a failure to comply with any material provision of the Notes or the Note Purchase Agreement (as hereafter defined) after applicable notice and opportunity to cure, or the bankruptcy of the Company or the appointment of a receiver or custodian or similar officer of any substantial part of the Company’s property. |
| Information Rights | As long as the Notes are outstanding, the holders of the Notes would be entitled to receive internally generated quarterly financial statements of the Company and audited annual financial statements. |
| Board Seat | A Majority in Interest would be entitled to designate one individual to serve on the Board. The Noteholders’ right to elect such a director would cease upon a Significant Transaction. |
| Founder Matters | Each Founder’s shares will vest over four years in annual installments beginning at closing. Each Founder will have assigned all relevant intellectual property to the Company before closing. Founders and key employees will sign a non-compete/non-solicitation agreement for the term of employment and 3 years thereafter. No severance. |
| Amendments; Waiver | The Notes, the Note Purchase Agreement between the Noteholders and the Company (“Note Purchase Agreement”), and other documents executed in connection with the Offering (collectively, the “Transaction Documents”) may be amended, and the rights granted thereunder may be waived, by all Noteholders. |
| Transaction Documents | The purchase of Notes is conditioned upon the execution, by each Noteholder, of the Transaction Documents, and completion by such Noteholder of all legal, accounting and business due diligence. The Transaction Documents will include customary representations and warranties, which will be made by the Company and Founders. |
| Assignment | The Notes are fully-assignable. |
| Shareholder Agreement | Upon conversion of the Notes, all holders of the Notes would become subject to the then-applicable Shareholder Agreement of the Company, as approved by the Noteholders. |
| Expenses | The Company will pay the Angel Network legal fees, regardless of whether the transaction closes. |
| Exclusivity | Until June 30, 2023, the Company agrees not to solicit offers from other parties for any financing. Without the consent of Angel Network, the Company will not disclose these terms to anyone other than officers, directors, key service providers, and other potential Investors in this financing. |

### EXHIBIT A

CURRENT TABLE OF CAPITALIZATION

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| **Name** | **Common Units** | **Options** | **Total** | **Percentage** |
| Tim Striker | 75,000 | 0 | 75,000 | 75.00% |
| Ralph Reiter | 25,000 | 0 | 25,000 | 25.00% |
| **Total** | **100,000** | **0** | **100,000** | **100.00%** |
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