



EXSCUDO

NEXTGEN
FINANCIAL
ECOSYSTEM

Crowdsale Prospectus

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This document is not a solicitation for investment and does not pertain in any way to an offering of securities in any jurisdiction.

Prospectus of Exscudo Crowdsale

Exscudo OU (the “Exscudo OU”) is developing the Exscudo Financial Ecosystem (the “Exscudo”, “Exscudo Ecosystem”) which consists of proprietary and semi- open-source products (Exscudo Exchange, Charts, Channels App, Trading Terminals, Merchant, Cards etc.) and EON Blockchain (the “EON”, also known as the “EON Blockchain”, “EON Blockchain Platform”), a semi open-source software based on cryptographic protocol that will exist on the peer-to-peer network hosting the public transaction ledger (known as the “blockchain”), which source code comprises the basis for the cryptographic and algorithmic protocols for the generation, use and transactions of the EON’s native built-in cryptographic tokens called “EON”.

To fund legal compliance procedures, coding, development, promotion, marketing, creating clearing funds and ecosystem building, the Exscudo OU hereby initiates the crowdsale campaign (the “Campaign”) to raise funds in cryptocurrencies from the backers worldwide. In this connection, 62.8% of the initial EON supply of the Exscudo will be available for sale during the Campaign. Purchase of EON during the Campaign will be made on a purely voluntary basis.

Purchase, holding or use of any EON is not risk-free. See “Risk Factors” for details.

For more information about Exscudo or the Campaign, please visit “exscudo.com/ico” for the “EON Whitepaper” and “Exscudo Whitepaper” (collectively, the “Whitepapers”).

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I. OVERVIEW

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1. INTRODUCTION OF THE EXSCUDO

The Exscudo ecosystem consists of a number of products and solutions which include Trading Platform (Exchange, Charts, Trading terminals), Multicurrency Wallet and Protected Messenger App, Debit Cards, Merchant Tools.

The Exscudo Ecosystem has integrated and proper functioning of all services within a joint decentralised network.

To gain independency from third-party developers, Exscudo Ecosystem uses its own distributed network called EON. This technology allows Exscudo to handle transactions between all elements and users. EON is the fuel that empowers the whole system. It uses smart transactions algorithm.

The EON Blockchain platform is designed to serve as a decentralized consensus-based, Turing-complete platform for smart transactions and distributed application services functioning at the Exscudo Ecosystem. In that connection, smart transactions are computerized transaction protocols that can verify, enforce, or execute (partially or fully) the terms of an algorithm, improving security and lowering costs within traditional network communicational algorithms.

Exscudo Ecosystem users are motivated to buy EON, because the decentralized Exscudo apps use algorithms of the smart transactions, which need to hold and consume EON for executing certain actions on the Exscudo Ecosystem.

Among others, certain quantity of EON would have to be deposited to the EON node for confirmation network transactions or paid and consumed for activating and running various algorithms of smart transactions on the EON blockchain, or use it in applications of Exscudo Ecosystem as the agent for transfer of value.

It is planned that the total supply of EON within the Exscudo Ecosystem will be two hundred forty million (240,000,000) in total, which will be fully generated upon the initial launch of the EON Blockchain Platform and held and owned by the Exscudo OU in the first instance until somehow transferred thereby (inter alia, through the crowdsale during the Campaign).

Further technical details of the Exscudo Ecosystem and EON Blockchain Platform are set forth in the Whitepapers.

2. INTRODUCTION OF EON

EON are the native cryptographic tokens embedded in the proprietary and semi open-source decentralized platform of the Exscudo Financial Ecosystem, which are needed as value transfer

mechanism and virtual crypto-fuel for using certain designed functions thereof (such as executing transactions and running the distributed applications on the blockchain of the Exscudo). In some jurisdictions cryptographic tokens in various distributed ledgers like EON are legally categorized as virtual commodities since they feature practical usability in the relevant blockchains or distributed ledgers.

Computational resources are required for running various applications and executing the transactions on the Exscudo. Users of these applications and the transactors of these transactions will have to pay for the consumption of the computational resources in a convenient and automated manner. To make it real, EON, being the virtual fuel in the form of built-in tokens of the Exscudo, are specifically designed to quantify and pay the costs of the consumed computational resources. The EON tokens are an integral and indispensable part to the Exscudo Ecosystem because in the absence of such built-in tokens, using the computational resources would become costless and consequently render the Exscudo Ecosystem unsustainable.

Since EON is designed only for the particular uses with respect to the Exscudo, it is not necessarily merchantable and does not necessarily have any other use or value. The Exscudo OU views EON(s) as a kind of consumable virtual good(s) without any specific outlook or expectation on its merchantability or market price.

3. NON-FINANCIAL NATURE OF EON

Being merely the value transfer mechanism and virtual fuel for running the Exscudo Ecosystem, by nature EON is NOT and shall in NO case be understood, deemed, interpreted or construed as:

- (i) any kind of currency or money, whether fiat or not;
- (ii) equity interest, voting or non-voting securities (or its like) in, or claims against, the Exscudo OU or any other entity in any jurisdiction;
- (iii) equity or debt investment of any kind in any venture;
- (iv) any securities having intrinsic value or market price;
- (v) any form of financial derivatives;
- (vi) any commercial paper or negotiable instrument;
- (vii) any form of investment contract between the relevant holder and any other person;
- (viii) any commodity or asset that any person is obliged to redeem or purchase; or

(ix) any note, bond, warrant or other certificate that entitles the holder to interest, dividend or any kind of return from any person.

4. PROGRESS AND MILESTONES OF DEVELOPMENT

The prototypes and alpha version of the EON Blockchain Platform and some of products of Exscudo Ecosystem have been already completed. By the date hereof, internal tests and development of the Exscudo and EON are ongoing.

The major milestones of the Exscudo development as currently envisaged by the Exscudo OU are set forth below:

- ◆ Launch of the chatwallet app (decentralized secure messenger and multi-currency wallet) (Q1/Q2 2017)
- ◆ Open beta-testing of the exchange (Q2 2017)
- ◆ Launch of exchange services (listings server, web-services of multi-currency wallet) (Q2/Q3 2017)
- ◆ Launch of trading on the exchange (Q2/Q3 2017)
- ◆ Launch of the mobile phone trading terminal for Android (Q2/Q3 2017)
- ◆ Launch of the mobile phone trading terminal for iOS (Q2/Q3 2017)
- ◆ Launch of accounts with the integration of fiat currencies and launch of branded cards (Q2/Q3 2017)
- ◆ Launch of merchant-platform (Q1/Q2 2018)
- ◆ Launch of full-fledged trading terminals with expanded functions (Android, iOS, Desktop) (Q1/Q2 2018)

However, the above mentioned milestones are for information only and do not constitute any binding commitment for the Exscudo OU or anyone else to deliver EON by the respective due date.

5. SUPPLY AND PLANNED ALLOCATION OF EON

The total supply of EON will be in the number of two hundred forty million (240,000,000) in total (including without limitation those available for sale during the Campaign) and will be generated and available in one batch immediately after the generation of the genesis block of the EON Blockchain Platform. New issues of the EON are not possible. It is limited by consensus algorithm.

It is planned that the total supply of EON will be allocated as follows:

| Percentage & Quantity | Uses |
|---|---|
| 62,8% (i.e., one hundred fifty million seven hundred twenty thousand (150,720,000) EON) (the "EON for Crowdsale") | To be sold during the Campaign |
| 1% (i.e., two million four hundred thousand (2,400,000) EON) | Bounty reward during the Campaign |
| 1% (i.e., two million four hundred thousand (2,400,000) EON) | Advisers and Ambassadors reward |
| 0,2% (i.e., four hundred eighty thousand (480,000) EON) | Bug-bounty and testing reward for Community |
| 20% (i.e., forty eight million (48,000,000) EON) | Technical tokens fund uses: <ol style="list-style-type: none"> 1. For testing and implementing of colored coins and cross-blockchain integration; 2. For the stabilization of the network; 3. For the launch of new products and services within the EON blockchain. |
| 12% (i.e., twenty eight million eight hundred thousand (28,800,000) EON) | To be distributed to the founders and development team of the Exscudo as their rewards |
| 3% (i.e., seven million two hundred thousand (7,200,000) EON) | Supervisory board reward |

In the event that not all of the coins allocated for Crowdsale are sold during the Campaign, 50% of the remaining unsold EON will be distributed among the Crowdsale participants, in shares equal to possession of the tokens at the time of the Crowdsale's end.

The shares of the Exscudo team, the supervisory board, the share of technical tokens fund, the Bounty campaign reward, and the reward of advisors and testers will not participate in the distribution of the unsold portion of the EON.

50% of unsold EON will form a non-profit organisation Exscudo Foundation.

6. USE OF EON OF THE EXSCUDO FOUNDATION

The EON allocated to the non-profit organisation Exscudo Foundation, will be primarily used for:

(i) scientific research and development of the EON Blockchain Platform;

(ii) scientific research and development of the Exscudo security systems.

(iii) legal, compliance expenses that may be incurred from time to time to keep the Exscudo and EON running in a lawful and commercially sound manner;

(iv) academic researches, educational and training materials for developers and contributions and bounties to the open-source community of the Exscudo.

7. CONTROL OF THE EXSCUDO FOUNDATION

Management of the Exscudo Foundation will be carried out by the supervisory board formed from well-known representatives of the industry and head of management of Exscudo.

8. PUBLICITY

The progress, launch and other information of the Exscudo and his products will be announced on the official website of the Exscudo "exscudo.com" (the "Website"). Each Purchaser shall pay regular attention to the announcements, news, articles, newsletters or otherwise that may be posted on the Website from time to time. The Exscudo OU may, in its sole discretion, additionally notify certain Purchasers via e-mail or otherwise.

II. SALE AND PURCHASE

1. CAMPAIGN PARTICIPATION

(i) Participation in the Campaign is voluntary. No person will be deemed as committed or obliged to participate in the Campaign or purchase any EON for Crowdsale for visiting the Website, registering himself/herself with the Website, requesting or reading

II. SALE AND PURCHASE

any materials (such as this Prospectus or the Whitepapers) made available by the Exscudo OU or communicating with the Exscudo OU in any manner.

(ii) Each person shall only participate in the Campaign (a "Purchaser") through the personal web account, registered on the ("my.exscudo.com"). If a Purchaser is a citizen, tax resident or green card holder of the United States of America ("US Purchaser"), he/she shall not participate in the Campaign except through such ways as separately designated by the Exscudo OU for US Purchasers' participation.

(iii) Each Purchaser will, upon participating in the Campaign, be deemed as having perused and comprehended this Prospectus and the Exscudo Whitepaper and the EON Whitepaper in full (inter alia, the risk factors set forth in Chapter V below) and having voluntarily accepted all the warranties and disclaimers made and the risks disclosed hereunder.

(iv) Relevant EON for Crowdsale subscribed by any Purchaser will be sent by the Exscudo OU to the foregoing account at the private account on the site ("my.exscudo.com") after the start of EON blockchain network.

(v) The Exscudo OU shall be entitled to take any action to identify any Purchaser at any time, even after the close of the Payment Window (as defined in Section 7 below). If the Exscudo OU conducts "know your customer" exercises or any other kind of customer due diligence to verify the identities of all or part of the Purchasers, the Purchasers concerned shall timely provide all such information and meet all such requests as may be sought or instructed by the Exscudo OU for that purpose.

(vi) If the Exscudo OU discovers the purchase of EON by any Purchaser violating any anti-money laundering, counter-terrorism financing or other regulatory requirements, such purchase shall be invalid with retroactive effect and the Exscudo OU shall be entitled to immediately deny the relevant person's admissibility to the Campaign, reject delivery of any EON and request return of any delivered EON, irrespective of any payment that could have been made by that Purchaser.

2. REPRESENTATIONS AND WARRANTIES

(i) To participate in the Campaign, each Purchaser shall represent and warrant that:

(a) All the information submitted by him/her to the Exscudo OU is true, complete, valid and non-misleading;

(b) He/she is not a citizen, tax resident or green card holder of the United States of America unless he/she participates in the Campaign through ways as specifically designated by the Exscudo OU for US Purchasers' participation;

(c) He/she is of sufficient age to participate in the Campaign and is a natural person with full civil capacity of conduct under the laws of the jurisdiction where he/she is domiciled or maintains citizenship;

(d) He/she is a seasoned investor, expert, technician and/or professional in the fields of blockchain, distributed ledger technology and crypto-tokens, cryptocurrency and financial market and is fully aware of the risks associated with the development and use of the Exscudo Ecosystem;

(e) His/her participation in the Campaign is voluntary and based on his/her own independent judgment without being coerced, solicited or misled by anyone else;

(f) He/she is permitted by the laws of each jurisdiction to participate in the Campaign and is legally permitted to acquire, receive and hold crypto-tokens;

(g) No consent, approval, order or authorization of, or registration, qualification, designation, declaration or filing with, any federal, state or local governmental authority is required on his/her part in connection with the participation in the Campaign;

(h) He/she is experienced in and capable of maintaining and safekeeping the Bitcoin private key of the sending address out of which he/she makes any payment for purchasing the EON for Crowdsale;

(i) He/she only uses such crypto-tokens as lawfully acquired through mining and/or trading to make payment in the Campaign and does not participate in the Campaign for any money-laundering, terrorism financing or other illicit purpose;

(j) He/she aims to acquire EON primarily for using the designed functions of the Exscudo Ecosystem without expectation of any profit or financial yield and does not contemplate to use EON for any financial, speculative, illegal or unethical purpose; and

(k) (Except having specifically communicated to and been permitted by the Exscudo OU in advance) he/she is participating in the Campaign for his/her own benefit and is not acting as a nominee or agent for or on behalf of any third party.

(ii) All the above representations and warranties made by a Purchaser shall be true, complete, accurate and non-misleading

on and from the date of that Purchaser making a payment hereunder throughout the Campaign and onwards. The Exscudo OU reserves the right to reject and invalidate the payment by, and withhold the relevant EON for Crowdsale from, any Purchaser who has made a false representation in the sole judgment of the Exscudo OU.

3. EON FOR CROWDSALE

(i) The total number of the EON is two hundred forty million (240,000,000) in total,

(ii) The number of the EON for Crowdsale is one hundred fifty million seven hundred twenty thousand (150,720,000) in total, which represents the maximum number of EON available for crowdsale during the Campaign.

(iii) Each Purchaser shall be entitled to purchase any number of EON out of the EON for Crowdsale (rounded to the eighth decimal place), subject to the remaining number of the EON for Crowdsale that has not been sold by then.

(iv) The EON for Crowdsale will be offered for sale at static price set forth in Section 4 below and will be delivered in accordance with Chapter III.

(v) The Exscudo OU is not obliged or committed to sell all of the EON for Crowdsale during the Campaign. The remaining EON for Crowdsale that are not yet purchased by the close of the Payment Window, if any, 50% of the remaining unsold EON will be distributed among the Crowdsale participants (Purchasers), in shares equal to possession of the tokens at the time of the close of the Payment Window. The shares of the Exscudo team, the supervisory board, the share of technical tokens fund, the Bounty campaign reward, and the reward of advisors and testers will not participate in the distribution of the unsold portion of the EON. The remaining 50% of unsold EON will be retained by the Exscudo OU for forming a non-profit organisation Exscudo Foundation.

4. PRICE

The price of each EON for Crowdsale is static and equals to 0.0002 BTC per EON.

But bonus added to bought pack of the EON varies with the time of the relevant Purchaser completing his/her payment. The breakdown of payment time versus size EON bonus is as follows:

| Payment Time (counting from the start of the Payment Window) | Bonus (in percent) added per EON |
|--|---|
| Redemption reserved EON within forty-eight (48) hours | 10% |
| Within the first 10 days after the start of the Payment Window | 5% |
| Within the second 10 days after the start of the Payment Window | 2,5% |
| Within the third 10 days and later after the start of the Payment Window | 0% |

The price set forth above for payment within the first, second, third and later ten-day period after the start of the Payment Window shall not be applicable if the Payment Window is closed in a preceding phase.

5. PAYMENT

(i) Effecting a payment by a Purchaser shall be deemed as such Purchaser having accepted all the terms and conditions contained in this Prospectus and agreed to purchase the EON for Crowdsale in accordance with this Prospectus.

(ii) Only Bitcoin will be accepted as payment for the Crowdsale while no fiat currency or other type of cryptocurrencies are accepted. For the avoidance of doubt, (a) should the blockchain of the Bitcoin be forked after the date hereof, the Exscudo OU shall have the discretion to determine the built-in crypto-tokens of which branch resulting from that forking would be accepted.

(iii) Each Purchaser is required to send Bitcoin within the Payment Window to the Bitcoin address mentioned in Section 6 below in order to effectuate a valid payment.

(iv) A payment by any Purchaser shall be deemed, completed upon six (6) blocks confirmations on the relevant blockchain of Bitcoin, as the case may be, unless otherwise agreed between that Purchaser and the relevant Crowdsale Intermediary. Any attempt to double spend Bitcoin in making a payment will be deemed as a fraudulent action and will neither be recognized by the Exscudo OU as a valid payment hereunder nor entitle the sending Purchaser to claim any EON from Crowdsale.

(v) The payments made by the Purchasers are not refundable unless otherwise stated in this Prospectus, provided that each Crowdsale Intermediary shall be entitled to separately refund payments to the Purchasers who participate in the Campaign through it.

6. BITCOIN ADDRESSES FOR RECEIVING PAYMENTS

(i) The addresses to receive Bitcoin payments for the EON(s) during Crowdsale will be available for each user on start of the Crowdsale in the private account on the site ("my.exscudo.com"). Each Purchaser shall make payment to such addresses as indicated in private account. All transactions accumulated on the next public multi-signature address:

34739e6S3zD9zR6cJubgbzkEoNfQzrsxPG

(ii) The Bitcoin address mentioned above are the only valid addresses for receiving payments for the EON during the Crowdsale. Sending to any other address will neither be recognized by the Exscudo OU as a valid payment hereunder nor entitle the sending person to claim any EON for Crowdsale.

7. PAYMENT WINDOW

During the Campaign, the window period for the Purchasers to purchase and pay for the EON for Crowdsale (the "Payment Window") will be open from 06 PM GMT on April 25th, 2017 through and till the earlier of:

(i) 16 PM GMT May 31th, 2017; and

(ii) the Exscudo OU having received sufficient payments for all of the EON(s) during Crowdsale.

No payment will be accepted on or after the close of the Payment Window. Any belated payment will be refunded by the Exscudo OU in due course on an interest-free basis.

8. CUSTODY OF CROWDSALE PROCEEDS

All the crowdsale proceeds received by the Exscudo OU during the Payment Window will be under the custody of multi-signature wallet of Bitcoin respectively (three out of three signatures are required to execute any payment from such wallets). The keys to that multi-signature wallet will be controlled by board of the Exscudo OU. The board now consists of

1. Andrew Zimin - CEO, Founder; 2. Alexey Sitnikov - CTO, Founder; 3. Julian Kossinov - CFO.

Majority of the proceeds will then be moved to and stored in offline wallets for security concerns. After the Campaign ends, the Exscudo OU shall be entitled to transfer the crowdsale proceeds to any other wallet(s) as it thinks fit.

III. DELIVERY

III. DELIVERY

1. DELIVERY

(i) The EON for Crowdsale sold within the Payment Window will be available for delivery upon the initial launch of the blockchain of the EON Blockchain Platform and the genesis block thereof being generated (the "Launch").

(ii) Notwithstanding anything to the contrary stated herein, delivery of the EON for Crowdsale to each Purchaser will be conditioned upon the satisfaction of all of the following:

(a) the Launch has taken place;

(b) the official Exscudo wallet program has been released by or on behalf of the Exscudo OU;

(c) the Purchaser provides such information and takes such actions as requested by the Exscudo OU for claiming his/her purchased EON for Crowdsale.

The Exscudo OU does not guarantee that all the conditions mentioned above will be satisfied by each Purchaser.

(iii) Each Purchaser shall be responsible for keeping Bitcoin wallet (including private keys) and Exscudo wallet intact and secure at any time. The Exscudo OU shall not be held liable for the Bitcoin wallet or Exscudo wallet of any Purchaser being hacked, stolen or lost, in which case the delivery of purchased EON for Crowdsale could fail, become impossible or be missent.

2. NO REDEMPTION

The EON is neither a kind of security nor represents any legal or contractual right, neither Exscudo OU nor anyone else is obligated to redeem or purchase any EON from any Purchaser at any time. Being a virtual commodity to be used on the blockchain of the Exscudo, EON is not designed to be redeemed, purchased or otherwise transacted for profit.

3. PRE-DELIVERY ASSIGNMENT

The EON for Crowdsale that are purchased by a Purchaser shall only be claimed by that Purchaser per se. No Purchaser shall be entitled to assign or transfer, or attempt to assign or transfer, his/her right to claim any EON for Crowdsale hereunder to any other person, no matter with or without consideration. All such assignments are prohibited and will be neither valid nor recognized by or binding on Exscudo OU.

4. POST-DELIVERY ATTENTION

Each Purchaser shall have the sole responsibility to attend to and take care of the EON for Crowdsale delivered to him/her, especially keeping the private key(s) to his/her Exscudo wallet in

IV. TERMINATION

a secure manner. The Exscudo OU shall not be liable to any extent for any EON loss or theft of any Purchaser after the delivery, no matter for what cause such loss or theft could have occurred.

IV. TERMINATION

1. TERMINATION EVENTS

Notwithstanding anything to the contrary contained herein, the Exscudo OU shall be entitled to terminate the Campaign if any of the following events occurs:

- (i) For any cause the Exscudo OU elects to abort the development and launch of the Exscudo prior to the Launch by making an announcement on the Website;
- (ii) For any cause the Exscudo OU elects to terminate the Campaign prior to the close of the Payment Window by making an announcement on the Website;
- (iii) The development of the Exscudo is required by any applicable law to terminate before the Launch;
- (iv) The Campaign is held illegal or irregular under the applicable laws of any jurisdiction, is prohibited, banned or forced to cease by any government in any jurisdiction; and
- (v) The development of the Exscudo discontinues prior to the Launch as a result of any force majeure event and cannot be resumed within three (3) months.

The Exscudo OU shall have the full discretion to declare termination of the Campaign upon the occurrence of any of the above events.

2. ACTIONS UPON TERMINATION

Upon termination of the Campaign, the Exscudo OU shall, within fifteen (15) working days, refund its received crowdsale proceeds to the respective Crowdsale Participants, provided that if the Exscudo OU would have previously converted the Bitcoin proceeds in part or whole into any fiat currency, the Exscudo OU shall only be obliged to use the resulting amount in fiat currency to purchase Bitcoin at the prevailing market price and then refund the so acquired Bitcoin to the respective Crowdsale Intermediaries on a pro rata basis.

Other than as set forth above, the Exscudo OU shall be under no obligation to any Purchaser for the termination of the Campaign.

3. SURVIVAL

Notwithstanding the termination of the Campaign:

- (i) the representations and warranties made by each Purchaser shall remain true, accurate, complete and non-misleading; and

V. RISK FACTORS

(ii) the risk factors as set forth in Chapter V "Risk Factors" shall still apply.

This Section 3 "Survival" shall survive the termination of the Campaign to remain effective and binding.

V. RISK FACTORS

The Exscudo OU believes that there are numerous risks involved in the development, maintenance and running of the Exscudo Financial Ecosystem, many of which are beyond the control of the Exscudo OU. Each Purchaser should peruse, comprehend and consider carefully the risks described below in addition to the other information stated herein before deciding to participate in the Campaign.

Each Purchaser should pay particular attention to the fact that, although the Exscudo OU is established in the Republic of Estonia, the EON Blockchain Platform lies in cyberspace only without physical presence and hence do not fall within or pertain to any specific jurisdiction.

Participating in the Campaign shall be an action based upon prudent decision and will be deemed as the relevant Purchaser having been fully aware of and agreed to take all the risks below.

1. Termination of the Campaign

The Campaign may be terminated pursuant to Chapter IV "Termination", in case of which a Purchaser may only be refunded with part of his/her payment as a result of the Bitcoin price volatility and/or the expenses incurred by the Exscudo OU.

2. Insufficient Information Availability

The Exscudo is at the stage of pre-release and alpha-testing and development as of the date of this Prospectus and its philosophy, architecture, code and other technical specifications and parameters could be updated and changed frequently and constantly. While the Exscudo Whitepaper has contained the then up-to-date key information of the Exscudo, it is not absolutely complete and is subject to adjustments and updates that the Exscudo OU might make from time to time for certain purposes. The Exscudo OU is not in a position, nor obliged, to keep the Purchaser(s) closely posted on every detail of the Exscudo development (including its progress and expected milestones no matter whether rescheduled or not) and therefore will not necessarily provide the Purchaser(s) with timely and full access to all the information relating to the Exscudo that may emerge from time to time. The insufficiency of information disclosure is inevitable and reasonable.

3. Regulatory Measures

Crypto-tokens are being, or may be, overseen by the regulatory authorities of various jurisdictions. The Exscudo OU may receive queries, notices, warnings, requests or rulings from one or more regulatory authorities from time to time, or may even be ordered to suspend or discontinue any action in connection with the Campaign, the Exscudo development or the EON for Crowdsale. The development, marketing, promotion or otherwise of the Exscudo or the Campaign may be seriously affected, hindered or terminated as a result. And since regulatory policies could change from time to time, existing regulatory permission or tolerance on the Exscudo or the Campaign in any jurisdiction could be just temporary. EON could be defined from time to time as virtual commodity, digital asset or even securities or currency in various jurisdictions and therefore could be prohibited from being traded or held in certain jurisdictions pursuant to local regulatory requirements.

4. Cryptography

Cryptography is evolving and cannot guarantee absolute security at all times. Advances in cryptography, such as code cracking, or technical advances such as the development of quantum computers, could present risks to all cryptography-based systems including the EON Blockchain Platform. This could result in the theft, loss, disappearance, destruction or devaluation of the EON held by any person. To a reasonable extent, the Exscudo OU will be prepared to take proactive or remedial steps to update the protocol underlying the EON Blockchain Platform in response to any advances in cryptography and to incorporate additional reasonable security measures where appropriate. The future of cryptography or security innovations is unpredictable while the Exscudo OU will try its best to accommodate the continuing changes in the domains of cryptography and security.

5. Theft of Crowdsale Proceeds

There may be attempts to steal the crowdsale proceeds received by the Exscudo OU (including the fiat currency amount converted therefrom). Such a theft or attempted theft may impact the ability of the Exscudo OU to fund the development of the Exscudo. While the Exscudo OU will adopt cutting-edge technical solutions to keep the crowdsale proceeds safe, certain cyber thefts could be hardly unpreventable.

6. Flaws in Source Code

Nobody can guarantee the source code of the Exscudo to be flaw-free. It may contain certain flaws, errors, defects and bugs, which may disable some functionality for users, expose users' information or otherwise. Such flaws, if any, would compromise the usability, stability, and/or security of the Exscudo and consequently bring adverse impact on the value of EON.

7. Update of Source Code

The open source part code of the EON Blockchain Platform is open and could be updated, amended, altered or modified from time to time by any member of the community of the EON Blockchain Platform. Nobody is able to foresee or guarantee the precise result of an update, amendment, alteration or modification. As a result, any update, amendment, alteration or modification could lead to an unexpected or unintended outcome that adversely affects the EON's Blockchain Platform operation or EON's value.

8. "Distributed Denial of Service" Attack

The blockchain of the Exscudo is designed to be partly public and non permissioned and therefore may suffer cyber-attacks of "distributed denial of service" from time to time. Such attacks will adversely affect, stagnate or paralyze the network of the Exscudo system and accordingly render the transactions thereon delayed to be recorded or included in the blocks of the Exscudo blockchain or even temporarily unable to be performed.

9. Insufficiency of Processing Power

The rapid growth of the Exscudo will be accompanied by a surge of transaction numbers and demand of processing power. If the demand of processing power outgrows how much the nodes of the EON's blockchain network can then provide, the network of the Exscudo could be destabilized and/or stagnated, and there could be fraudulent or false transactions such as "double-spending" to arise. In the worst-case scenario, the EON held by the Purchasers could be lost, and rollback or even hardforking of the blockchain of the EON could be triggered. All these aftermaths would do harm to the usability, stability and security of the Exscudo and to the value of EON.

10. Unauthorized Claim of EON for Crowdsale

Any person who gains access to the Purchaser's registered email or registered account by deciphering or cracking the Purchaser's password will be able to claim the purchased EON from Crowdsale in bad faith. As such, the relevant purchased EON from Crowdsale may be missent to a person whoever claims him/her being the

Purchaser and holds access to Purchaser's registered email or registered account. The sending of EON(s) is not revocable or reversible. Each Purchaser shall take care of the security of his/her registered email and registered account by taking such actions as: (i) using a highly secure password; (ii) refraining from opening or responding to any scam emails; and (iii) keeping strictly confidential all the secret or personal information about himself/herself.

11. Private Key of Exscudo Wallet

The loss or destruction of a private key required to access EON may be irreversible. EON(s) is controllable only by possessing both the relevant unique public and private keys through the local or online or mobile Exscudo wallet. Each Purchaser is required to safeguard the private keys contained in his/her own Exscudo wallet(s). If such private key of a Purchaser is lost, missing, divulged, destroyed or otherwise compromised, neither the Exscudo OU nor anyone else will be able to help the Purchaser to access or retrieve the related EON.

12. Popularity

The value of EON hinges heavily on the popularity of the Exscudo Ecosystem. The Exscudo is not expected to be popular, prevalent or widely used soon after the Launch. A significant portion of EON demand could be of speculative nature. Some factors may result in increasing volatility of EON market price and consequently compromise the Exscudo's long-term development. The Exscudo OU will not (nor has the responsibility to) stabilize or otherwise affect EON's market price if there is any such price.

13. Liquidity

EON is not a currency issued by any individual, entity, central bank or national, supra-national or quasi-national organization, nor is it backed by any hard assets or other credit. The circulation and trading of EON on the market are not what the Exscudo OU is responsible for or pursues. Trading of EON merely depends on the consensus on its value between the relevant market participants. Nobody is obliged to redeem or purchase any EON from any EON holder (including the Purchasers). Nor does anyone guarantee the liquidity or market price of EON to any extent at any time. To divest his/her EON portfolio, a EON holder would have to locate one or more willing buyers to purchase the same at a mutually agreed price, which attempt could be costly and time-consuming and does not necessarily bear fruit. And there could be no crypto-currency exchange or other marketplace having EON listed thereon for trading except Exscudo Exchange.

VI. MISCELLANEOUS

14. Price Volatility

Cryptographic tokens, if traded on public markets, usually have extremely volatile prices. Fluctuations in price over short periods of time frequently occur, which price may be denominated in Bitcoin, Ether, US Dollars or any other fiat currency. Such fluctuations could result from market forces (including speculations), regulatory changes, technical innovations, availability of exchanges and other objective factors and represent changes in the balance of supply and demand. The Exscudo OU is not responsible for any secondary market trading of EON, no matter whether or not there would be such markets for EON. Therefore, the Exscudo OU neither is obliged to tame the price volatility of EON nor cares about that. The risks associated with EON trading price have to be taken by the EON traders themselves.

VI. MISCELLANEOUS

1. NO REPRESENTATION OR WARRANTY

The Exscudo OU does not make, and hereby disclaims, any representation or warranty with respect to the Campaign, the Exscudo or EON (such as merchantability or fitness for particular purposes), except those expressly specified herein. Each Purchaser's decision to participate in the Campaign and purchase any EON shall be made based on his/her own knowledge of the Exscudo and EON and the information disclosed herein or in the Exscudo Whitepaper. Without prejudice to the generality of the foregoing, each Purchaser will, upon the Launch of the Exscudo and availability of Exscudo wallet, accept the Exscudo and the purchased EON on an "as is" basis, irrespective of the technical specifications, parameters, performance or function thereof.

2. NO LIABILITY

The Exscudo OU hereby expressly disclaims its liability, and shall in no case be liable to any person, for:

- (i) any person's participation in the Campaign in violation of any anti-money laundering, counter-terrorism financing or other regulatory requirements that are imposed in any jurisdiction;
- (ii) any person's participation in the Campaign in violation of any representation, warranty, obligation, covenant or other provision under this Prospectus, and the resulting failure or inability to retrieve his/her payment or to claim relevant purchased EON for Crowdsale;
- (iii) early termination of the Campaign for any reason;

- (iv) failure or abortion of the Exscudo development and resulting failure to deliver the purchased EON on Crowdsale to the Purchasers;
- (v) delay or rescheduling of the Exscudo development and resulting failure to meet any anticipated milestone;
- (vi) any error, bug, flaw, defect or otherwise of the source code of the Exscudo;
- (vii) any malfunction, breakdown, collapse, rollback or hardforking of the blockchain of the Exscudo after the Launch;
- (viii) failure of the Exscudo or EON to meet any specific purpose, or unfitness for any specific use;
- (ix) utilization of the proceeds raised through the Campaign;
- (x) failure to timely and completely disclose any information relating to the development of the Exscudo;
- (xi) any Purchaser's divulgence, loss or destruction of the private key of his/her crypto-currency or crypto-token wallet (inter alia, the wallet of Exscudo as downloaded and used by that Purchaser);
- (xiv) trading or speculation of EON by any person;
- (xv) listing or delisting of EON on or from any crypto-currency exchange, except Exscudo Exchange;
- (xvi) EON being classified or treated by any government, quasi-government, authority or public body as a kind of currency, securities, commercial paper, negotiable instrument, investment or otherwise that may be banned, regulated or subject to certain legal restrictions;
- (xvii) any risk factors disclosed in this Prospectus and any damage, loss, claim, liability, punishment, cost or other adverse impact that is caused by, associated with, in connection with, incidental to or consequential to that risk factor.

3. TAX

Each Purchaser shall declare, bear and pay all such taxes, duties, imposts, levies, tariffs and surcharges that might be imposed by the laws and regulations of any jurisdiction as a result of or in connection with the receipt, holding, use, purchase, appreciation, trading or divestment of EON (no matter whether purchased during the Campaign or otherwise acquired). And each Purchaser shall be solely liable for all such penalties, claims, fines, punishments, liabilities or otherwise arising from his/her non-payment, underpayment, undue payment or belated payment of any applicable tax. The Exscudo OU gives no advice and makes no representation as to the tax implication of any Purchaser's participation in the Campaign.

4. NO WAIVER

The failure of the Exscudo OU to require or enforce strict compliance by the Purchaser with any provision herein or the Exscudo OU's failure to exercise any right herein shall not be construed as a waiver or relinquishment of the Exscudo OU's right to assert or rely upon any such provision or right in that or any other instance. The express waiver by the Exscudo OU of any provision, condition, or requirement of the Prospectus shall not constitute a waiver of any future obligation to comply with such provision, condition or requirement.

5. SEVERABILITY

If any portion of this Prospectus is held illegal or invalid, whether in whole or part, under the laws of any jurisdiction, such illegality or invalidity shall not affect the legality or validity of the rest of the Prospectus in that jurisdiction nor the legality or validity of the Prospectus in any other jurisdiction.

6. TITLES AND SUBTITLES

The titles and subtitles used in this Prospectus are used for convenient reference only and are not to be considered in construing or interpreting this Prospectus.

7. JURISDICTION

The Campaign is initiated and takes place worldwide and is not linked to any specific jurisdiction. The Purchasers may be from any jurisdiction in the world.

[NO CONTENT BELOW]

CONTACTS

General inquiries
info@exscudo.com

Press inquiries
press@exscudo.com



exscudo.com