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MULTICHAIN VENTURES TOKES (TKS)

Tokenomic System

The Token Economics of Multichain Ventures Tokes Token

Multichain Ventures, Inc.

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<https://multichain.ventures>



Tokes (TKS) Tokenomic System

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Brief Overview

Tokes (TKS) is the native digital currency unit of the Multichain Ventures ecosystem - including the [Tokes Platform](#), [Cubed](#), [EDEN](#), and [Reli](#). Similar to other cryptocurrencies like Bitcoin, Tokes primarily derive utility from both the software applications within which they are used, coupled with the economic forces of supply and demand. Users are incentivized to transact with Tokes, and merchants are incentivized to accept Tokes. The use cases of the Tokes token however extend far past simple transactional use. Tokes can be staked (i.e., holding a balance in a wallet) to earn a periodic proof-of-stake distribution, or in the case of software subscribers, to receive discounts on software and services. They will also be burned for merchant processing fees, used as a fee for logging supply-chain data, and spent in order to receive deeper product or service discounts. Collectively, the products and services of Multichain Ventures produce a healthy ecosystem of token integrations that will increase transactional volume as new customers engage with Multichain Ventures for services.

Tokes (TKS) Tokenomic System

The Token Economics of Multichain Ventures Tokes Token

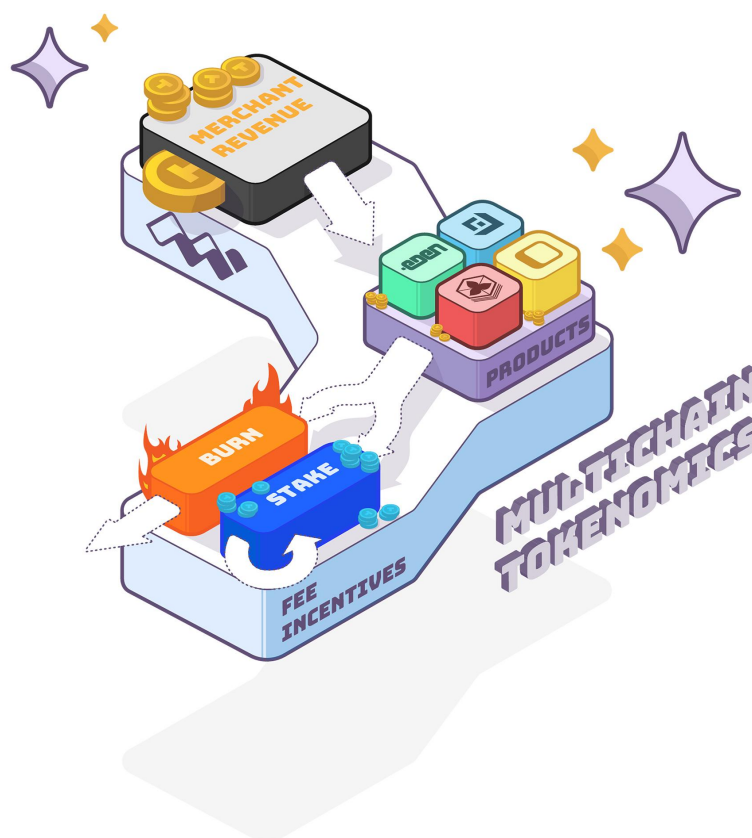
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Tokenomics Summary

A healthy token economy is maintained around Tokes (TKS) via four mechanisms:

- Transactional use within Multichain Ventures products
- Product Subscriptions
 - *Merchant Gateway* (Cubed, Tokes Platform, etc.)
 - EDEN Blockchain
 - ReliCloud Platform as a Service
- Staking Mechanisms
 - Balances held by merchants/users, incentivized by subscription and fee discounts
- Burning Mechanisms
 - Tokens burned by merchants/users, reducing the supply of Tokes over time





Multichain Ventures

TOKENOMIC SYSTEM

Transactional Use

Transactional Use

As the native digital asset of the ecosystem, it is critical that products and services produced by Multichain Ventures have native Tokes (TKS) integration. The simplest use case of the token economy is transactional, i.e., spending Tokes for the purchase of goods, either at the point of sale, or via ecommerce integrations with accompanying mobile applications. To fulfill this use case, Multichain Ventures created the [Merchant Gateway](#) point-of-sale with accompanying ecommerce integrations. Tokes is a fast, inexpensive way to settle transactions in a matter of seconds, as compared to Bitcoin or other cryptocurrencies with longer block times and higher fees which make them less than ideal for payment settlement. Any existing partners and businesses using the Merchant Gateway natively can accept Tokes. The easiest way to transact Tokes is using the [mobile wallet](#) available for both iOS and Android.

The Tokes Platform serves as the legal cannabis focused brand of the Multichain Ventures payment processing arm, with a cannabis-centric version of the *Merchant Gateway*. Cubed is the industry agnostic brand with a *Merchant Gateway* interface designed for a more general business audience and white-label opportunities.

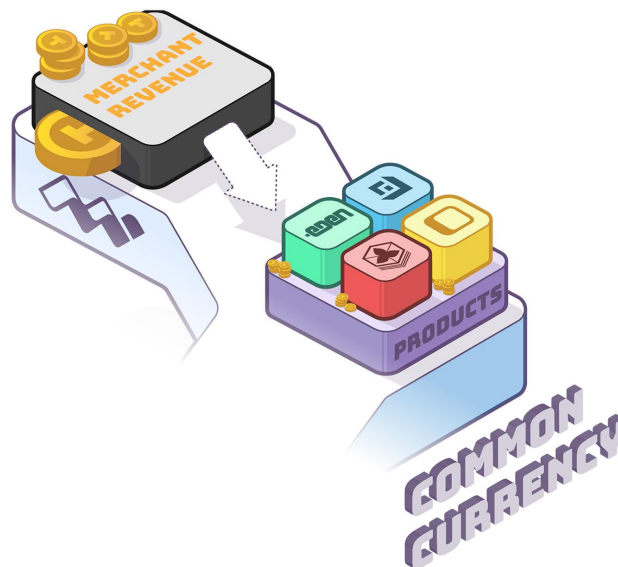
Consumer Incentives

For a limited time, Multichain Ventures will facilitate a “Tokes back” incentive program for users spending Tokes at the point of sale or for online purchases. For example: users buying Tokes will receive a percentage of their purchase (e.g., 5-10%) when the purchase is transacted through a merchant utilizing the Merchant Gateway software, either at the point-of-sale or online. Specific details and incentive structures of this program will be outlined at the start of the program (estimated Q1 2020).

Employee Incentives

Employees of participating merchants will further be incentivized to entice customers to transact with Tokes, by receiving their own bonuses in Tokes. To this end, the Merchant Gateway software enables sales personnel tracking natively. Interested merchants should contact support@multichain.ventures to enroll in this program.



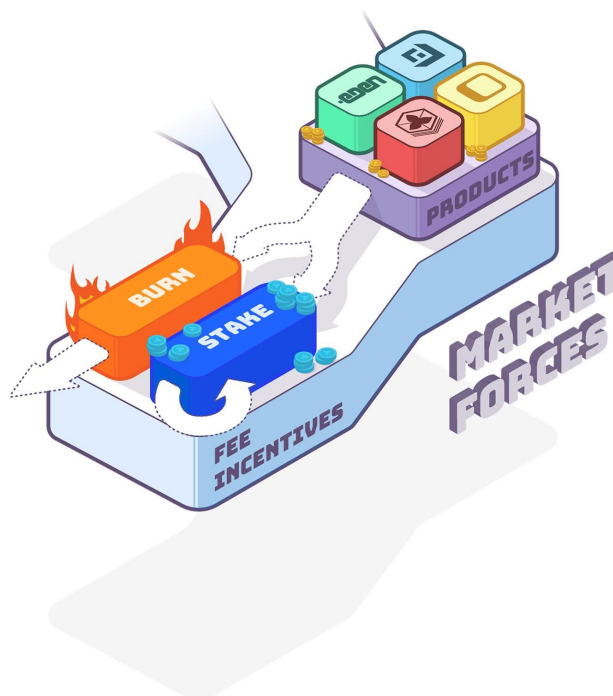


Despite these incentive programs, we understand the native challenges to cryptocurrency adoption, particularly for transactional use. As such, a number of other factors and use cases are deployed within our ecosystem in order maintain healthy token economics.

Product Subscription Discounts

Currently the Multichain Ventures product ecosystem consists of three core product and service offerings: merchant payment processing (Tokes Platform & Cubed), supply chain visibility (Tokes Platform & EDEN), and Development Operations or Platform as a Service (Reli). All of these products are subscription based (Freemium version of the Merchant Gateway withstanding) and/or require a small fee for data entries. Discounts are granted to users of all Multichain Ventures services when paying in our native digital currency unit Tokes (TKS). The basic discount tier starts at 2.5% for any month-to-month service or product subscription paid in Tokes, with deeper discounts applied for service contracts paid for durations longer than a month.

Payment Interval	Discount when paid in Tokes
1 month	2.5%
3 months	5.0%
6 months	7.5%
1 year	10%



Merchant Staking

Users of the Merchant Gateway will have the option to stake a number of Tokes for a reduction in subscription fees paid to Multichain Ventures and a reduction in transaction fees paid for payment settlement or trade processing.

Merchants will load their personal wallet with a fixed number of Tokes upon creation of their merchant account. After holding this balance for a total of three months, the daily “staked” average is calculated, granting a reduction in subscription fees - contingent on the Tokes balance remaining in that wallet during the duration of the service. Rolling balance averages will be calculated on a continual basis after staking begins. Additionally, merchants staking for a discount will receive periodic Tokes bonuses, discussed further in the “user staking” section below.

Staked Amount	Reduction in Subscription Fees
24,000 TKS	5% (24 month ROI)
33,000 TKS	7.5% (22 month ROI)
40,000 TKS	10% (20 month ROI)
45,000 TKS	12.5% (18 month ROI)

Compounding Fee Reduction

Discounts are compounded on a multiplicative basis, specifically, once the initial discount is applied, any additional discounts are applied from the new discounted price. In the case of a merchant paying in Tokes to receive a discount - and staking a balance of Tokes for an additional discount, the new price is calculated via the following equation:

Total Discounted Price = $X * (\text{payment discount total percentage}) * (\text{staking discount total percentage})$

Where, X is the starting cost.

For example, if a base contract for the Merchant Gateway would cost \$3,000 for the year and the customer paid three months up front using Tokes, receiving a 5% discount, while previously staking 40,000 Tokes to receive an additional 10% discount, the new cost would look as follows:

$$\$3,000 * 0.95 * 0.90 = \$2,565$$

User Staking

10% of the total supply of Tokes (100,000,000 TKS) will be granted to users for staking a balance over the course of two years (or at a rate of 50% per year). Following an initial three month inauguration period, staking will occur at monthly intervals and requires the user to hold a minimum of 1 Toke in a wallet they hold the private key for - exchange wallets will not be granted staking bonuses. Each monthly staking period bonus will be computed based on a rolling three month average wallet balance, with daily snapshots. For example, the distribution at the end of month four will consist of a daily balance snapshot of months two, three, and four. Staking balances will need to remain in their wallet for a minimum of one day to receive the staking bonus.

Staking bonuses will be granted based on the wallet holders' total percentage of the *circulating* supply.

For example: Jane is holding 10% of the total circulating supply, and has had the balance in excess of three months. During the month's staking distribution, she will receive 10% of that allocation - which, given the distribution schedule distributing 4,166,666.67 TKS per month for two years, grants Jane 416,666.667 TKS as a bonus that month.

Burning

Particular functions within our software have fees associated with transactions or data entries. Specifically, transactions processed through the Merchant Gateway have percentage based costs (e.g., transaction fees & trade processing fees), and data logged to the EDEN Blockchain requires a small fee paid in a fixed US Dollar equivalent (tentatively launching at \$0.03) in Tokes for every event logged to the system.

Users will have the option to either burn a fractional amount of token, or spend a slightly higher fee directly to Multichain Ventures. This will be accomplished via a setting in the settings panel of the Merchant Gateway and EDEN interface. For example, rather than spending 2.0% as a transaction fee for a payment processed through the Gateway, the merchant can instead choose to pay a 1.0% total fee, buying and burning 0.5% of the transaction cost in Tokes, resulting in a fifty-percent reduction in cost per transaction.

Over time this will reduce the total supply of Tokes units in circulation with a maximum of 500,000,000 (50% of supply) units, or \$75,000,000 USD in foregone revenue (whichever occurs first), to be burned over the life of the token. Burn addresses will be shared publicly for full transparency and auditable via the [Block Explorer](#).

	Option 1 Base Fee Model (MV, Inc.)	Option 2 Burn Discount Model
Merchant Gateway Transaction (% of transaction value)	2.0% total fee	1.0% total fee
Multichain Ventures Share	100%	50%
Network Burn Share	0%	50%
Trade Processing (% of converted value)	2.0% fee	1.0% fee
Multichain Ventures Share	100%	50%
Network Burn Share	0%	50%
EDEN entry (per data point recorded)	\$0.03 per entry (paid in TKS)	\$0.02 per entry (paid in TKS)
Multichain Ventures Share	100%	50%
Network Burn Share	0%	50%

Token Specifications

Token Specifications

- A total of 1,000,000,000 Tokes (TKS) exist, never to increase – locked as non-reissuable on the Waves Blockchain.
- Tokes runs on the Waves Blockchain ([Wavesplatform.com](https://wavesplatform.com)) – a decentralized blockchain with hundreds of nodes distributed globally
- Transaction speeds run under one minute (generally receiving a confirmation in less than 10 seconds) making Waves a fast blockchain for transactional purposes (compare to Bitcoin: 10 minute block times).
- Tokes Asset ID: *TBD*

Circulating Supply & Vesting Schedule

At the close of the IEO, tokens in all allocation categories (see Token Distribution below) with the exception of strategic partnerships will be locked via smart contract, and released to the team on a periodic vesting schedule lasting twenty-four months. Initial vesting will begin on the anniversary of the sixth month after the close of the IEO, with the first distribution occurring at the start of month seven. Balances will be unlocked equally for the duration of the schedule.

Token Distribution

Allocation Category	Percent
Exchange Offer	10%
Existing Token Holders (w/ bonus)	9%
User Staking (2 year distribution)	10%
Founders & Team	21%
Development	20%
Operations	10%
Marketing	10%
Strategic Partnerships	10%

Disclosures

MV Global Token Generation Event Risk Factors

You should carefully consider and evaluate each of the following risk factors and all other information contained in the Terms before deciding to participate in the MV Global Token Generation Event (the “Tokes sale”). To the best of MV Global (Cayman Islands) (the “Company”) knowledge and belief, all risk factors which are material to you in making an informed judgment to participate in the Tokes sale event have been set out below. If any of the following considerations, uncertainties or material risks develops into actual events, the business, financial position and/or results of operations of the Company and the maintenance and level of usage of the MV Global products and the Tokes could be materially and adversely affected.

1. RISKS RELATING TO PARTICIPATION IN THE TOKEN GENERATION EVENT

There is a limited prior market for Tokes and the Sale may not result in an active or liquid market for the Tokes

Prior to the Tokes sale, there has been a limited market for Tokes. Although the Company will use reasonable endeavors to seek the approval for availability of Tokes for trading on additional cryptocurrency exchanges, there is no assurance that such approval will be obtained or maintained. Furthermore, even if such approval is granted by a cryptocurrency exchange, there is no assurance that an active or liquid trading market for Tokes will develop, or if developed, will be sustained after Tokes have been made available for trading on such cryptocurrency exchange(s). There is also no assurance that the market price of Tokes will not decline below the original purchase price (the “Purchase Price”). The Purchase Price may not be indicative of the market price of Tokes after they have been made available for trading on a cryptocurrency exchange. Tokes are not being offered or sold as an investment. Any expectation that the value of Tokes will increase is purely speculative.

Tokes are not a currency issued by any central bank or national, supra-national or quasi-national organization, nor is it backed by any hard assets or other credit. The Company is not responsible for, nor does it pursue, the circulation and trading of Tokes on the market. Trading of Tokes will merely depend on the consensus on its value between the relevant market participants. No one is obliged to purchase any Tokes from any holder of Tokes, including the purchasers, nor does anyone guarantee the liquidity or market price of Tokes to any extent at any time.

Furthermore, Tokes may not be resold to purchasers who are citizens or permanent residents of USA, China, Singapore, or any other jurisdiction where the purchase of Tokes may be in violation of applicable laws (including but not limited to laws regulating controlled substances, such as cannabis). Accordingly, the Company cannot ensure that there will be any demand or market for Tokes, or that the Purchase Price is indicative of the market price of Tokes after they have been made available for trading on a cryptocurrency exchange. Tokes are intended for transactional purposes (i.e., the purchase of cannabis products at a participating legal cannabis dispensary) on supported software services including but not limited to the Tokes Merchant Gateway and ERP system.

Future sales or issuance of the Tokes could materially and adversely affect the market price of Tokes.
Any future sale or issuance of the Tokes would increase the supply of Tokes in the market and this may result in a downward price pressure on the Tokes. The sale or distribution of a significant number of Tokes outside of the Token generation event (including but not limited to the sales of Tokes undertaken after the completion of the crowd sale, issuance of Tokes to persons other than purchasers for purposes outlined in the White Paper and issuance of Tokes as a reward to users of Multichain Ventures, Inc.), or the perception that such further sales or issuance may occur, could adversely affect the trading price of the Tokes.

Negative publicity may materially and adversely affect the price of the Tokes

Negative publicity involving the Company, or the Company's venture with strategic partners, Tokes, or any of the key personnel of the Company, regulation of cannabis in the US or worldwide, and/or regulation of cryptocurrencies in the US or worldwide, may materially and adversely affect the market perception or market price of the Tokes, whether or not it is justified.

We may not be able to pay any anticipated rewards in the future

There is no assurance that there will be sufficient engagement in Multichain Ventures such that you will receive any rewards anticipated to be distributed to active users of Multichain Ventures. Further, even in the event there is substantial engagement and interactions among the users, there is no assurance you personally will receive any part of the rewards. This is because the ability of the Company to pay any reward to you will depend on the future results of operations and the future business and financial condition of the Company, and there is no assurance of the future results of operations and the future business and financial condition of the Company.

There is no assurance of any success of Multichain Ventures or any Future Business Line

The value of, and demand for, Tokes hinges heavily on the performance of Multichain Ventures and the continuous active engagement of its users and success of its contemplated business lines. There is no assurance that Multichain Ventures will gain sufficient traction after its launch and achieve any commercial success. Furthermore, there is no assurance that any of the business lines contemplated by the Company will be launched and generate sufficient customer traction.

The funds raised in the Token Generation Event are exposed to risks of theft

The Company will make every effort to ensure that the funds received from the Tokes sale will be securely held in an escrow wallet, which is a multi-signature address with access thereto by private keys held by reputable and trusted parties. Further, upon receipt of the funds from the Company, will make every effort to ensure that the funds received by it from the Company will be securely held through the implementation of security measures. Notwithstanding such security measures, there is no assurance that there will be no theft of the cryptocurrencies as a result of hacks, sophisticated cyber-attacks, distributed denials of service or errors, vulnerabilities or defects on the Company website, in the smart contract(s) on which the escrow wallet and the Tokes sale relies, on the WAVES or any other blockchain, or otherwise.

Such events may include, for example, flaws in programming or source code leading to exploitation or abuse thereof. In such event, even if the Tokes sale is completed, the Company may not be able to receive the cryptocurrencies raised. In such case, Multichain Ventures and the structuring and licensing of any future business lines might be temporarily or permanently curtailed. As such, distributed Tokes may hold little worth or value.

2. RISKS RELATING TO THE ESCROW WALLET

The private keys to the escrow wallet may be compromised and the cryptocurrencies may not be able to be disbursed. The escrow wallet is designed to be secure. Each of the holders of the three (3) private keys to the escrow wallet will use all reasonable efforts to safeguard their respective keys, but in the unlikely event that any two (2) of the three (3) keys to the escrow wallet are, for any reason whatsoever, lost, destroyed or otherwise compromised, the funds held by the escrow wallet may not be able to be retrieved and disbursed, and may be permanently unrecoverable. In such event, even if the Tokes sale is successful, the Company will not be able to receive the funds raised.

JURISDICTION DISCLOSURES

TO TOKEN PURCHASERS GENERALLY

IT IS THE RESPONSIBILITY OF ANY PERSONS WISHING TO ACQUIRE THE TKS TOKEN FROM THE EXCHANGE TO INFORM THEMSELVES OF AND TO OBSERVE ALL APPLICABLE LAWS AND REGULATIONS OF ANY RELEVANT JURISDICTIONS. PROSPECTIVE TOKEN ACQUIRERS SHOULD INFORM THEMSELVES AS TO THE LEGAL REQUIREMENTS AND CONSEQUENCES WITHIN THE COUNTRIES OF THEIR CITIZENSHIP, RESIDENCE, DOMICILE AND PLACE OF BUSINESS WITH RESPECT TO THE ACQUISITION, HOLDING, TRANSFER, OR DISPOSAL OF THESE TOKENS, AND ANY EXCHANGE RESTRICTIONS THAT MAY BE RELEVANT THERETO.

THIS OPINION DOES NOT CONSTITUTE AN OFFER OF TKS TOKENS AND THE EXCHANGE IS THE ONLY DESIGNATED PARTY WITH THE AUTHORITY TO OFFER THE TOKENS ONLY IN THOSE JURISDICTIONS AND TO THOSE PERSONS WHERE AND TO WHOM THEY LAWFULLY MAY BE OFFERED. NOTHING IN THIS OPINION IS INTENDED TO CREATE A CONTRACT FOR TKS TOKENS, AND THE EXCHANGE ACKNOWLEDGES THAT THE COMPANY WILL RELY ON THE EXCHANGE'S COMPLIANCE SERVICES WITH RESPECT TO COMPLIANCE WITH THE LAWS OF EACH JURISDICTION IN WHICH THE EXCHANGE IS THE TKS TOKENS.

NOTICE TO EEA TOKEN ACQUIRERS

THIS OPINION DOES NOT CONSTITUTE A PROSPECTUS FOR THE PURPOSES OF THE EUROPEAN UNION'S DIRECTIVE 2003/71/EC (AS AMENDED, INCLUDING BY DIRECTIVE 2010/73/EU) (THE "PROSPECTUS DIRECTIVE") AND AS IMPLEMENTED IN MEMBER STATES OF THE EUROPEAN ECONOMIC AREA (THE "EEA"). THIS OPINION HAS BEEN PREPARED ON THE BASIS THAT ANY OFFER OF THE TKS TOKENS IN ANY MEMBER STATE OF THE EEA WHICH HAS IMPLEMENTED THE PROSPECTUS DIRECTIVE (EACH, A "RELEVANT MEMBER STATE") WILL BE MADE PURSUANT TO AN EXEMPTION UNDER THE PROSPECTUS DIRECTIVE FROM THE REQUIREMENT TO PUBLISH A PROSPECTUS FOR THE TKS TOKENS OR OTHERWISE WILL NOT BE SUBJECT TO SUCH REQUIREMENTS. NEITHER THE EXCHANGE NOR THE COMPANY HAVE AUTHORIZED, NOR DO THEY AUTHORIZE, THE MAKING OF ANY OFFER OF TKS TOKENS IN CIRCUMSTANCES IN WHICH AN OBLIGATION ARISES FOR THE EXCHANGE OR THE COMPANY TO PUBLISH OR SUPPLEMENT A PROSPECTUS FOR SUCH OFFER. IN RELATION TO EACH RELEVANT MEMBER STATE, NO OFFER OF TKS TOKENS HAS BEEN, OR WILL BE MADE TO THE PUBLIC IN THAT MEMBER STATE.

NOTICE TO RESIDENTS OF BERMUDA

THE TKS TOKENS OFFERED BY THE EXCHANGE ARE NOT REGISTERED AS SECURITIES AND SHALL NOT BE CONSIDERED AS SUCH. THIS OPINION IS NOT SUBJECT TO AND HAS NOT RECEIVED APPROVAL FROM EITHER THE BERMUDA MONETARY AUTHORITY OR THE REGISTRAR OF COMPANIES IN BERMUDA AND NO STATEMENT TO THE CONTRARY, EXPLICIT OR IMPLICIT, IS AUTHORIZED TO BE MADE IN THIS REGARD.

NOTICE TO TOKEN ACQUIRERS IN CANADA

THIS OPINION REGARDING TKS TOKENS IS ONLY FOR JURISDICTIONS AND TO THOSE PERSONS WHERE AND TO WHOM THEY MAY LAWFULLY BE OFFERED TO ACQUIRE, AND THEREIN ONLY BY PERSONS WHO SATISFY THE EXCHANGE'S AML AND TFP REQUIREMENTS. THIS OPINION IS NOT, AND UNDER NO CIRCUMSTANCES IS TO BE CONSTRUED AS, A PROSPECTUS, AN ADVERTISEMENT OR A PUBLIC OR PRIVATE OFFERING OF SECURITIES IN CANADA. NO TOKEN COMMISSION OR SIMILAR AUTHORITY IN CANADA HAS REVIEWED OR IN ANY WAY PASSED UPON THIS OPINION OR THE MERITS OF THE TKS TOKENS, AND ANY REPRESENTATION TO THE CONTRARY IS AN OFFENCE.

THIS OPINION IS FOR THE CONFIDENTIAL USE OF ONLY THOSE PERSONS TO WHOM IT IS TRANSMITTED IN CONNECTION WITH THIS . BY THEIR ACCEPTANCE OF THIS OPINION, RECIPIENTS AGREE THAT THEY WILL NOT TRANSMIT, REPRODUCE OR MAKE AVAILABLE TO ANYONE, OTHER THAN EXCHANGE APPROVED ACQUIRERS, THE TKS TOKENS. THE DISTRIBUTION OF TKS TOKENS IS BEING MADE PRIMARILY OUTSIDE CANADA AND ANY PROVINCE OR TERRITORY

OF CANADA (EACH, A "CANADIAN JURISDICTION" AND COLLECTIVELY, THE "CANADIAN JURISDICTIONS"), PURSUANT TO SECTION 2.3 (THE "ACCREDITED INVESTOR EXEMPTION") OF CANADIAN NATIONAL INSTRUMENT 45-106 PROSPECTUS EXEMPTIONS ("NI 45-106"). ACCORDINGLY, THE DISTRIBUTION IS EXEMPT FROM THE REQUIREMENTS IN THE CANADIAN JURISDICTIONS THAT THE EXCHANGE AND/OR COMPANY PREPARE AND FILE A PROSPECTUS WITH THE RELEVANT REGULATORY AUTHORITIES.

NO PERSON HAS BEEN AUTHORIZED TO GIVE ANY INFORMATION OR TO MAKE ANY REPRESENTATIONS CONCERNING THE TKE TOKENS EXCEPT FOR THE EXCHANGE.

NOTICE TO RESIDENTS IN THE CAYMAN ISLANDS

THIS IS NOT AN OFFER OR INVITATION TO THE PUBLIC OR AN OFFER OF SECURITIES IN THE CAYMAN ISLANDS. THE COMPANY IS NOT A REGISTERED MONEY BUSINESS IN THE CAYMAN ISLANDS AND THE TKE TOKENS DO NOT CONSTITUTE SECURITIES UNDER ANY CAYMAN LAW BECAUSE THE TKE TOKENS DO NOT PROVIDE ANY INTEREST, ASSET, SHARES, STOCKS OF ANY KIND.

NOTICE TO FRENCH TOKEN ACQUIRERS

IN FRANCE, THIS OPINION HAS NOT BEEN, AND WILL NOT BE SUBMITTED TO THE CLEARANCE PROCEDURES OF, OR APPROVED BY, THE AMF, AND, ACCORDINGLY, MAY NOT BE RELEASED, ISSUED, OR DISTRIBUTED, OR CAUSED TO BE RELEASED, ISSUED, OR DISTRIBUTED, DIRECTLY OR INDIRECTLY, TO THE PUBLIC IN FRANCE OR USED IN CONNECTION WITH THE OFFER OF THE TKS TOKENS TO THE PUBLIC IN FRANCE WITHIN THE MEANING OF ARTICLE L. 411-1 OF THE FRENCH CODE MONÉTAIRE ET FINANCIER. QUALIFIED INVESTORS (INVESTISSEURS QUALIFIÉS) AND/OR A RESTRICTED CIRCLE OF TOKEN ACQUIRERS (CERCLE RESTREINT D'INVESTISSEURS) WITHIN THE MEANING OF ARTICLE L. 411-2, II OF THE FRENCH CODE MONÉTAIRE ET FINANCIER MAY NOT TAKE PART IN THE OFFER OF THE TKS TOKENS FOR THEIR OWN ACCOUNT.

NOTICE TO GERMAN TOKEN ACQUIRERS

THIS OPINION IS NEITHER A TOKENS PROSPECTUS (WERTPAPIERPROSPEKT) WITHIN THE MEANING OF THE GERMAN PROSPECTUS ACT (WERTPAPIERPROSPEKTGESETZ) NOR AN INVESTMENT PRODUCT PROSPECTUS (VERKAUFSPROSPEKT) WITHIN THE MEANING OF THE GERMAN INVESTMENT PRODUCT ACT (VERMÖGENSANLAGENGESETZ), NOR A SECURITIES OFFERING, AND NO PROSPECTUS (WERTPAPIERPROSPEKT) OR INVESTMENT PRODUCT PROSPECTUS (VERKAUFSPROSPEKT) HAS BEEN OR WILL BE FILED WITH THE GERMAN FEDERAL FINANCIAL SUPERVISORY AUTHORITY (BAFIN) OR OTHERWISE PUBLISHED IN THE FEDERAL REPUBLIC OF GERMANY. NO PUBLIC OFFER OR DISTRIBUTION OF COPIES OF ANY DOCUMENT RELATING TO THE TKS TOKENS INCLUDING THIS OPINION, WILL BE MADE IN THE FEDERAL REPUBLIC OF GERMANY.

NOTICE TO RESIDENTS OF HONG KONG

THE CONTENTS OF THIS OPINION HAVE NOT BEEN REVIEWED OR APPROVED BY ANY REGULATORY AUTHORITY IN HONG KONG. THIS IS NOT INTENDED TO BE AN OFFER TO THE PUBLIC IN HONG KONG, NOR A SECURITIES OFFER OF ANY KIND IN HONG KONG, FURTHER, NO PERSON MAY ISSUE OR HAVE IN ITS POSSESSION FOR THE PURPOSES OF ISSUE, WHETHER IN HONG KONG OR ELSEWHERE, ANY ADVERTISEMENT, INVITATION OR DOCUMENT RELATING TO TKS TOKENS, WHICH IS DIRECTED AT, OR THE CONTENTS OF WHICH ARE LIKELY TO BE ACCESSED OR READ BY, REGULATORY OFFICIALS IN HONG KONG (EXCEPT IF PERMITTED TO DO SO UNDER THE LAWS OF HONG KONG).

NOTICE TO RESIDENTS OF INDIA

THE CONTENTS OF THIS OPINION DO NOT CONSTITUTE AN OFFER TO SELL SECURITIES OR AN OFFER TO BUY TKS TOKENS FROM ANY PERSON OTHER THAN THE PERSON TO WHOM HAS PROPER ACCESS TO THE EXCHANGE. THIS DOCUMENT IS NOT AND SHOULD NOT BE CONSTRUED AS A PROSPECTUS. THE TKS TOKENS ARE NOT BEING OFFERED AS SECURITIES FOR SALE OR SUBSCRIPTION. ANY RESIDENT IN INDIA MUST COMPLY WITH ALL RELEVANT INDIAN LAWS IN THIS RESPECT TO THE TKS TOKENS AND MUST REFRAIN FROM ACQUIRING THE TKE TOKENS IF DOING SO WOULD VIOLATE ANY INDIAN LAW.

NOTICE TO RESIDENTS OF ISRAEL

THIS OPINION HAS NOT BEEN APPROVED BY ANY ISRAEL AUTHORITY AND WILL NOT CONSTITUTE "AN OFFER TO THE PUBLIC" UNDER SECTIONS 15 AND 15A OF THE ISRAEL LAW, 5728-1968 (THE "ISRAEL LAW") OR SECTION 25 OF THE JOINT INVESTMENT TRUSTS LAW, 5754-1994 (THE "JOINT INVESTMENT TRUSTS LAW"), AS APPLICABLE. THE TKS TOKENS ARE NOT BEING OFFERED AS SECURITIES. ANY TKE ACQUIRER PURCHASING SUCH TKS TOKEN FOR ITS OWN BENEFIT AND ACCOUNT AND NOT WITH THE AIM OR INTENTION OF MONETARY GAIN OR SUBSEQUENT DISTRIBUTING THAT WOULD VIOLATE ANY OTHER LAW SHOULD NOT ACQUIRE ANY TOKENS IF THEY ARE NOT QUALIFIED TO DO SO PURSUANT TO THE EXCHANGE'S REQUIREMENTS.

NOTICE TO RESIDENTS OF JAPAN

TKS TOKENS ARE NOT ACCESSIBLE BY JAPANESE RESIDENTS PURSUANT TO THE EXCHANGE LAW OF JAPAN (LAW NO.25 OF 1948 AS AMENDED). AS A RESULT, NO JAPANESE RESIDENT WILL BE ABLE TO PURCHASE TKS TOKENS.

NOTICE TO RESIDENTS OF KUWAIT

THIS OPINION AND ANY OTHER MATERIALS AND THE TKS TOKENS HAVE NOT BEEN APPROVED OR LICENSED BY THE MINISTRY OF COMMERCE AND INDUSTRY OF THE STATE OF KUWAIT OR ANY OTHER RELEVANT KUWAITI GOVERNMENTAL AGENCY. NOTHING HEREIN CONSTITUTES A SALE OF SECURITIES, NOR SHALL BE DEEMED TO CONSTITUTE AN OFFER TO SELL TKS TOKENS IN KUWAIT NOR IS INTENDED TO LEAD TO THE CONCLUSION OF ANY CONTRACT OF WHATSOEVER NATURE WITHIN KUWAIT. THE SALE TO ANY RESIDENTS OF KUWAIT MUST BE IN ACCORDANCE WITH DECREE LAW NO. 31 OF 1990, AS AMENDED, ENTITLED "REGULATING SALES" AND MINISTERIAL ORDER NO. 113 OF 1992, AS AMENDED AND ANY IMPLEMENTING REGULATIONS AND OTHER APPLICABLE LAWS AND REGULATIONS IN KUWAIT.

NOTICE TO RESIDENTS OF NEW ZEALAND

DISTRIBUTORS WILL ONLY SEEK TO PLACE INTERESTS WITH PERSONS WHO AGREE TO REPRESENT FOR THE BENEFIT OF THE DISTRIBUTOR AND THE ISSUER THAT THEY ARE TOKEN ACQUIRERS: (I) WHOSE PRINCIPAL PURPOSE IS THE INVESTMENT OF MONEY OR WHO IN THE COURSE OF AND FOR THE PURPOSE OF THEIR BUSINESS HABITUALLY INVEST MONEY; OR (II) WHO WILL BE REQUIRED TO PAY A MINIMUM OF NZ\$500,000 FOR THE TKS TOKENS, SUCH THAT A REGISTERED PROSPECTUS IS NOT REQUIRED FOR THE OFFER OF THE TKS TOKENS UNDER THE NEW ZEALAND TOKENS ACT 1978.

NOTICE TO RESIDENTS OF NORWAY

THE COMPANY AND EXCHANGE FALLS OUTSIDE THE SCOPE OF THE INVESTMENT FUND ACT OF 1981 AND, THEREFORE, IS NOT SUBJECT TO SUPERVISION FROM THE FINANCIAL SUPERVISORY AUTHORITY OF NORWAY. THE TKS TOKENS ARE NOT SUBJECT TO THE TRADING ACT OF 2007. THE CONTENTS OF THIS OPINION HAVE NOT BEEN APPROVED OR REGISTERED WITH THE OSLO STOCK EXCHANGE OR THE NORWEGIAN COMPANY REGISTRY. EACH ACQUIRER SHOULD CAREFULLY CONSIDER INDIVIDUAL TAX QUESTIONS BEFORE PARTICIPATING.

NOTICE TO RESIDENTS OF OMAN

THIS OPINION DOES NOT CONSTITUTE A PUBLIC OFFERING OF SECURITIES IN THE SULTANATE OF OMAN, AS CONTEMPLATED BY THE COMMERCIAL COMPANIES LAW OF OMAN (ROYAL DECREE NO. 4/74) OR THE CAPITAL MARKET LAW OF OMAN (ROYAL DECREE NO. 80/98) AND MINISTERIAL DECISION NO.1/2009 OR AN OFFER TO SELL OR THE SOLICITATION OF ANY OFFER TO BUY NON- OMANI SECURITIES IN THE SULTANATE OF OMAN.

FOR RESIDENTS OF THE PEOPLE'S REPUBLIC OF CHINA (WHICH, FOR THE PURPOSES OF THIS OPINION, DOES NOT INCLUDE HONG KONG, MACAU, AND TAIWAN) ONLY:

TKS TOKENS ARE NOT BEING OFFERED OR SOLD AS SECURITIES TO THE PUBLIC IN CHINA AND NEITHER THIS OPINION, WHICH HAS NOT BEEN SUBMITTED TO THE CHINESE REGULATORY COMMISSION, NOR ANY MATERIAL OR INFORMATION CONTAINED HEREIN RELATING TO TKS TOKENS, MAY BE SUPPLIED TO THE PUBLIC IN CHINA OR USED IN CONNECTION WITH ANY TKS SALE.

NOTICE TO RESIDENTS OF QATAR

TKS TOKENS ARE NOT BEING OFFERED OR SOLD AS SECURITIES IN QATAR AND HAVE NOT BEEN APPROVED OR LICENSED BY THE QATARI CENTRAL BANK OR ANY OTHER RELEVANT LICENSING AUTHORITIES IN THE STATE OF QATAR, AND DOES NOT CONSTITUTE A PUBLIC OFFER OF SECURITIES IN THE STATE OF QATAR UNDER QATARI LAW.

NOTICE TO THE RESIDENTS OF THE RUSSIAN FEDERATION

TKS TOKENS ARE NOT BEING OFFERED OR SOLD AS SECURITIES IN RUSSIA AND HAVE NOT BEEN APPROVED OR LICENSED BY ANY RELEVANT LICENSING AUTHORITIES IN RUSSIA, AND DOES NOT CONSTITUTE A PUBLIC OFFER OF SECURITIES IN RUSSIA. THIS OPINION NOT AN OFFER, OR AN INVITATION TO MAKE OFFERS, TO SELL, PURCHASE, EXCHANGE OR OTHERWISE TRANSFER TOKENS OR FOREIGN FINANCIAL INSTRUMENTS IN THE RUSSIAN FEDERATION TO OR FOR THE BENEFIT OF ANY RUSSIAN PERSON OR ENTITY, UNLESS AND TO THE EXTENT OTHERWISE PERMITTED UNDER RUSSIAN LAWS. TKS TOKENS NOR ANY INFORMATION RELATING TO THE SALE OF TKS TOKENS HAVE BEEN OR WILL BE REGISTERED WITH THE CENTRAL BANK OF THE RUSSIAN FEDERATION.

NOTICE TO RESIDENTS OF SAUDI ARABIA

THIS OPINION MAY NOT BE DISTRIBUTED IN THE KINGDOM EXCEPT TO SUCH PERSONS AS ARE PERMITTED UNDER REGULATIONS ISSUED BY THE CAPITAL MARKET AUTHORITY OF SAUDI ARABIA. THE CAPITAL MARKET AUTHORITY DOES NOT MAKE ANY REPRESENTATION AS TO THE ACCURACY OR COMPLETENESS OF THIS OPINION. TKS TOKEN ACQUIRERS HEREBY SHOULD CONDUCT THEIR OWN DUE DILIGENCE ON THE ACCURACY OF THE INFORMATION RELATING TO THE TOKENS.

NOTICE TO PROSPECTIVE TOKEN ACQUIRERS IN SINGAPORE

TKS TOKENS ARE NOT BEING OFFERED OR SOLD AS SECURITIES IN SINGAPORE. THIS OPINION AND ANY OTHER DOCUMENT OR MATERIAL IN CONNECTION WITH TKS TOKENS MAY NOT BE CIRCULATED OR DISTRIBUTED IF DOING SO WOULD VIOLATE THE SINGAPORE SECURITIES AND FUTURES ACT, THE FINANCIAL ADVISERS ACT, NOR ANY OTHER LAW PASSED BY THE MONETARY AUTHORITY OF SINGAPORE.

NOTICE TO RESIDENTS OF SOUTH AFRICA

TKS TOKENS ARE NOT BEING OFFERED OR SOLD AS SECURITIES IN SOUTH AFRICA. THE TKS TOKENS OFFERED HEREIN ARE FOR ONLY THOSE WHO QUALIFY UNDER THE EXCHANGE'S COMPLIANCE TERMS AND MAY NOT BE PUBLICLY OFFERED, SOLD OR ADVERTISED IN SOUTH AFRICA IF DOING SO WOULD VIOLATE ANY SOUTH AFRICAN LAW.

NOTICE TO RESIDENTS OF SOUTH KOREA

TKS TOKENS ARE NOT BEING OFFERED OR SOLD AS SECURITIES IN SOUTH KOREA. THIS OPINION IS NOT, AND UNDER NO CIRCUMSTANCES IS TO BE CONSTRUED AS, AN OFFERING IN SOUTH KOREA. NEITHER THE EXCHANGE NOR ANY AFFILIATED PARTY MAY MAKE OFFER TKS TOKENS IF DOING SO WOULD VIOLATE THE INDIRECT INVESTMENT ASSET MANAGEMENT BUSINESS LAW, THE EXCHANGE ACT, THE FOREIGN EXCHANGE TRANSACTION ACT, OR ANY OTHER REGULATIONS THEREUNDER. THE TKS TOKENS HAVE NOT BEEN REGISTERED UNDER THE EXCHANGE ACT, TOKENS INVESTMENT TRUST BUSINESS ACT OR THE TOKENS INVESTMENT COMPANY ACT OF SOUTH KOREA.

NOTICE TO RESIDENTS OF SWITZERLAND

TKS TOKENS ARE NOT BEING OFFERED OR SOLD AS SECURITIES IN SWITZERLAND. NEITHER THIS OPINION NOR ANY OTHER OR MARKETING MATERIAL RELATING TO THE TKS TOKENS OR THE MAY BE PUBLICLY DISTRIBUTED OR OTHERWISE MADE PUBLICLY AVAILABLE IN SWITZERLAND. '

THIS OPINION DOES NOT CONSTITUTE AN ISSUANCE PROSPECTUS PURSUANT TO ARTICLE 652A OR 1156 OF THE SWISS CODE OF OBLIGATIONS OR ARTICLE 5 OF THE CISA AND MAY NOT COMPLY WITH THE INFORMATION STANDARDS REQUIRED THEREUNDER. THE TKS TOKENS WILL NOT BE LISTED ON THE SIX SWISS EXCHANGE OR ON ANY OTHER STOCK EXCHANGE, MULTILATERAL OR ORGANIZED TRADING FACILITY IN SWITZERLAND, AND CONSEQUENTLY, THE INFORMATION PRESENTED BY THE EXCHANGE OR THE COMPANY DOES NOT NECESSARILY COMPLY WITH THE INFORMATION AND DISCLOSURE STANDARDS SET OUT IN THE RELEVANT LISTING RULES.

NEITHER THIS OPINION NOR ANY OTHER MATERIAL RELATING TO TKS TOKENS HAVE BEEN OR WILL BE FILED WITH OR APPROVED BY ANY SWISS REGULATORY AUTHORITY. IN PARTICULAR, THIS OPINION WILL NOT BE FILED WITH, AND THE WILL NOT BE SUPERVISED BY, THE SWISS FINANCIAL MARKET SUPERVISORY AUTHORITY FINMA ("FINMA"), AND NEITHER THE EXCHANGE NOR THE COMPANY HAVE BEEN OR WILL BE AUTHORIZED UNDER THE CISA.

NOTICE TO RESIDENTS OF TAIWAN

TKS TOKENS ARE NOT BEING OFFERED OR SOLD AS SECURITIES IN TAIWAN. THE OFFER OF TKS TOKENS HAS NOT BEEN AND WILL NOT BE REGISTERED WITH THE FINANCIAL SUPERVISORY COMMISSION OF TAIWAN, THE REPUBLIC OF CHINA PURSUANT TO RELEVANT LAWS AND REGULATIONS OF TAIWAN, THE REPUBLIC OF CHINA AND MAY NOT BE OFFERED OR SOLD WITHIN TAIWAN, THE REPUBLIC OF CHINA THROUGH A PUBLIC OR IN CIRCUMSTANCES WHICH CONSTITUTE AN OFFER WITHIN THE MEANING OF THE EXCHANGE LAW OF TAIWAN.

NOTICE TO RESIDENTS OF THE UNITED ARAB EMIRATES

TKS TOKENS ARE NOT BEING OFFERED OR SOLD AS SECURITIES IN THE UNITED ARAB EMIRATES. THIS OPINION DOES NOT, AND IS NOT INTENDED TO, CONSTITUTE AN INVITATION OR AN OFFER OF TKS TOKENS IN THE UNITED ARAB EMIRATES (INCLUDING THE DUBAI INTERNATIONAL FINANCIAL CENTRE) AND ACCORDINGLY SHOULD NOT BE CONSTRUED AS SUCH.

UNITED KINGDOM TOKEN ACQUIRERS

TKS TOKENS ARE NOT BEING OFFERED OR SOLD AS SECURITIES IN THE UNITED KINGDOM. IN THE UNITED KINGDOM, THIS OPINION SHALL NOT BE PROVIDED OR DISTRIBUTED IF DOING SO WOULD VIOLATE ANY PROVISION OF THE FINANCIAL SERVICES AND MARKETS ACT OF 2000 (FINANCIAL PROMOTION) ORDER 2005, AS AMENDED, (THE "FINANCIAL PROMOTION ORDER").

NOTICE TO PROSPECTIVE TOKEN ACQUIRERS IN THE UNITED STATES

TKS TOKENS ARE NOT BEING OFFERED OR SOLD AS SECURITIES IN THE UNITED STATES. NO INDIVIDUAL OR RESIDENT DOMICILED OR POSSESSING CITIZENSHIP TO THE UNITED STATES CAN ACQUIRE THE TKS TOKENS.