

PRIVATE PLACEMENT MEMORANDUM

JFX, INC.

(A Texas Corporation)

\$5,000,000 Series A Preferred Stock Offering (Tokenized on Computershare/tZERO)
October 2025

CONFIDENTIAL OFFERING MEMORANDUM

This Private Placement Memorandum (“Memorandum”) relates to the offering by **JFX, Inc.**, a Texas C-Corporation (“JFX” or the “Company”), of **Series A Preferred Stock** (the “Securities” or “Shares”), in a private offering to accredited investors pursuant to Regulation D, Rule 506(c) of the Securities Act of 1933, as amended (the “Securities Act”), and to certain non-U.S. persons pursuant to Regulation S.

The Company is offering **150,000 shares of Series A Preferred Stock at \$33.33 per share**, for total gross proceeds of up to **\$5,000,000**.

This offering incorporates **digital tokenization through Computershare Trust Company, N.A. and tZERO ATS**, enabling optional blockchain-based registry, liquidity, and automated dividend distribution.

FORWARD-LOOKING STATEMENTS

This Memorandum contains forward-looking statements regarding future operations, development plans, market opportunities, digital-asset strategy, and expected financial results. Actual outcomes may differ materially from those expressed or implied. Recipients should not place undue reliance on these statements.

1. SUMMARY OF THE OFFERING

Item	Description
Issuer	JFX, Inc., a Texas C-Corporation
Offering	\$5,000,000 total, 150,000 Series A Preferred shares @ \$33.33/share
Minimum Subscription	\$33,330 (1,000 shares)
Dividend Rate	5% annual, paid quarterly in USD or USDC via Computershare
Conversion Rights	Convertible 1:1 into Common upon Board-approved liquidity event
Liquidation Preference	1× original investment, pari passu with Founder Preferred
Voting Rights	One vote per share on an as-converted basis
Lock-Up Period	12 months (Rule 144) before secondary trading eligibility
Digital Custody	Computershare digital registry integrated with tZERO ATS
	The Company's capitalization includes Class A and Class B Common Stock and Preferred Stock, including Founder Preferred and Series A Preferred.
Capitalization and Governance	As of October 20, 2025, the Company issued an aggregate of 100,000 Founder Preferred Shares (25,000 each to Joseph Foster, Adam Faeder, William Robinson, and Jimmy James) pursuant to a Board-approved resolution and recorded in the corporate stock ledger. These shares carry a 1× liquidation preference pari passu with Series A Preferred and no dividend rights.
Use of Proceeds	Working capital, treasury investment, and digital infrastructure
Broker Dealer & Placement Agent	TBD (FINRA-registered, pending engagement)
Transfer Agent	Computershare Trust Company, N.A.

2. EXECUTIVE SUMMARY

Texas' First Bitcoin-Backed Earthwork Company

JFX, Inc. (“JFX” or the “Company”) is pioneering the convergence of infrastructure, artificial intelligence, and sound-money finance. Headquartered in Texas, JFX aims to become the state’s first Bitcoin-backed earthwork company, using a Bitcoin-denominated treasury to secure financial independence while deploying proprietary AI technology to transform how large-scale grading and site-development projects are bid and managed.

Johnny AI – Patent Pending Estimation Technology

In 2025 JFX developed and deployed *Johnny AI – Earthwork Estimator*[™], an internal artificial-intelligence platform that automates and optimizes the Company’s cost-estimation workflow. The technology is protected under U.S. Provisional Patent Application No. 63/904,082, filed October 23, 2025, titled “System and Method for Automated Calibration of AI-Driven Construction Estimation Models (Johnny AI Estimator).” Johnny AI enables bid accuracy within ± 3 percent of actual outcomes, reducing risk and enhancing profitability.

Bitcoin Treasury Model

JFX is establishing a Bitcoin-backed corporate treasury by allocating \$2 million USD of Series A proceeds toward the acquisition and cold-storage custody of Bitcoin. This reserve serves as a long-term balance-sheet asset and inflation hedge—anchoring JFX’s capital base to the world’s hardest money.

Investment Highlights

- **Proprietary Technology (Johnny AI – Patent Pending):** Automated, self-calibrating AI estimator improving bid accuracy to within ± 3 %.
- **Bitcoin-Backed Treasury:** \$2 million allocation from this raise dedicated to long-term Bitcoin holdings.
- **Tokenized Share Structure:** Series A Preferred Shares custodied via Computershare and tradable on the tZERO ATS platform.
 - **5% Yearly Dividend** – Quarterly payments in USD or USDC

- **QSBS** - JFX, Inc. qualifies as a Qualified Small Business Stock (QSBS) under IRC §1202. Shares issued at this offering may qualify for up to \$10M in 100% federal capital-gains exclusion after a five-year holding period. Digital ownership tracked through Computershare / tZERO ensures auditable holding-period records and compliance verification.
- **Experienced Leadership:** Management team with six decades of combined experience in heavy-civil construction, equipment finance, and data analytics.
- **Strategic Growth Vision:** Leverage Johnny AI's efficiency and a Bitcoin-backed balance sheet to capture market share and build a financially sovereign construction enterprise.

Company Mission

To modernize the heavy-civil and earthwork industry through automation, AI, and sound-money finance—creating a Bitcoin-backed infrastructure company that delivers precision, efficiency, and resilience for generations to come.

3. Business Overview

Company Background

Founded in Texas, JFX, Inc. operates as a full-service heavy-civil and earthwork contractor specializing in large-scale grading, drainage, and site-development projects.

The Company's expertise spans commercial pads, industrial parks, and subdivision developments.

Through disciplined operations and data-driven decision making, JFX has grown into one of the most efficient private earthwork contractors in the Dallas–Fort Worth region with 87% revenue growth in 2023 and project double digit growth in 2024.

JFX differentiates itself by combining advanced project management with technology adoption uncommon in traditional construction. The Company's long-term strategy integrates artificial-intelligence estimation, digital-asset treasury

management, and equipment-level productivity analytics to create a vertically aligned, technology-first infrastructure enterprise.

Business Model

JFX generates revenue through:

1. **Earthwork and Site-Development Contracts** – Lump-sum and unit-price grading projects for commercial and municipal clients.
2. **Value-Added Services** – Soil stabilization, drainage installation, and paving preparation.
3. **Technology-Enabled Estimating** – Deployment of *Johnny AI Estimator*[™] across all bid operations, delivering accuracy and speed that increase win rates and margin control.

Margins are enhanced by data feedback from completed jobs, enabling continuous improvement of pricing algorithms and production standards. The introduction of the Bitcoin-backed treasury further strengthens the balance sheet and provides a financial hedge that stabilizes cash flow across market cycles.

Strategic Objectives (2026-2030)

1. **Dominate the Texas Earthwork Market** – Scale field capacity while undercutting competitors through precision bidding and lower contingency.
2. **Expand the Johnny AI Platform** – Commercialize the technology through multiple channels including: SAAS Licensing, White-Label API, Managed Estimating Services, Data-as-a-Service, Training & Certification, and a Marketplace Platform. *Projected ARR: \$15M by 2030; EBITA Margin: 45%*
3. **Build a Bitcoin-Backed Treasury** – Allocate \$2 million of Series A proceeds into long-term Bitcoin reserves to preserve purchasing power and align with sound-money principles.
4. **Prepare for Public Markets** – Position JFX for a future IPO as the nation's first Bitcoin-backed infrastructure company.

5. **Clean Balance Sheet** – Unlike traditional heavy-equipment contractors, JFX’s model eliminates long-term machinery debt, corporate office, yard, and shop overhead cost. All excavation and hauling equipment will be **leased on flexible terms**, enabling rapid scaling or downsizing by project cycle and preserving liquidity for high-margin contracts. This structure improves **ROE, working-capital turnover, and return consistency** while reducing operational leverage.
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Competitive Advantage

- **Technological Edge:** Johnny AI’s proprietary calibration engine produces unmatched estimation accuracy.
 - **Financial Resilience:** Bitcoin holdings operate as a non-correlated treasury reserve.
 - **Operational Experience:** Proven management team with decades of combined heavy-equipment and civil-engineering experience.
 - **Market Reputation:** Reliable performance and repeat contracts with top general contractors and developers.
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4. JOHNNY AI DIVISION AND INTELLECTUAL-PROPERTY ASSETS

Overview

Johnny AI Estimator[™] is JFX's patent-pending artificial-intelligence system that automates earthwork cost estimation and continuously calibrates itself using completed-project data.

The invention is protected under U.S. Provisional Patent Application No. 63/904,082, filed October 23 2025, titled *"System and Method for Automated Calibration of AI-Driven Construction Estimation Models (Johnny AI Estimator)"*.

The Company retains full ownership of the intellectual property and all derivative works.

Johnny AI replaces traditional manual takeoff processes with a self-learning algorithm that ingests grading plans, geotechnical reports, and past performance metrics.

The system predicts quantities, assigns unit rates, and compares projected versus actual costs to refine its database—achieving sub-3 percent variance from realized results.

Technology Integration

Within JFX operations, Johnny AI functions as the digital core of the estimating department. It links directly with production databases, equipment-utilization logs, and project close-out reports, creating closed-loop feedback between field performance and future bids.

This continuous calibration is the key differentiator that allows JFX to maintain competitive pricing while preserving profitability.

R&D and Commercialization Plan

Phase I (2025-2026): Internal optimization across all JFX bids.

Phase II (2026-2027): Licensing pilot with partner contractors under revenue-share agreements.

Phase III (2027-2030): Full SaaS rollout of Johnny AI Estimator™ to external clients nationwide.

Intellectual-Property Protection

- **Patent Status:** Patent Pending (Provisional No. 63/904,082).
 - **Ownership:** JFX, Inc. is sole applicant and assignee.
 - **Trade Secrets:** Calibration algorithms, rate-curve data, and training sets maintained as confidential internal assets.
 - **Brand Protection:** Trademark filings initiated for “Johnny AI Earthwork Estimator™.”
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Strategic Importance

Johnny AI supports JFX’s mission to integrate technology and sound-money finance.

By combining a *patent-pending estimation engine* with a *Bitcoin-backed balance sheet*, JFX is building an infrastructure company that is both technologically advanced and financially sovereign.

5. SERIES A – TOKENIZED VIA (COMPUTERSHARE + tZERO)

JFX's Series A Preferred Shares will be issued through **Computershare Trust Company, N.A.** as transfer agent and optionally tokenized for **secondary liquidity** on **tZERO ATS**.

Key Mechanics:

- Investors fund in USD or USDC to an escrow account.
 - Computershare issues both certificated and tokenized Series A shares.
 - After 12-month lock-up, investors may trade on tZERO ATS.
 - Dividends distributed automatically by Computershare, quarterly.
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6. USE OF PROCEEDS (UPDATED OCTOBER 2025)

Allocation	Amount (USD)	Purpose
Working Capital	\$2,000,000	Fleet leasing, operation expansion, mobilization, insurance, project bidding
R&D <i>Johnny AI – Earthwork Estimator</i> TM	\$500,000	Operational automation
Bitcoin Reserve (20 BTC)	\$2,000,000	Treasury hedge & strategic reserve
Investment Activities	\$500,000	Investments in line with The Company Investment Policy
Legal & Offering Costs (Computershare / tZERO)	\$70,000	Broker-dealer, tokenization, and compliance costs
Total	\$5,070,000*	<i>Includes estimated issuance and legal fees</i>

The Company represents that all corporate actions related to governance, share authorizations, and officer designations have been duly adopted by the Board of Directors in accordance with the Texas Business Organizations Code.

The removal of any former directors or managing officers has been properly ratified, and no such individuals hold current ownership or control rights in JFX, Inc.

7. RISK FACTORS

Investing in the Securities involves significant risk. Prospective investors should carefully review the following:

1. **Liquidity Risk:** Tokens restricted for 12 months (Rule 144).
 2. **Market Volatility:** Bitcoin holdings may fluctuate significantly.
 3. **Operational Risk:** Dependence on successful bidding and execution of earthwork contracts.
 4. **Regulatory Risk:** Future legislation may alter tokenization or digital-asset treatment.
 5. **Investment Company Act Risk:** Active digital-asset management could risk reclassification; however, JFX's operating revenue base in excavation mitigates this exposure.
 6. **Corporate-Governance Risk Mitigation:** The Company has completed its initial governance restructuring, including the removal of a former managing director.
 7. **Founder-Transfer and Control Risk:** Founders' shares are subject to internal transfer restrictions intended to preserve management continuity.
 8. **Intellectual-Property Risk:** Johnny AI remains under provisional-patent protection; there is no assurance that a full patent will be granted.
 9. **Digital-Asset Custody Risk:** The Company's Bitcoin holdings will be held in segregated, multi-signature cold storage.
 10. **Key-Man Risk:** The Company's success depends heavily on the continued involvement of Joseph Foster and Adam Faeder.
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8. MANAGEMENT DISCUSSION & ANALYSIS (MD&A)

- **Revenue Growth Outlook (Pre-Raise):** 12% annual increase based on secured DFW contracts (Nucor \$1.5M, Cardinal \$238K, High5 \$175K).
- **Projected EBITDA Margin:** 20–25% from operational efficiency and AI-assisted bidding.
- **Treasury Returns:** 4–6% estimated yield from high dividend ETF and 30% CAGR on Bitcoin.
- **Cash Flow Strength:** \$2M in working capital supports sustained operations through FY2026.

9. TERMS OF THE OFFERING

The offering is open only to accredited investors under Rule 501(a) of Regulation D. Subscriptions are accepted on a rolling basis with minimum investment of \$50,000. Funds are deposited in escrow until accepted by the Company.

10. TAX CONSIDERATIONS

- Dividends are taxable as ordinary income to investors
 - Gains on redemption or conversion may qualify for long-term capital gains.
 - JFX meets the requirements of a **Qualified Small Business Stock (QSBS)**, investors may be eligible for significant federal capital-gain exclusions after a 5-year holding period.
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11. TRANSFERABILITY

All shares are restricted securities subject to resale limitations under Rule 144. Tokenized shares will not trade on tZERO until the 12-month lock-up expires.

In addition to resale limitations under Rule 144, all transfers of Founder-held shares are subject to a Right of First Refusal (ROFR) in favor of the Company and the other Founders.

No Founder may sell, assign, pledge, or otherwise transfer any equity interest in JFX, Inc. to any third party without first offering such shares to the Company and the other Founders on equivalent terms.

Any purported transfer in violation of this restriction shall be void ab initio.

12. SUBSCRIPTION INSTRUCTIONS

Investors will execute a Subscription Agreement and wire or transfer funds to the designated escrow account. Upon acceptance, Computershare will issue the appropriate number of Series A Preferred Shares.

13. ADDITIONAL INFORMATION

Copies of the Company's Bylaws, Certificate of Formation, Fair Market Evaluation, and Equity Incentive Plan are available upon request under NDA.

AUTHORIZED SIGNATURES

Joseph Foster
Founder & Chief Executive Officer
JFX, Inc.

Adam Faeder
Founder & Chief Financial Officer
JFX, Inc.

APPENDICIES

Appendix A: Capitalization Table (Pre-Series A, October 20th, 2025)

Appendix B: Computershare / tZERO Workflow Diagram

Appendix C: Fair Market Evaluation Summary

Appendix D: PPM Risk Disclosures

Appendix E: Patent Application Summary

Appendix F: Digital Subscription Agreement

Appendix G: Future Series Designations and Capital Raise Process

APPENDIX A

CAPITALIZATION TABLE (Pre-Series A)

Shareholder	Class / Series	Shares	% Ownership
Joseph Foster	Class B + Founder Preferred	732,500	72.26%
Adam Faeder	Class B + Founder Preferred	118,750	11.71%
William Robinson	Class B + Founder Preferred	100,000	9.86%
Jimmy James	Class B + Founder Preferred	62,500	6.17%
Total Issued & Outstanding		1,013,750	100%

(As of October 2025)

Summary Notes

- Founders hold **Class B Common Stock** with 10× voting power per share.
- Founders hold **Founders Preferred Shares** carry pari passu liquidation rights with Series A.
- **Series A Preferred** investors hold a **5% annual dividend**, convertible 1:1 to Class A Common.
- Employee Incentive Pool reserved for key hires under the 2025 Equity Incentive Plan.
- Total post-raise capitalization (fully diluted): **1,250,000 shares authorized**.

APPENDIX B

COMPUTERSHARE / tZERO WORKFLOW DIAGRAM & DESCRIPTION

(As of October 2025)

Overview

This appendix outlines the digital-issuance and post-funding workflow for the **JFX, Inc. Series A Preferred Stock**, tokenized under **Computershare Trust Company, N.A.** and **tZERO ATS**.

The system integrates transfer-agent recordkeeping, blockchain-based token issuance, and optional secondary trading once the 12-month lock-up expires.

Detailed Steps

- 1. Subscription & Funding**
Investors subscribe through a FINRA-registered broker-dealer, completing KYC/AML verification and accreditation review. Funds are remitted in USD or USDC to a regulated escrow account.
- 2. Escrow Release & Record Creation**
Upon approval, the broker instructs Computershare to issue Series A Preferred Shares corresponding to the investor's subscription amount.
- 3. Digital Issuance & Registry Entry**
Computershare records the investor on the corporate ledger and simultaneously mints a digital representation of each share under the ERC-1404 restricted-transfer token standard.
- 4. Investor Access Portal**
Each investor receives secure online access to their holdings, transaction history, and dividend statements through the Computershare platform.
- 5. Lock-Up Compliance**
Tokens are non-transferable for 12 months under Rule 144. Computershare's registry enforces the lock-up, ensuring all transfers remain compliant.
- 6. tZERO ATS Listing & Liquidity**
After the lock-up expires, holders may opt to trade their digital tokens on **tZERO ATS**, a regulated alternative trading system (ATS) supervised by the SEC and FINRA.

7. Dividend Automation

JFX's quarterly 5 % dividends are distributed automatically by Computershare in USD or USDC, with pro-rata allocation and automated withholding as required.

8. Tax Documentation

At year-end, Computershare issues **Forms 1099-DIV** for dividends and **1099-B** for any secondary-market disposals executed on tZERO.

9. Post-Trade Lifecycle

Ownership changes update both the on-chain token registry and Computershare's corporate records in real time, maintaining legal continuity between token and certificated share registers.

Compliance & Security

- **Transfer Agent of Record:** Computershare Trust Company, N.A.
- **Smart-Contract Standard:** ERC-1404 (Restricted Token Framework)
- **Custody Architecture:** Dual-ledger (Computershare / Blockchain)
- **Secondary Market:** tZERO ATS (SEC & FINRA regulated)
- **Investor Access:** Secure portal + two-factor authentication
- **Audit Trail:** Immutable issuance and dividend records
- **Regulation:** Reg D § 506(c) / Reg S / Rule 144 compliance

Illustrative Lifecycle

Phase	Entity	Action	Output / Event
1	Investor	Executes Subscription & Funds Escrow	Proof of Funds & KYC Verification
2	Broker	Processes Investor Documents	Approval Notice → Computershare
3	Computershare	Issues Tokenized Series A Shares	Registry Entry + Token Mint
4	tZERO Integration	Enables Digital Trading Post-Lockup	Liquidity Option on ATS
5	Computershare	Pays Quarterly Dividends	Automated USD / USDC Distribution
6	Investor	Holds or Trades Token Shares	Ongoing Ownership + Tax Reporting

APPENDIX C

FAIR MARKET VALUATION SUMMARY

(As of October 2025 – Reflecting Johnny AI Intellectual Property and Series A Proceeds Deployed)

Overview

This Fair Market Valuation (“FMV”) Summary estimates the post-financing fair-market and forward enterprise value of JFX, Inc., a Texas C-Corporation engaged in excavation, grading, and the development of the Johnny AI Estimator™ platform. All figures are in USD and prepared consistent with IRS § 409A and ASC 820 principles.

This valuation reflects the issuance of 100,000 Founder Preferred Shares to the four founding executives on October 20, 2025, as approved by Board Resolution and recorded in the corporate stock ledger. These shares carry the same liquidation preference as Series A Preferred but no dividend rights and were fully considered in the Company’s internal 409A analysis.

Methodology

Valuation was prepared using a hybrid approach consistent with IRS 409A and ASC 820 principles:

1. **Asset Approach (NAV):** tangible assets, cash, and working capital.
2. **Income Approach (DCF):** five-year discounted cash-flow model using 12 % growth and 20 % margins.
3. **Market Approach:** comparable private-contractor EV/EBITDA multiples ($5.5 \times - 7 \times$).

Weightings: Asset 30 %, Income 50 %, Market 20 %.

Metric	Description	Value (USD)
Base FMV (Oct 2025)	Per certified internal valuation	\$5,070,000
Includes Active Project Pipeline	\$500K discounted value of confirmed Q4 2025 – Q1 2026 projects (Nucor \$1.5M, Cardinal Paint \$238K, High 5 \$175K at ~21% margin)	Included in base FMV
Added Johnny AI IP Asset	Patent-pending proprietary AI estimation platform	\$3,000,000
Revised Pre-Raise FMV (Equity Basis)	Net equity value including IP and pipeline	\$8,070,000
Series A Proceeds	150K shares × \$33.33 per share cash inflow	+\$5,000,000
Post-Raise FMV (Equity Basis)	Enterprise Value after Series A close	≈\$13,070,000
Implied Common FMV (Pre-Raise)	865K common shares basis	\$9.33/share
Implied Common FMV (Post-Raise)	1.15M shares diluted	\$15.11/share
Projected Enterprise Value (DCF Model)	Weighted Income + Market Approach (50% Income, 20% Market, 30% Asset) per internal DCF report	≈\$23,300,000
Implied Common Share Range (DCF)	Based on forward earnings valuation	\$19–\$22/share

Summary and Reconciliation of Valuation Methodologies

The Company recognizes two valuation frameworks that serve different purposes:

1. Current Fair-Market Equity Value (Book Basis $\approx$ \$13M) — represents tangible and intangible assets following deployment of capital from Series A offering as of October 2025, including 20 BTC treasury assets, ETF and options portfolios, working capital, the active project pipeline ($\approx$ \$500K), and the newly created Johnny AI intellectual-property asset ($\approx$ \$3M). This approach complies with 409A and Reg D guidance by excluding speculative future cash flows.

2. Forward Enterprise Value (DCF Basis $\approx$ \$23.3M) — derived from JFX's prior discounted-cash-flow and market-multiple analysis (50% Income, 20% Market, 30% Asset) prepared before Johnny AI existed. That analysis capitalized the Company's expected construction revenues, treasury performance, and margin expansion over the next five years, producing a projected enterprise value of $\approx$ \$23.3M and an implied common-share range of \$19–\$22 per share.

Note: The \$23.3M valuation was achieved prior to the creation of Johnny AI and reflects earnings potential from JFX's core earthwork and treasury operations. The current \$13M FMV is a conservative snapshot of existing assets for offering compliance. Johnny AI's commercialization is expected to increase the DCF enterprise value beyond the prior estimate once revenues materialize.

Per-Class Implications

Security Class	FMV Range (\$/share)	Basis of Valuation
Class B Common (Founders)	\$19 – \$22	DCF-weighted intrinsic value
Class A Common (Employee Pool)	\$16 – \$19	10 – 20 % marketability discount
Series A Preferred (Tokenized)	\$33.33 (issue price)**	5 % dividend + pari passu liquidation
Founder Preferred	Par with Series A	Same liquidation rights; non-dividend

* All FMV values represent an internal management estimate as of October 2025 and are subject to formal 409A review.

Assumptions

- Revenue FY2026 $\approx$ \$8 M (+12 % YoY).
 - EBITDA margin $\approx$ 20 – 25 %.
 - Discount rate 15 %.
 - Terminal growth rate 3 %.
 - Bitcoin price base = \$100 K, 2028 target = \$250 K.
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Conclusion

As of October 2025, following the deployment of Series A capital, JFX's current Fair Market Equity Value is approximately \$ 13 million. This reflects all tangible and intangible assets, including the newly established Bitcoin treasury, ETF portfolio, working capital reserves, and the Johnny AI intellectual-property asset. Applying the Company's income and market approaches, the forward enterprise value is estimated at $\approx$ \$ 23 million, corresponding to an implied common-stock valuation range of \$ 19 – \$ 22 per share. These figures serve as the internal 409A benchmark and the valuation basis for Series A investor communications.

APPENDIX D

PPM RISK DISCLOSURES

Investment Company Act of 1940 Considerations

The Company is primarily engaged in the business of excavation, earthwork, and related contracting services. Although the Company may allocate a portion of its assets to digital assets (such as Bitcoin) and investment securities (such as exchange-traded funds, equities, or fixed income instruments), such activities are treasury management functions only and are incidental to the Company's core operating business.

The Company intends to maintain more than 60% of its total consolidated assets in operating assets, including heavy equipment, construction contracts, and related receivables. The Board of Directors has formally adopted a Treasury Policy restricting the Company's allocation to investment securities and digital assets to no more than 40% of total assets.

Accordingly, the Company believes it is not, and will not become, an 'investment company' as defined under the Investment Company Act of 1940. However, there can be no assurance that regulators or courts would agree with this position, particularly if the Company were to materially alter its business operations, its asset allocation strategy, or the market value of its operating assets were to decline significantly relative to its digital assets and investment securities.

Any classification of the Company as an 'investment company' could subject it to burdensome regulatory requirements, limitations on its operations, and restrictions on its ability to raise capital, which could materially and adversely affect the Company's business, financial condition, and results of operations.

APPENDIX E

PATENT APPLICATION SUMMARY

Provisional Patent Application — System and Method for Automated Calibration of AI-Driven Construction Estimation Models (Johnny AI Estimator)

Filed: October 23, 2025

Applicant: JFX, Inc.

Inventor: Adam Faeder

Summary: The invention discloses a self-calibrating estimation engine that continuously adjusts unit-rate curves based on variance analysis between predicted and actual job results. The system learns from historical bids, automatically improving estimation precision and enabling $\pm 3\%$ accuracy.

APPENDIX F

DIGITAL SUBSCRIPTION AGREEMENT

for Series A Preferred Stock of JFX, Inc.
(Tokenized Offering – Reg D § 506(c) / Reg S)

This Subscription Agreement (this “**Agreement**”) is entered into as of _____, 2025, by and between **JFX, Inc.**, a Texas corporation (the “**Company**”), and the undersigned investor (the “**Subscriber**”).

1. Subscription and Purchase Price

(a) **Subscription.** The Subscriber hereby irrevocably subscribes for and agrees to purchase from the Company the number of shares of its **Series A Preferred Stock** (the “**Shares**”) set forth on the signature page hereto at a purchase price of **\$33.33 per share**.

(b) **Payment.** The aggregate subscription price (the “**Purchase Price**”) shall be paid in U.S. Dollars or USD-equivalent stablecoin (**USDC**) through the designated escrow agent, a FINRA-registered broker-dealer, pursuant to the terms of the Private Placement Memorandum dated _____ (the “**PPM**”).

(c) **Minimum Subscription.** The minimum initial investment is \$50,000 unless waived by the Company.

2. Acceptance of Subscription

This subscription is subject to acceptance by the Company, in its sole discretion, and shall be deemed accepted only when countersigned by the Company. The Company reserves the right to reject any subscription, in whole or in part, for any reason.

3. Representations and Warranties of Subscriber

The Subscriber represents, warrants, and agrees as follows:

1. **Accredited Investor.** Subscriber is an “accredited investor” within the meaning of Rule 501(a) of Regulation D.
 2. **Investment Purpose.** Subscriber is acquiring the Shares for investment and not with a view to resale or distribution.
 3. **Information Reviewed.** Subscriber has received, read, and understood the PPM (including Appendices A–D).
 4. **No Public Market.** Subscriber understands that the Shares are restricted securities and may not be resold except as permitted under the Securities Act of 1933, as amended (the “**Act**”), and applicable state laws.
 5. **Lock-Up Compliance.** Subscriber agrees to a 12-month transfer restriction under Rule 144 and acknowledges that such restriction will be programmatically enforced through Computershare’s registry and token contract.
 6. **Ability to Bear Risk.** Subscriber is able to bear the economic risk of this investment and can afford a total loss.
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4. Digital Issuance and Custody

(a) **Transfer Agent.** All certificated and tokenized shares of Series A Preferred Stock shall be issued and recorded by **Computershare Trust Company, N.A.**, as Transfer Agent and Registrar.

(b) **Tokenized Representation.** Upon acceptance, Computershare will issue digital tokens representing the Shares on a restricted blockchain protocol (ERC-1404 or successor) linked to its shareholder registry.

(c) **tZERO Liquidity.** After expiration of the 12-month lock-up, the Shares may become eligible for secondary trading on **tZERO ATS**, subject to regulatory approval and Computershare coordination.

(d) **Dividend Distribution.** Computershare shall administer quarterly dividends of 5 % per annum, payable in USD or USDC, and provide tax forms (1099-DIV / 1099-B).

5. Terms of the Series A Preferred Stock

The rights, preferences, and privileges of the Shares are set forth in the Company's **Certificate of Designation of Series A Preferred Stock**, including:

Term	Description
Dividend	5 % annual, payable quarterly (USD or USDC)
Liquidation Preference	1× par value + accrued dividends, pari passu with Founder Preferred
Conversion Rights	Convertible 1:1 into Class A Common upon Board approval or qualified liquidity event
Voting Rights	Votes together with Common on an as-converted basis
Lock-Up Period	12 months from issuance date under Rule 144
Transfer Restrictions	As enforced by Computershare registry and token contract

6. Company Representations

The Company represents that:

1. It is a duly organized Texas corporation in good standing.
 2. The Shares, when issued, will be validly authorized, fully paid, and non-assessable.
 3. The offering is being conducted in compliance with Regulation D § 506(c) and Regulation S.
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7. Indemnification

Subscriber agrees to indemnify and hold harmless the Company, its officers, directors, and affiliates against any loss arising from a breach of the representations herein or violation of securities laws.

8. Governing Law

This Agreement shall be governed by and construed in accordance with the laws of the **State of Texas**, without regard to conflict-of-law principles.

9. Miscellaneous

- **Entire Agreement:** This document and the PPM constitute the entire agreement.
 - **Counterparts:** May be executed electronically in counterparts.
 - **Binding Effect:** Upon acceptance, this Agreement shall be binding upon and inure to the benefit of the parties and their successors and assigns.
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10. Signatures

SUBSCRIBER

Name: _____
Entity (if any): _____
Address: _____
Email: _____
Phone: _____

Number of Shares Subscribed: _____ @ \$33.33 per share
Aggregate Purchase Price: \$ _____

Signature: _____
Date: _____, 2025

COMPANY ACCEPTANCE

By: _____
Joseph Foster, Chief Executive Officer
Date: _____, 2025 Countersigned: _____
Adam Faeder, Chief Financial Officer

APPENDIX G

FUTURE SERIES DESIGNATIONS AND CAPITAL RAISE PROCESS

Any future issuance of equity securities, including a potential Series B Preferred Stock, shall be effected only upon:

1. Board approval and adoption of a Certificate of Designation specifying rights and preferences;
2. Filing of that Certificate with the Texas Secretary of State; and
3. Compliance with Regulation D §506(c), Regulation S, or other applicable exemptions.

No new series shall impair the rights of existing shareholders without their consent.