



NKD
TECHNOLOGIES

WHITEPAPER
2017

www.naked.technology

© 2017 Naked Technologies. All Rights Reserved.
NKD Technologies Ltd. 17 Hanover Square, London, W1S 1BN

Version: V004b-16122018



www.naked.technology

CONCEPT

Metcalfe's law	3
NKD\$ Marketplace	7
NKD\$ Financial Ecosystem	9
Summary	11

ALLOCATION

Hardcap funding	12
-----------------	----

ROADMAP / TIMELINE

Timeline	14
----------	----

TECH

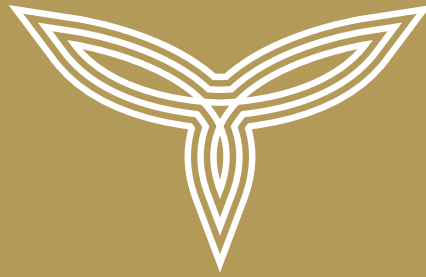
NKD\$ Technical specifications & Architechture of System	16
Cryptographic Keys	17
Identity	18
System Of Record	19
How It Works	21
Making A Hash Of It	22

FOUNDERS / PARTNERS

Marco Robinson	25
Malvindran	27
Partner and Advisors	28

DISCLAIMER

NKD Technologies Token Sale	33
-----------------------------	----

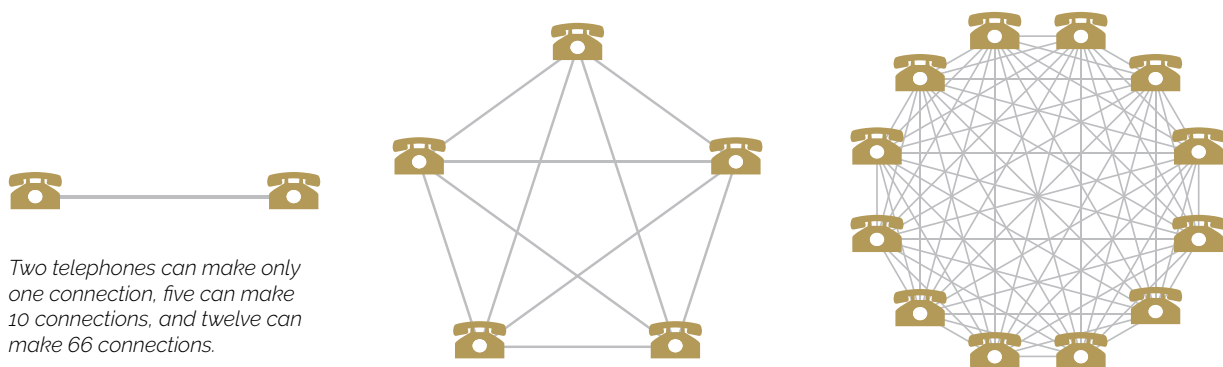


NKD
TECHNOLOGIES

CONCEPT

NKD\$ (NAKED Dollars) cryptocurrency, marketplace and the financial ecosystem as a whole is based on Metcalfe's Law. The key element that we have focused on is the "network effect". Metcalfe's Law is related to the fact that the number of unique connections in a network of a number of nodes (n) can be expressed mathematically as the triangular number $n(n-1)/2$, which is proportional to n^2 asymptotically (that is, an element of (n^2)).

The law has often been illustrated using the example of fax machines: a single fax machine is useless, but the value of every fax machine increases with the total number of fax machines in the network, because the total number of people with whom each user may send and receive documents increases. Likewise, in social networks, the greater number of users with the service, the more valuable the service becomes to the community [1].



Metcalfe's law implies a critical mass point in network size, after which network value begins to exceed its cost. That critical mass point is roundly given by the ratio of the cost of the network to the value of network participation. In the Internet, this ratio has been going rapidly to zero. Why?

The asymptotes of various network "netoids" are moving according to Moore's law, which states that the number of transistors on an integrated circuit doubles every two years or so. Metcalfe's law depends on Moore's law in two ways. Faster and cheaper semiconductor processors and memory are enabling more valuable applications that demand ever larger bandwidths. Meanwhile, faster and cheaper network ICs are driving down the cost of networking. Moore's law is expected to continue for another 15 years. We've heard predictions like this before, but since Ethernet's bandwidth elasticity depends on the continuation of Moore's law, let's hope that Moore's law doesn't soon hit one of its netoid asymptotes, such as the speed of light, the optical limits of lithography, quantum effects at smaller feature sizes, or overheating.

Of course, Moore's law isn't an inevitable law of nature— it's more a self-fulfilling prophecy that relies on continuing investment decisions at many levels among semiconductor scientists and engineers, chipmakers, and device makers. [2]

In essence, when the number of users on a network outpaces the addition of marketplace providers, supply has to keep up with demand.

"Every person who adds to your network, adds to your value" - **Daniel Jeffries**

More on Metcalfe's Law :

https://www.naked.technology/web/download/Metcalfes_Law.pdf



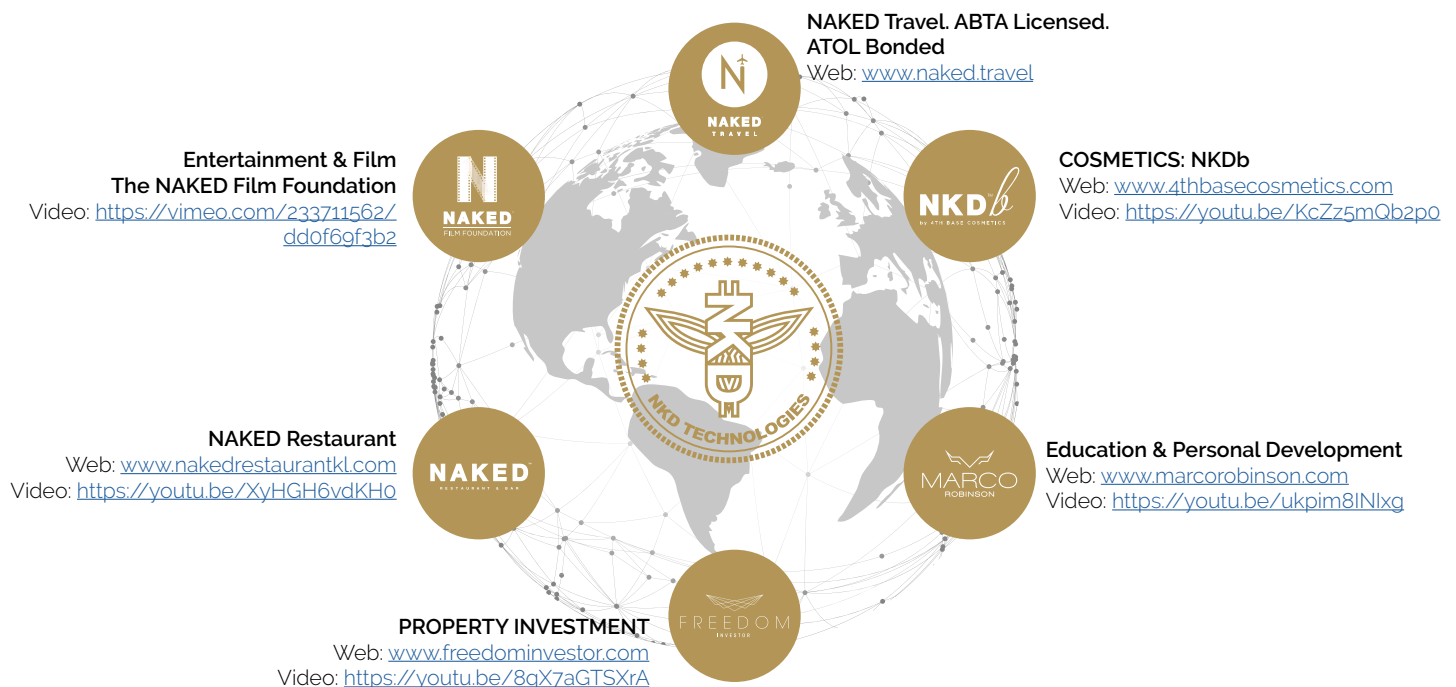
Who is Bob Metcalfe :

Bob Metcalfe is Professor of Innovation and Murchison Fellow of Free Enterprise at The University of Texas at Austin. An Internet Society Hall of Fame Pioneer and National Inventors Hall of Famer, he received both the IEEE Medal of Honor and the National Medal of Technology for his leadership in the invention, standardization, and commercialization of Ethernet. Metcalfe received a PhD in computer science from Harvard University. He is a member of the National Academy of Engineering and a Life Trustee of his alma mater, the Massachusetts Institute of Technology.

NKD\$ Marketplace

As an expansion of this theory comes about establishing the "value" of a network whereby on a blockchain, for example, 100 users conducting 100 transactions, assigns a fixed "x" value to the network. The expansion happens with the cryptocurrency in the blockchain that "carries" the said value. This said value multiplies exponentially when the cryptocurrency, in this case, NKD\$, is owned, used and traded which then increases the "perceived value" of the network as a whole.

We have 6 different businesses across 6 different industries namely F&B, Entertainment, Cosmetics, Travel, Real Estate & Education which are up & running as positive cash flow businesses that provide the platform for the usage of NKD\$ instantaneously.



Another big add-on factor is our Naked Rewards platform which enables redemption of our products which is made available directly on the website and also as incentives in The New Rich List, our Incentive program that SME and large corporations have used (our existing clients include BMW, Citibank, Petronas, Reader's Digest, Nikon Cameras, and many more) and are using to enhance their sales with tie-in offers of their own products.

The "reward mechanism" allows for the adoption of NKD\$ outside our own Marketplace which in return expands the ownership and utilization of NKD\$ across various different existing circle's and newer set-up's.

How we do it is multi-pronged, but it boils down to our gamification concept on top of a loyalty based system.

Gamification is the process of using game-like elements into business and marketing strategies. According to Gamification by Design co-author Gabe Zichermann, "gamification is 75 percent psychology and 25 percent technology".

One of the simplest forms of gamification is purchasing a product and getting a freebie (reward). For example, a merchant offers a free 6 nights 4 star accommodation in Europe by Naked Travel (ABTA licensed, ATOL Bonded, Global Travel Licensed) for purchases of any pair of shoes worth USD\$300 and above. The merchant then offers an upsell that includes Free NKD\$ that offers a 50% rebate of the return flights for the Europe trip also by Naked Travel if you purchase USD\$500 and above worth of shoes.

Incidentally, vacation incentives have outperformed any other incentive product or service time and time again as the perceived value of a holiday in the customer's mind is far more compelling than, for example a 10% discount offer.

It's like completing a set number of offers and getting a reward. This relates to the concept of "free-mium" by Chris Anderson in his book "Free : The Future of a Radical Price"

On online platforms, it could be the use of gaming elements like leaderboards, progress bars, and loyalty points. These tricks tap into our natural instincts such as competition, exploration and curiosity, and our management experience in this sector is well documented.

Our gamification brings NKD\$ as a cryptocurrency that provides rewards based on fiat currency spend with merchants that in return provide NKD\$ tokens that can be redeemed in the Naked Rewards platform directly or used as partial rebates to offset purchase costs with participating merchants that accept NKD\$

We plan to have a "Universal API" that with a decentralized blockchain, allows as many outside platforms to plugin into our API and utilize NKD\$ as a reward token on their respective platforms [3] "As society gives you money for giving society what it wants, blockchains give you coins for giving the network what it wants" - Naval Ravikant

One of the big components of The New Rich List is the funding & mentoring of new start-ups through our accelerator program whereby we fund new businesses with start-up capital and bring them into our marketplace which has a ready customer base for their products and services. NKD\$ receives new inflow of businesses adopting the token to transact on our platform which creates a perpetual flow of businesses using NKD\$ as a mechanism of transaction. This in turn creates and engages more users, thus reinforcing Metcalfe's law in both directions.

By allowing a "reward token", it creates a loyalty base.

More on NKD\$ Marketplace :
<https://youtu.be/Pg3JuCNJ2XI>

NKD\$ Financial Ecosystem

The financial ecosystem which enables NKD\$ to be utilized in the real world is enabled by the various mediums which we allow for it to be transacted with ease.

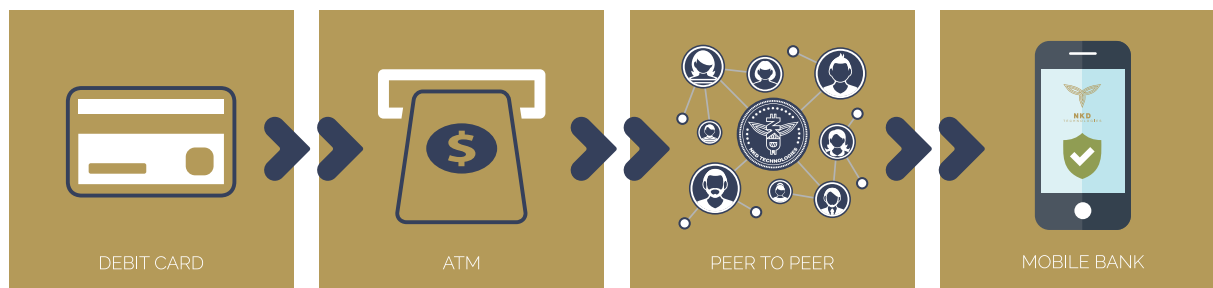
Cryptocurrency ATM Machines have seen a trend and a surge in the past 3 years or so at various locations around cities in many countries. We conducted site visits of functioning machines in places like San Diego and Singapore before engaging suppliers to roll out our own Naked branded ATM machines which will be made available in cities such as Singapore and Perth within the first quarter of 2018.

By having the facility to purchase BTC & ETH via ATM machines allows real time ownership of the said cryptocurrency which are used as "base" currencies on cryptocurrency exchanges which indirectly allows the ease for swapping to NKD\$ and vice versa for trades and usage. We will be integrating the real time swap availability of NKD\$ on our Naked ATM machines in the 2nd quarter of 2018.

All of our ATM machines will be exclusive from our suppliers which we have already inked with 2 different suppliers at the moment with plans to manufacture our own ATM machines by the end of 2018 or sooner.

The official categorization of this ATM machine is "vending machine" as the 1 (one) way machine enable a feed-in of currencies and does not dispense currencies just like any other vending machine. By revisiting the first roll-out of ATM machines in the late 1980's, imagine a single ATM machine by a bank available in a city where there is a queue of people lined up waiting their turn to withdraw money from the machines and in turn investing that withdrawn fiat cash into a Cryptocurrency ATM Machine to make money, and when we include the gamification process into the ATM machine such as offering a free vacation on a scaled investment program, we can create a huge demand to constantly use that Cryptocurrency ATM Machine..

We are starting to see that with cryptocurrency ATM machines now. Cryptocurrency ATM machines are a natural innovation to the process where it cuts down the time of purchasing cryptocurrency using exchanges via fiat currency which usually takes a minimum of 1 working day, with the cryptocurrency ATM machines, it cuts it down to mere seconds to buy/sell cryptocurrencies, almost real time. In the spirit of decentralization, cryptocurrency ATM machines also hand the power to the participants of a blockchain to be co-owners of the machines and provides a business opportunity for them to partake in the transaction fees of the buy/sell of cryptocurrency on the ATM machines. Traditional ATM machines hand ownership to a single entity which is the bank that monopolizes the availability of the machines (3rd party owned ATM machines by individuals/shop owners is common in the US, unheard of outside the US)



Another exciting innovation we are bringing forth into the financial ecosystem is by having our own co-branded debit cards. Naked debit cards (currently to be issued via a 3rd party financial provider and issued by Mastercard) allow NKD\$ owners to swap their NKD\$ to the likes of BTC and ETH which then can be withdrawn as fiat currency in their respective countries where the conventional ATM machines are located. For example, using Naked debit cards, they can withdraw AUD at ATM machines located inside Australia and USD at ATM machines located in the US.

Our P2P (peer to peer) lending platform, where willing lenders & willing borrowers, transact using NKD\$ comes on board, we will have a "token saver" option available where NKD\$ owners can "stake" their NKD\$ on the lending platform for a locked period.

For example, owners of 500k NKD\$ and above, stake their NKD\$ on the lending platform for a period of 12 months and they will be entitled for a fixed 2% dividend for it aside from the returns they make on whichever rate they fix their lending offering on the platform.

This then in return provides the said NKD\$ owners a "token saver" mechanism and we get to preserve the market capitalization of NKD\$. In any lending platform, borrowers will outnumber lenders, we envision by having a locked in staking over 12 months, we will have a balanced liquidity of NKD\$ to lend on the lending platform.

Once we have our mobile banking license in place by the end of 2018, we will be able to provide NKD\$ as a straight cash out option via our own debit cards.

More on Financial Ecosystem :

<https://youtu.be/8Wca47haAss>



Summary

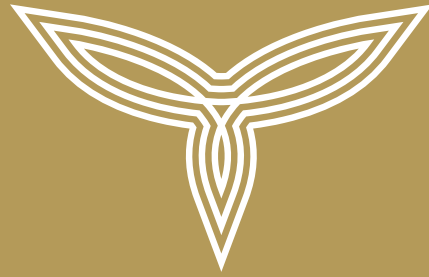
By staking all our businesses and IP (intellectual property) associated with our businesses in our Marketplace and Financial Ecosystem, we bring forth an asset backed blockchain whereby every owner of NKD\$, wholesomely or fractionally, indirectly becoming owners of our existing assets and assets that we add-on into the circle.

All of our businesses are up and running, positive cash flow operations in the real world that provide a ready platform for integration into our blockchain.

We have filed for patent in the US for our tech and concept which adds another element of security to the entire business model which differs from most cryptocurrencies that do not have any assets behind them and merely come out as concept's that requires funding for execution.

References

- [1] [Wikipedia](#)
- [2] [IEEE Computer Society](#)
- [3] [Daniel Jeffries - Hacker Noon](#)

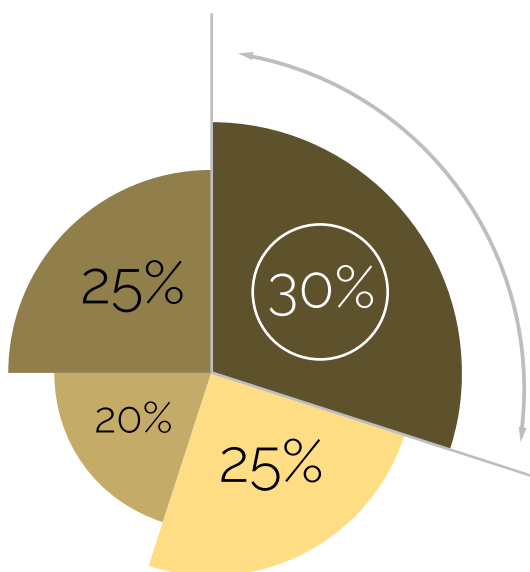


NKD
TECHNOLOGIES

ALLOCATION

Hardcap funding: USD100mil

ICO planned for Nov 5th. If hardcap is not reached during pre-ICO, ICO opens on Nov 5th and closes within 30 days or when hardcap is reached, whichever happens first



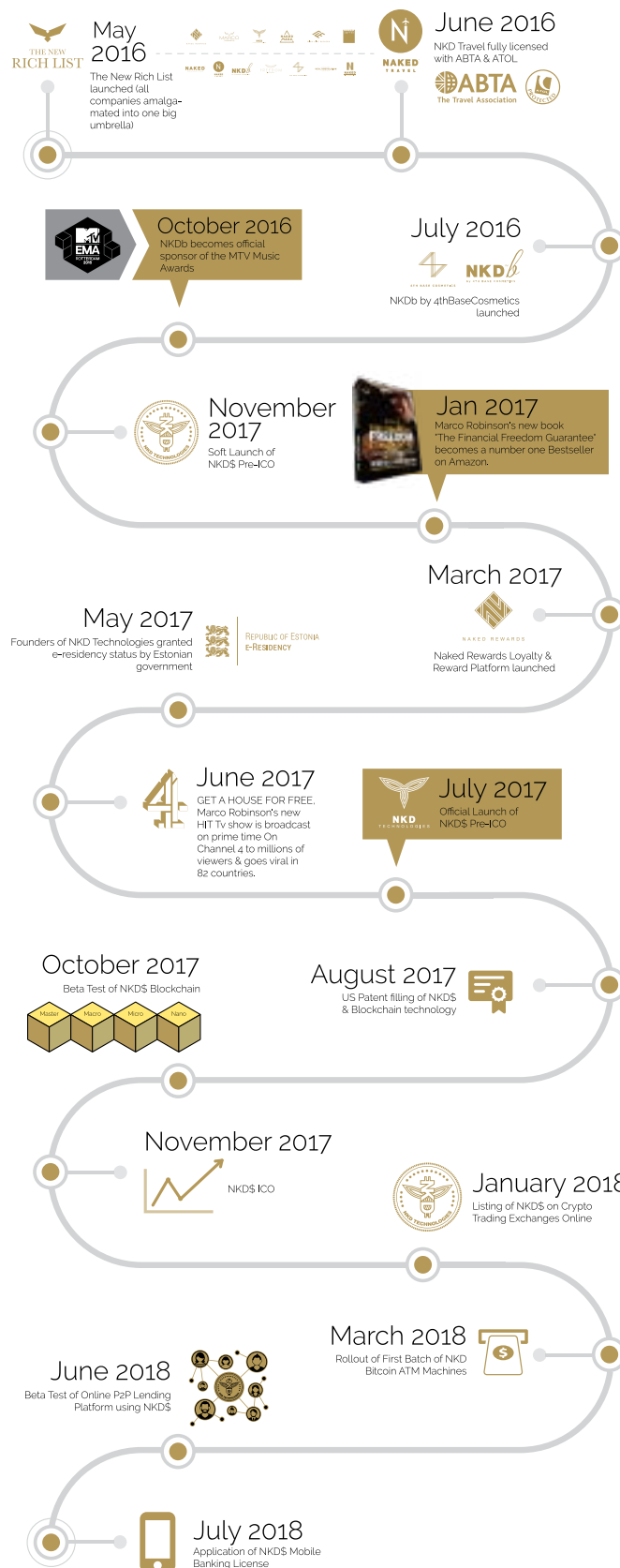
Of the funds raised post-ICO :

- **30%** - Management hold
- **20%** - Operation Expenses of all the businesses involved in the marketplace over the period of 2018
- **25%** - Tech development of Phase 2 & 3 namely cobranding of debit card, patent filling, p2p lending marketplace, Bitcoin ATM machines & mobile banking license
- **25%** - Acquisition of businesses to enhance adoption of nkD\$ & increase value of nkD\$ (can be adjusted to be internal acquisitions of our own businesses)



NKD
TECHNOLOGIES

ROADMAP / TIMELINE





NKD
TECHNOLOGIES

TECH

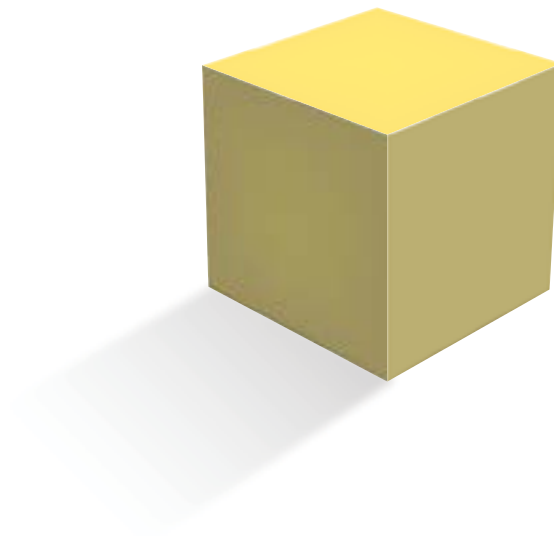
NKD\$ Technical specifications & Architecture of System

There are three principal technologies that combine to create a blockchain. None of them are new. Rather, it is their orchestration and application that is new.

These technologies are:

- 1) private key cryptography,
- 2) a distributed network with a shared ledger and
- 3) an incentive to service the network's transactions, record-keeping and security.

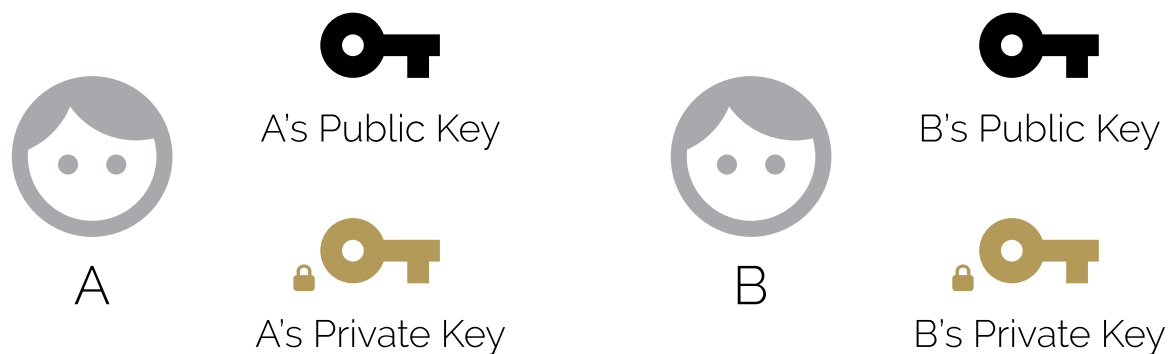
The following is an explanation of how these technologies work together to secure digital relationships.



Cryptographic Keys

By staking all our businesses and IP (intellectual property) associated with our businesses in our blockchain proprietary technology, two people wish to transact over the internet.

Each of them holds a private key and a public key.



The main purpose of this component of blockchain technology is to create a secure digital identity reference. Identity is based on possession of a combination of private and public cryptographic keys.

The combination of these keys can be seen as a dexterous form of consent, creating an extremely useful digital signature.

In turn, this digital signature provides strong control of ownership.



Identity

But strong control of ownership is not enough to secure digital relationships. While authentication is solved, it must be combined with a means of approving transactions and permissions (authorisation).

For blockchains, this begins with a distributed network.

A Distributed Network

The benefit and need for a distributed network can be understood by the 'if a tree falls in the forest' thought experiment.

If a tree falls in a forest, with cameras to record its fall, we can be pretty certain that the tree fell. We have visual evidence, even if the particulars (why or how) may be unclear.

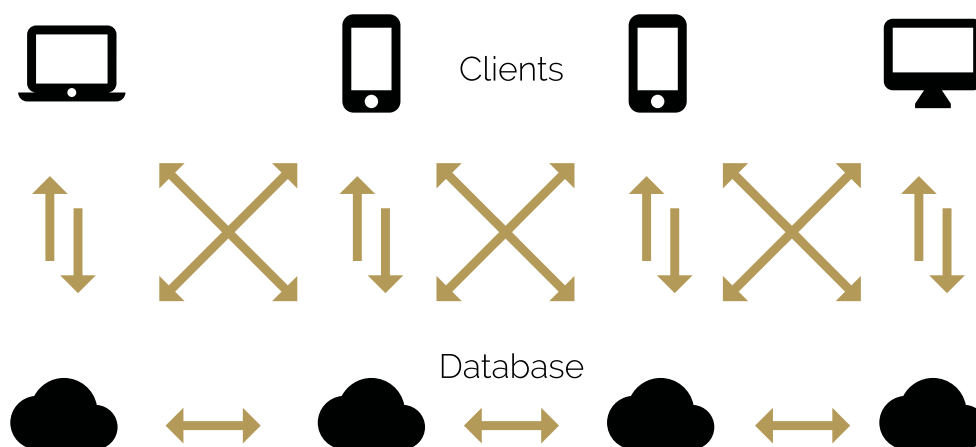
Much of the value of the bitcoin blockchain is that it is a large network where validators, like the cameras in the analogy, reach a consensus that they witnessed the same thing at the same time. Instead of cameras, they use mathematical verification.

In short, the size of the network is important to secure the network.

That is one of the bitcoin blockchain's most attractive qualities — it is so large and has amassed so much computing power. At time of writing, bitcoin is secured by 3,500,000 TH/s, more than the 10,000 largest banks in the world combined. Ethereum, which is still more immature, is secured by about 12.5 TH/s, more than Google and it is only two years old and still basically in test mode.

System Of Record

When cryptographic keys are combined with this network, a super useful form of digital interactions emerges. The process begins with A taking their private key, making an announcement of some sort — in the case of bitcoin, that you are sending a sum of the cryptocurrency — and attach it to B's public key.



Network Servicing Protocol

A realist might challenge the tree falling in the forest thought experiment with the following question: Why would there be a million computers with cameras waiting to record whether a tree fell? In other words, how do you attract computing power to service the network to make it secure?

For open, public blockchains, this involves mining. Mining is built off a unique approach to an ancient question of economics — the tragedy of the commons.

With blockchains, by offering your computer processing power to service the network, there is a reward available for one of the computers. A person's self-interest is being used to help service the public need.

With bitcoin, the goal of the protocol is to eliminate the possibility that the same bitcoin is used in separate transactions at the same time, in such a way that this would be difficult to detect.

This is how bitcoin seeks to act as gold, as property. Bitcoins and their base units (satoshis) must be unique to be owned and have value. To achieve this, the nodes serving the network create and maintain a history of transactions for each bitcoin by working to solve proof-of-work mathematical problems.

They basically vote with their CPU power, expressing their agreement about new blocks or rejecting invalid blocks. When a majority of the miners arrive at the same solution, they add a new block to the chain. This block is timestamped, and can also contain data or messages.

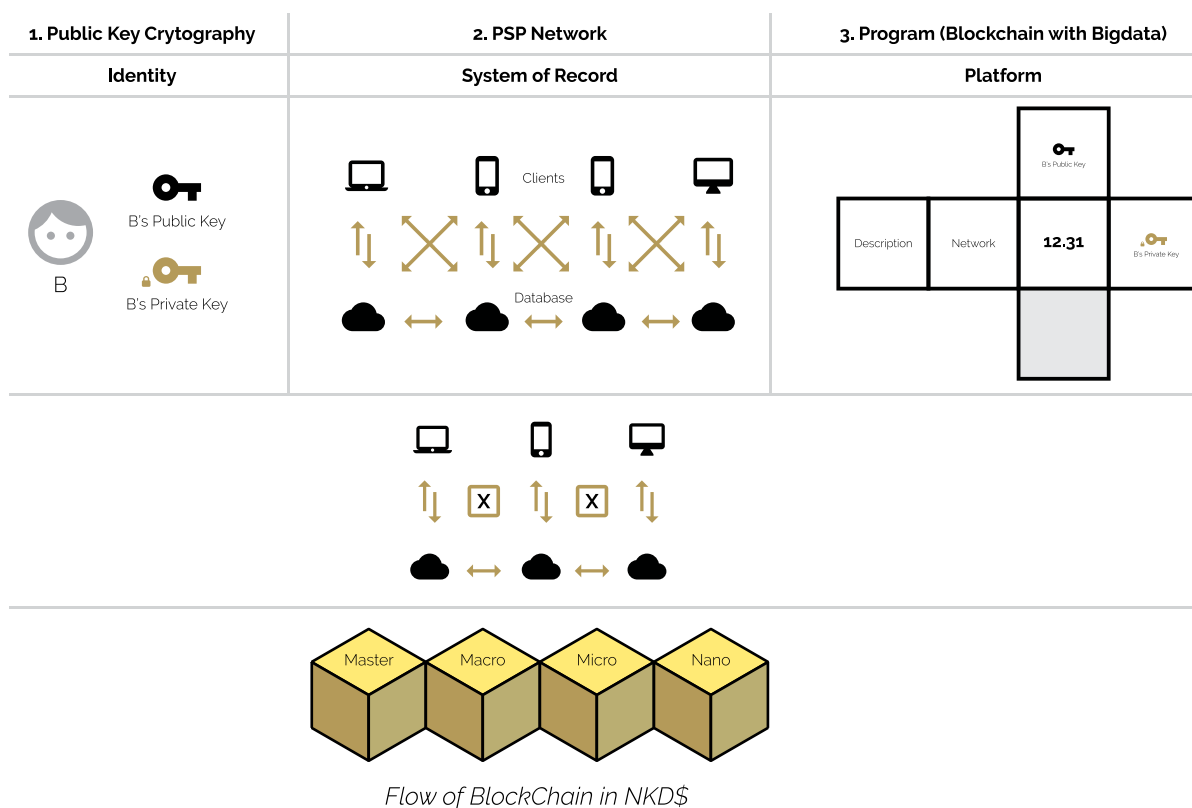
Here's a chain of blocks:

The type, amount and verification can be different for each blockchain. It is a matter of the block-chain's protocol – or rules for what is and is not a valid transaction, or a valid creation of a new block. The process of verification can be tailored for each blockchain. Any needed rules and incentives can be created when enough nodes arrive at a consensus on how transactions ought to be verified.

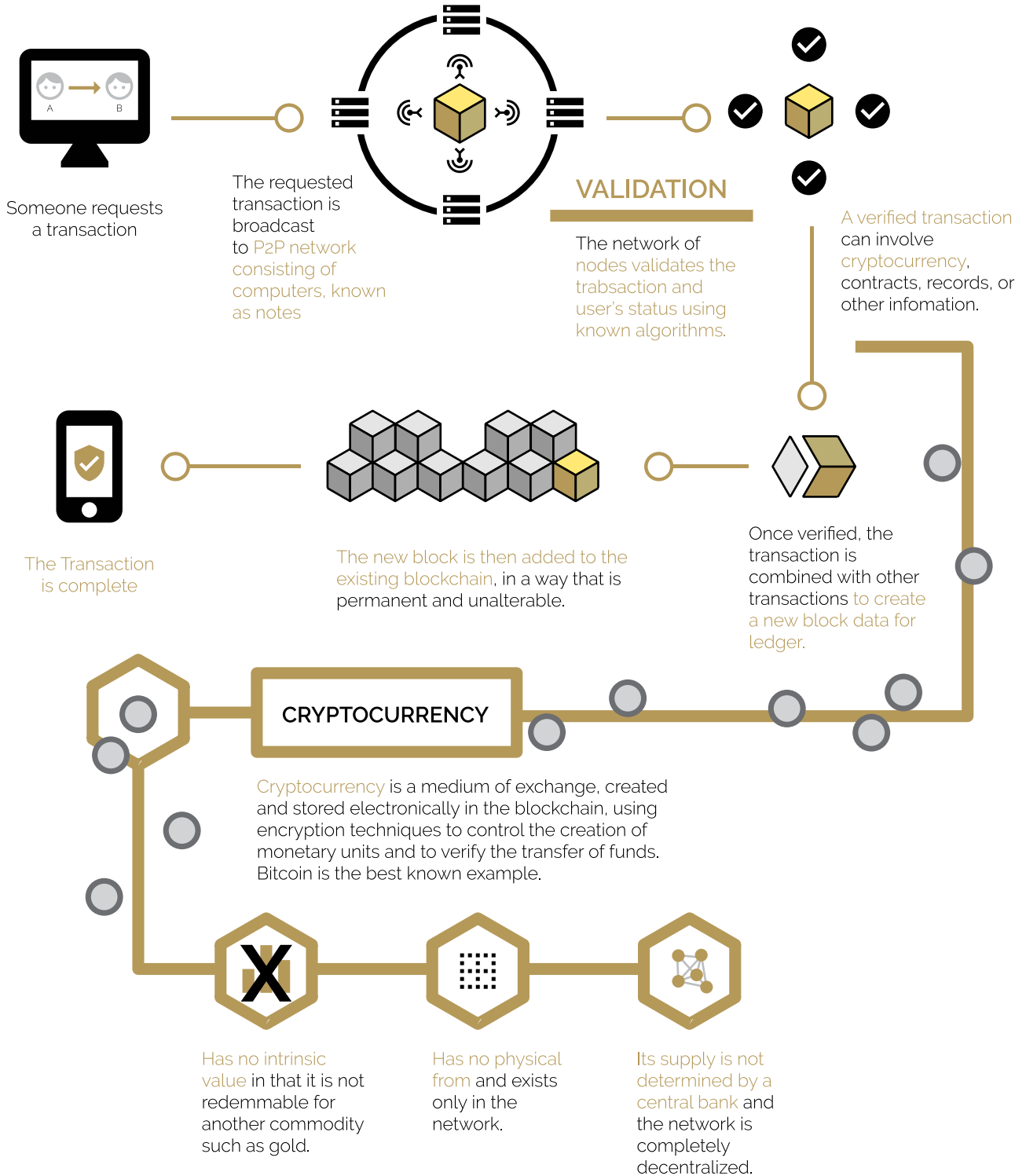
It's a taster's choice situation, and people are only starting to experiment.

We are currently in a period of blockchain development where many such experiments are being run. The only conclusions drawn so far are that we are yet to fully understand the dexterity of block-chain protocols.

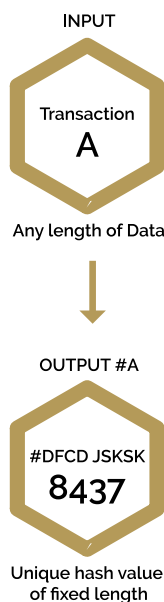
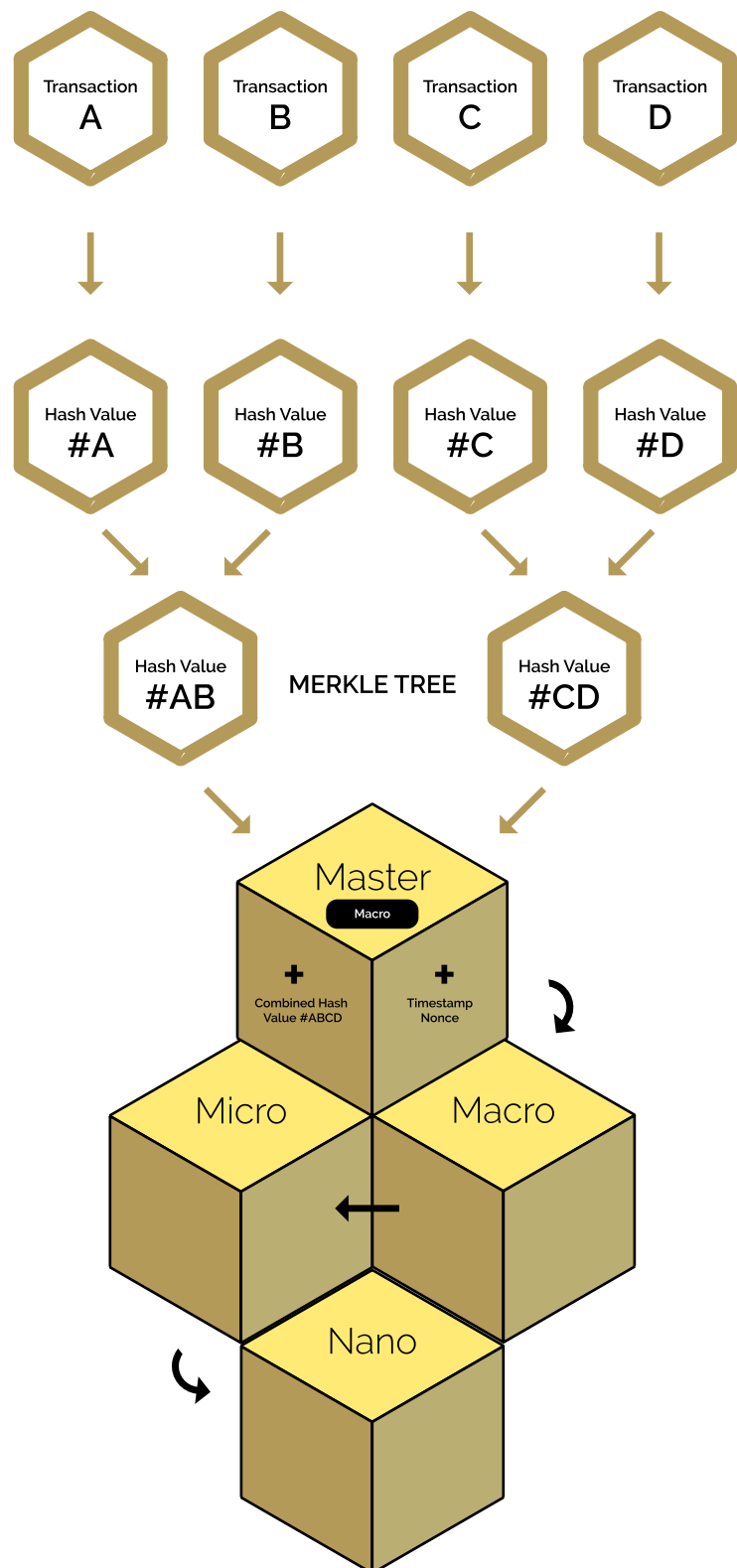
Blockchains are built from 3 technologies



How it works:



Making A Hash Of It



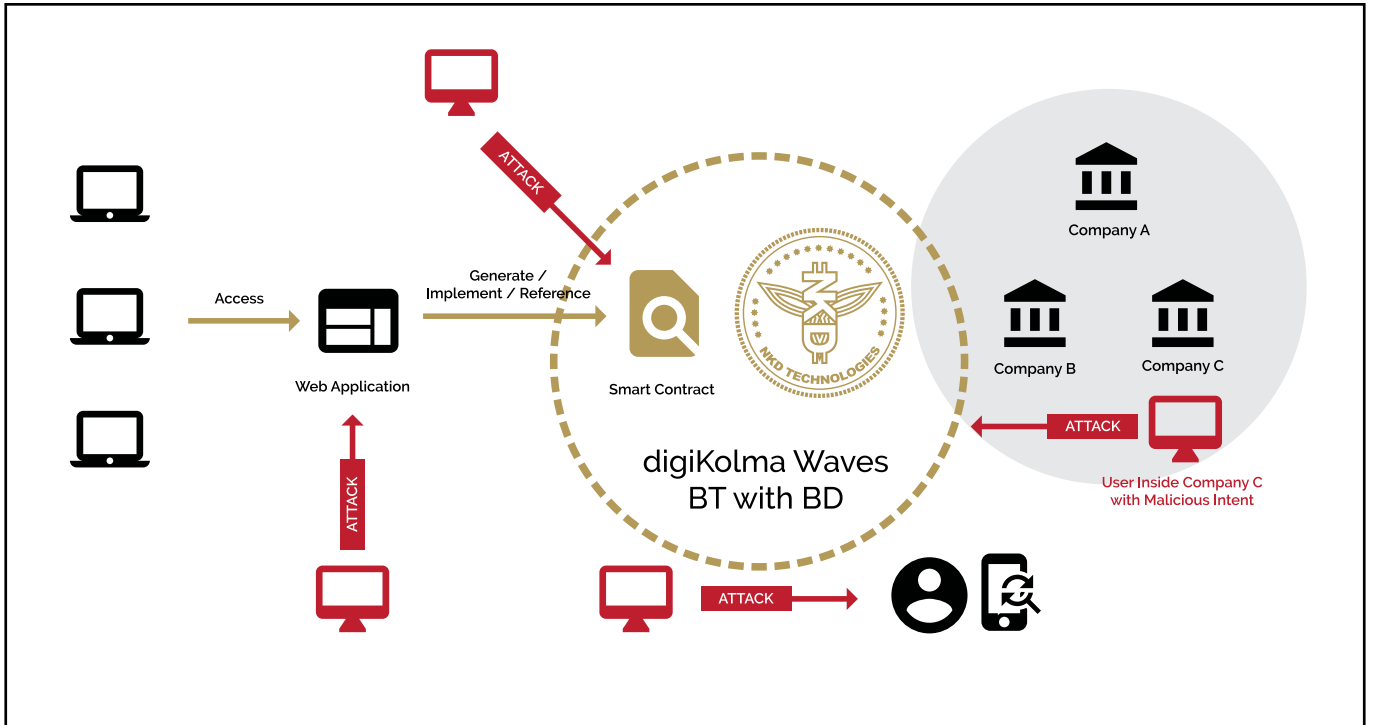
Each Transaction is the set that makes up a block is fed through a program that creates an encrypted code known as the hash value.

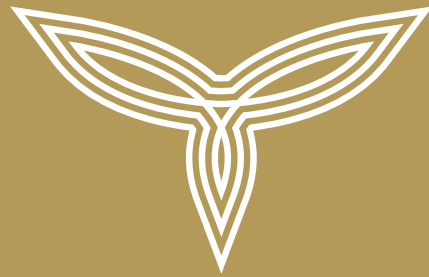
Hash values are further combined in a system known as a merkle Tree.

The result of all this hashing goes into the block's header, along with a hash of the previous block's header and timestamp.

The header becomes part of a cryptographic puzzle solved by manipulating a number called the nonce.

Once a solution is found the new block is added to the blockchain.





NKD
TECHNOLOGIES

FOUNDERS / PARTNERS

Marco Robinson



"Marco Robinson is the Star & Creator of the UK new Channel 4 TV Show "Get a house for free"



Channel 4 asked thousands of property developers to give away a house to address the social housing issue.

Marco was the only one that freely volunteered...why because he has been homeless himself and knows all too well the struggle homeless people are facing right now. He is now helping thousands of homeless people with new housing.

Marco Robinson is a #1 Bestselling Author of two Books, an Award Winning Entrepreneur, Winner of the People's Choice Best Real Estate Investment Company 2015 & Winner Tatler's Best Restaurants.

He is a world authority speaker on investing, entrepreneurship & financial freedom.

CAREER SUMMARY:

Marco has reaped financial success primarily from his investment in the property market. Last year he bought 108 properties alone. His investments have made him a self-made millionaire several times over.

His career success is not limited to property by any means. He has built several multi-million dollar companies from scratch these include The New Rich List (the first Entrepreneur funder and accelerator program), the Wealth Revolution Group, Create Demand Incentive Programs, NAKED Technologies; the world's first asset backed Cryptocurrency, powered by Blockchain Technology with it's own Eco-System of spending in the Naked Group of Companies. These companies include Naked Restaurant, NKDb cosmetics, NAKED Travel (ABTA & ATOL Bonded) and much more...

FAMILY:

His own childhood was traumatic. At 2 years old his mum left his Dad, due to his addiction to gambling. Together, Marco and his mother regularly moved from town to town in order for her to find work. Sometimes they even had to sleep in a park to survive.

He attended so many different schools that it made keeping up with his peers and forming relationships difficult. He was bullied on a daily basis, and because of this played truant most of the time. Desperate to forge a successful career and start providing for his mother, he left school at 16 to find work.

EARLY CAREER HISTORY:

Marco's first job was as a cleaner in Woolworths. Most of his Saturdays were spent scraping chewing gum off the floors. He then got a job stacking shelves in a supermarket, earning him £17 a week, before finding his way into a role as a computer operator for a building firm.

One of his favourite jobs was selling clothes in an expensive men's clothes shop. This earned him £55 a week and taught him the importance of personal presentation, a life lesson he has carried with him ever since.

Marco's breakthrough to success came at 21. After years of grafting he took a direct sales job in the timeshare industry on commission only.

He did so well he has head hunted to head the sales and marketing of a public Company, Tanco Resorts BHD, in Malaysia. He took it from 5 million to 100 Million in a year and broke the world record in timeshare sales. He recruited and trained over 4,000 members of staff. In 2000 he left to follow his ambition of becoming a successful entrepreneur. He invested heavily in property and used the profit he acquired to start multiple other ventures in hospitality, retail, beauty and travel, to name a few. Marco now has a net worth of £25 million. He owns homes in Malaysia, Bali, USA and the UK.

Malvindran Ganesh



Malvindran comes with an impressive track record in finance & tech, also known as “fintech” these days.

Officially dropped out of college with a full scholarship, by choice. Never believed in the formal education system from early school days, left education for job opportunities with Multinational Corporations at 20. First gig was with HSBC in Asia and was certified as a compliance officer within his first year.

Second corporate stint was with an Australian telco overlooking their setup in Asia, from system setup with bandwidth right up to front end sales.

Last and final engagement with the corporate world was with NYSE in Wall St, on the IT side. Came to them as a Knowledge Expert with backend systems and was contracted to their partners, CSC.

Along the way with being in the corporate world, Malvindran has been certified by Google for Cloud Computing and holds various certifications from Google for Internet Marketing. Also, an alumni of Google I/O in 2013

Has been a budding enthusiast of cryptocurrency since the days of e-gold & started buying into & getting to know Bitcoin since 2010. A big fan of blockchain and the communities that support it, Malvindran has attended various conferences pertaining to Blockchain including the Blockchain Bootcamp in Luxembourg on October 2016, organised by Luxembourg School of Business.

Malvindran conducts trainings for fellow investors within NKD Tech / The New Rich List / Marco Robinson Group of Companies for cryptocurrency & blockchain.

Malvindran co-founded NKD Tech and NKD\$ along side both Marco Robinson with the vision to disrupt the financial ecosystem & loyalty marketplace using NKD\$

His ideas on the “network effect” expansion and how NKD\$ will go on to become a token that will have a sustained shelf life in the cryptocurrency world can be found in the NKD\$ white paper.

Co-Founder & CTO
NKD Technologies
The New Rich List
Marco Robinson Group of Companies
<https://www.facebook.com/malvindran>

Johnathan Rogers



Johnathan Rogers, Legal Advisor

What he's best at:

Jonathan is an experienced construction, commercial and dispute resolution lawyer. He acts for clients within a variety of sectors including the construction, engineering, energy and real estate sectors.

He has expertise in drafting and negotiating all standard forms of construction and engineering contracts including JCT, NEC and FIDIC contracts together with all other ancillary documents and agreements such as development agreements, bonds, warranties, guarantees, letters of intent and funding agreements.

Jonathan acts for clients throughout the whole lifecycle of projects including the acquisition and disposal of commercial property and project sites as well as effectively resolving disputes.

Who he works for:

- Construction, engineering and energy companies
- Contractors and sub-contractors
- Developers
- Funders
- Land and property owners
- Private individuals

Practice Areas

- Commercial
- Construction & Engineering
- Dispute Resolution
- Real Estate and Construction

Email: jonathan.rogers@gunnercooke.com

Tel: 07966 119 303





FOUNDERS / PARTNERS

Private Banking Partner and Advisors

Prad GOSWAMI

Director, Private Banking

CA Indosuez (Switzerland) SA

Singapore Branch

168 Robinson Road #23-03 Capital Tower, 068912 Singapore

Tel +65 6439 9507

Email: prad.goswami@ca-indosuez.sg

Website: www.ca-indosuez.com



Legal Advisors

Amy Burke

Attorney at Law

THEODORA ORINGHER PC

Los Angeles Office

1840 Century Park East, Suite 500, Los Angeles, CA 90067-2120

Main: 310.557.2009 Direct: 310.788.3521

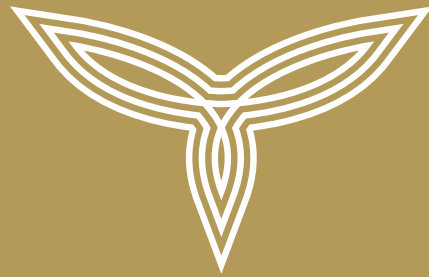
Fax: 310.551.0283

Email: aburke@tocounsel.com

Bio: Amy Burke

Website: www.tocounsel.com





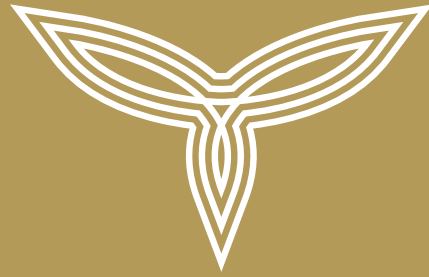
NKD
TECHNOLOGIES

AWARDS, CREDITATIONS &
APPEARANCES



Awarded with the honour & title of
Dato' Seri Marco Robinson S.T.M.P.





NKD
TECHNOLOGIES

DISCLAIMER



NKD Technologies Token Sale

NKD Technologies LTD – TERMS OF SALE

Updated: July 22, 2017

PLEASE READ THESE TERMS OF SALE CAREFULLY. NOTE THAT SECTION 12 CONTAINS A BINDING ARBITRATION CLAUSE AND CLASS ACTION WAIVER, WHICH AFFECT YOUR LEGAL RIGHTS. IF YOU DO NOT AGREE TO THESE TERMS OF SALE, DO NOT PURCHASE TOKENS.

Your purchase of NKD\$ Tokens ("NKD" or "Tokens") from NKD Technologies LTD ("NKD," "we," "us," "our," or the "Company") is subject to these Terms of Sale ("Terms"). Each of you and the Company are a "Party," and together are the "Parties."

These Terms take effect when you click an "I Accept" button or check box presented with these Terms (the "Effective Date"). You represent to us that you are lawfully able to enter into contracts (e.g., you are not a minor). If you are entering into this Agreement for an entity, such as the company you work for, you represent to us that you have legal authority to bind that entity.

Section 13 contains the definitions of certain capitalized terms used in these Terms. Though you should read and understand this entire document before agreeing to its terms, you should pay particular attention to those terms written in ALL CAPITAL LETTERS.

1. General

1.1 Terms. You will adhere to all NKD Technologies rules and regulations applicable to your purchase of TNT, including the Policies as defined in Section 13. You have read and understand the Offering Documents and will read any updates thereto. If you did not understand any of the concepts identified in the disclosure, you have contacted us via email at ico@naked.technology.com and we have explained them to your satisfaction.

1.2 Support to You. We will provide web-based support only, including email, web forums, and knowledge base support. We will not provide telephone or live support. Our support email is ico@naked.technology.com.

1.3 Third Party Content. Third Party Content may be made available directly to you by other companies or individuals under separate terms and conditions, including separate fees and charges. Because we may not have tested or screened the Third Party Content, your use of any Third Party Content is at your sole risk. We do not accept liability for any fees incurred or damages caused by your use of any Third Party Content. We do not guarantee the availability of any Third Party Content for any purpose. We do not guarantee the accuracy or precision of any information provided to us by any third party, including, without limitation, network information, pricing information or other statistical data. We may change, discontinue, or deprecate any of the Third Party Content.

2. Offering.

2.1 Purchase. You agree to purchase, and we agree to sell, on the terms set forth herein, the NKD\$. Your purchase is final. We will not provide any refund of the purchase price under any circumstances. NKD\$ may be purchased from the Distribution Smart Contract using either ("ETH") or bitcoin ("BTC"). Title to, and risk of loss of, NKD\$ delivered by the Distribution Smart Contract passes from the Company to purchasers in the UK.

2.2 Delivery Date. The Distribution Smart Contract will make available to you the Resulting Distribution upon the later of (i) when the saleable Tokens limit has been reached or (ii) September 1, 2017.

2.3 Delivery Method. If you purchased NKD\$ with ETH, the Distribution Smart Contract will make available the appropriate amount of NKD\$ on the Ethereum address from which your ether was sent. If you purchased NKD\$ with BTC, the appropriate amount of NKD\$ will be sent to the Ethereum address provided during the Token Sale purchase process.

2.4 Third Party. If you purchase NKD\$ using a third party, that third party is your agent, not ours, for the purpose of the payment of ETC, BTC or Tokens. You, not we, are responsible for ensuring that we actually receive the appropriate amount of ETH or BTC. We are not responsible for any loss of funds due in any part to the use of a third party to send or receive ETC, BTC or Tokens.

3. Security and Data Privacy.

3.1 Your Security. You will implement reasonable and appropriate measures designed to secure access to (i) any device associated with the email address associated with your account, and (ii) private keys required to access any relevant Ethereum address or your NKD\$. In the event that you are no longer in possession of any private key or device associated with your provided Ethereum address, you understand you may never be able to access your NKD\$.

3.2 Additional Information. You will provide to us, immediately upon our notice of request, information that we, in our sole discretion, deem to be required to maintain compliance with any federal, state or local law, regulation or policy. Such documents include, but are not limited to, passports, driver's licenses, utility bills, photographs of you, government identification cards, or sworn statements.

3.3 Your Information. We may use aggregate statistical information about your activity, including, without limitation, your activity on the Naked.Technology Site and logins to various websites, for marketing or any other purpose in our sole discretion. However, we will not release your personally-identifying information to any third party without your consent, except as set forth herein or in any Policy.

4. Your Responsibilities.

4.1 Security and Backup. You are responsible for properly configuring any software in connection with your access to or use of NKD\$.

4.2 End User Violations. You will be deemed to have taken any action that you permit, assist or facilitate any person or entity to take related to this Agreement. You are responsible for End Users' purchase and use of NKD\$. You will ensure that all End Users comply with your obligations under this Agreement and that the terms of your agreement with each End User are consistent with this Agreement.

4.3 End User Support. You are responsible for providing customer service (if any) to End Users. We do not provide any support or services to End Users unless we have a separate agreement with you or an End User obligating us to provide support or services.

5. Taxes. You are responsible for complying with all applicable law regarding the payment of taxes related to the purchase of NKD\$. naked.technology is not responsible for your compliance with tax law.

6. Term; Termination.

6.1. Term. The term of this Agreement will commence on the Effective Date and will continue until terminated in accordance with this Agreement.

6.2 Termination. This Agreement will terminate automatically upon the delivery of substantially all of your Resulting Distribution or after five (5) days of the launch of the Network. We may terminate this Agreement in our sole discretion if you breach any term or Policy.

6.3. Effect of Termination. Upon any termination of this Agreement: (a) all your rights under this Agreement immediately terminate; (b) you are not entitled to a refund of any amount paid; (c) you will immediately return or, if instructed by us, destroy all NKD\$ Content in your possession; and (d) Sections 4.1, 5, 6.3, 7, 8, 9, 10, 11, 12 and 13 will continue to apply in accordance with their terms. We will not be liable for any special, incidental or consequential damages you sustain, including, without limitation, any special, incidental or consequential damages due to any loss of credentials, login information or private keys for any website or software or your inability to access any website or account.

7. Proprietary Rights.

7.1 Suggestions. If you provide any Suggestions to us or our affiliates, we will own all right, title, and interest in and to the Suggestions, even if you have designated the Suggestions as confidential or proprietary. We and our affiliates will be entitled to use the Suggestions without restriction. You hereby irrevocably assign to us all right, title, and interest in and to the Suggestions and agree to provide us any assistance we may require to document, perfect, and maintain our rights in the Suggestions.

7.2 Hardware and Software. Under no circumstances will you gain any proprietary rights in any computer hardware or software (except the NKD\$ in your Resulting Distribution) used by naked.technology or its affiliates.

7.3. Intellectual Property. We retain all right, title and interest in all of our intellectual property, including inventions, discoveries, processes, marks, methods, compositions, formulae, techniques, information and data, whether or not patentable, copyrightable or protectable in trademark, and any trademarks, copyrights or patents based thereon. You may not use any of our intellectual property for any reason, except with our express, prior, written consent.

8. Indemnification.

8.1. General. You will defend, indemnify, and hold harmless us, our affiliates and licensors, and each of their respective employees, officers, directors, and representatives from and against any claims, damages, losses, liabilities, costs, and expenses (including reasonable attorneys' fees) arising out of or relating to any third party claim concerning this Agreement or your use of NKD\$, whether or not the NKD\$ was sold to you under this Agreement. If we or our affiliates are obligated to respond to a third party subpoena or other compulsory legal order or process described above, you will also reimburse us for reasonable attorneys' fees, as well as our employees' and contractors' time and materials spent responding to the third party subpoena or other compulsory legal order or process at reasonable hourly rates.

8.2. Process. We will promptly notify you of any claim subject to Section 8.1, but our failure to promptly notify you will only affect your obligations under Section 8.1 to the extent that our failure prejudices your ability to defend the claim. You may: (a) use counsel of your own choosing (subject to our written consent) to defend against any claim; and (b) settle the claim as you deem appropriate, provided that you obtain our prior written consent before entering into any settlement. We may also assume control of the defense and settlement of the claim at any time.

9. Risks and Disclaimers.

9.1 Risks. YOU UNDERSTAND THAT BLOCKCHAIN TECHNOLOGY, ETHEREUM, ETHER, AND BITCOIN ARE NEW AND UNTESTED TECHNOLOGIES OUTSIDE OF NKD'S CONTROL AND ADVERSE CHANGES IN MARKET FORCES OR TECHNOLOGY, BROADLY CONSTRUED, WILL EXCUSE NKD'S PERFORMANCE UNDER THIS AGREEMENT. IN ADDITION, YOU UNDERSTAND TNT AND BLOCKCHAIN ANCHORING TECHNOLOGY ARE SIMILARLY NEW AND UNTESTED AND ADVERSE CHANGES IN MARKET FORCES OR TO THE UNDERLYING TECHNOLOGY, BROADLY CONSTRUED, WILL EXCUSE NKD'S PERFORMANCE UNDER THIS AGREEMENT.

IN PARTICULAR, AND IN ADDITION TO THE TERMS OF THIS DOCUMENT, YOU ASSUME ALL RISK OF LOSS RESULTING FROM, CONCERNING OR ASSOCIATED WITH THE RISKS SET FORTH IN THE OFFERING DOCUMENTATION.

9.2 Disclaimers. TNT ARE DISTRIBUTED BY THE DISTRIBUTION SMART CONTRACT "AS IS." WE AND OUR AFFILIATES AND LICENSORS MAKE NO REPRESENTATIONS OR WARRANTIES OF ANY KIND, WHETHER EXPRESS, IMPLIED, STATUTORY OR OTHERWISE REGARDING TNT OR THE THIRD PARTY CONTENT, INCLUDING ANY WARRANTY THAT TNT OR THIRD PARTY CONTENT WILL BE UNINTERRUPTED, ERROR FREE OR FREE OF HARMFUL COMPONENTS, OR THAT ANY CONTENT, INCLUDING YOUR CONTENT OR THE THIRD PARTY CONTENT, WILL BE SECURE OR NOT OTHERWISE LOST OR DAMAGED. EXCEPT TO THE EXTENT PROHIBITED BY LAW, WE AND OUR AFFILIATES AND LICENSORS DISCLAIM ALL WARRANTIES, INCLUDING ANY IMPLIED WARRANTIES OF MERCHANTABILITY, SATISFACTORY QUALITY, FITNESS FOR A PARTICULAR PURPOSE, NON-INFRINGEMENT, OR QUIET ENJOYMENT, AND ANY WARRANTIES ARISING OUT OF ANY COURSE OF DEALING OR USAGE OF TRADE.

WE DO NOT AND WILL NOT PROVIDE YOU WITH ANY SOFTWARE. THE NETWORK WILL DISTRIBUTE TNT IN YOUR RESULTING DISTRIBUTION.

10. Limitations of Liability.

WE AND OUR AFFILIATES OR LICENSORS WILL NOT BE LIABLE TO YOU FOR ANY DIRECT, INDIRECT, INCIDENTAL, SPECIAL, CONSEQUENTIAL OR EXEMPLARY DAMAGES (INCLUDING DAMAGES FOR LOSS OF PROFITS, GOODWILL, USE, OR DATA), EVEN IF WE HAVE BEEN ADVISED OF THE POSSIBILITY OF SUCH DAMAGES. FURTHER, NEITHER WE NOR ANY OF OUR AFFILIATES OR LICENSORS WILL BE RESPONSIBLE FOR ANY COMPENSATION, REIMBURSEMENT, OR DAMAGES ARISING IN CONNECTION WITH: (A) YOUR INABILITY TO USE TNT, INCLUDING, WITHOUT LIMITATION, AS A RESULT OF ANY TERMINATION OR SUSPENSION OF THE NETWORK OR THIS AGREEMENT, INCLUDING AS A RESULT OF POWER OUTAGES, MAINTENANCE, DEFECTS, SYSTEM FAILURES OR OTHER INTERRUPTIONS; (B) THE COST OF PROCUREMENT OF SUBSTITUTE GOODS OR SERVICES; (C) ANY INVESTMENTS, EXPENDITURES, OR COMMITMENTS BY YOU IN CONNECTION WITH THIS AGREEMENT OR YOUR USE OF OR ACCESS TO ANY TNT; OR (D) ANY UNAUTHORIZED ACCESS TO, ALTERATION OF, OR THE DELETION, DESTRUCTION, DAMAGE, LOSS OR FAILURE TO STORE ANY DATA, INCLUDING RECORDS, PRIVATE KEY OR OTHER CREDENTIALS, ASSOCIATED WITH ANY TNT, WHETHER OR NOT OBTAINED UNDER THIS AGREEMENT AS PART OF THE RESULTING DISTRIBUTION.

IN ANY CASE, OUR AND OUR AFFILIATES' AND LICENSORS' AGGREGATE LIABILITY UNDER THIS AGREEMENT WILL BE LIMITED TO THE VALUE (IN UNITED STATES DOLLARS AT THE TIME OF THE SALE) YOU PAID US IN EXCHANGE FOR THE OFFERING UNDER THIS AGREEMENT.

YOU WAIVE YOUR RIGHT TO DEMAND THE RETURN OF ANY AMOUNTS YOU PAID US FOR THE OFFERING UNDER ANY CIRCUMSTANCES, INCLUDING, WITHOUT LIMITATION, A DEMAND FOR SPECIFIC PERFORMANCE.

11. Modifications to the Agreement.

We may modify this Agreement (including any Policies) at any time by posting a revised version on the naked.technology Site or, only if you have provided us with your email address, by email. The modified terms will become effective upon posting or, if we notify you by email, as stated in the email. It is your responsibility to check the naked.technology Site regularly for modifications to this Agreement. We last modified this Agreement on the date listed at the beginning of this Agreement.

12. Miscellaneous.

12.1 Confidentiality and Publicity. You may use NKD\$ Confidential Information only in connection with your purchase of TNT under this Agreement and pursuant to the terms of this Agreement. You will not disclose NKD\$ Confidential Information during the Term or at any time during the five (5) year period following the end of the Term. You will take all reasonable measures to avoid disclosure, dissemination or unauthorized use of NKD\$ Confidential Information, including, at a minimum, those measures you take to protect your own confidential information of a similar nature. You will not issue any press release or make any other public communication with respect to this Agreement or your purchase. You will not misrepresent or embellish the relationship between us and you (including by expressing or implying that we support, sponsor, endorse, or contribute to you or your business endeavors), or express or imply any relationship or affiliation between us and you or any other person or entity except as expressly permitted by this Agreement.

12.2 Force Majeure. We and our affiliates will not be liable for any delay or failure to perform any obligation under this Agreement where the delay or failure results from any cause beyond our reasonable control, including acts of God, labor disputes or other industrial disturbances, electrical, telecommunications, hardware, software or other utility failures, earthquake, storms or other elements of nature, blockages, embargoes, riots, acts or orders of government, acts of terrorism, or war, changes in blockchain technology (broadly construed), changes in the Ethereum or Network protocols or any other force outside of our control.

12.3 Independent Contractors; Non-Exclusive Rights. We and you are independent contractors, and neither party, nor any of their respective affiliates, is an agent of the other for any purpose or has the authority to bind the other. Both parties reserve the right (a) to develop or have developed for it products, services, concepts, systems, or techniques that are similar to or compete with the products, services, concepts, systems, or techniques developed or contemplated by the other party and (b) to assist third party developers or systems integrators who may offer products or services which compete with the other party's products or services.

12.4 No Third Party Beneficiaries. This Agreement does not create any third party beneficiary rights in any individual or entity.

12.5 Import and Export Compliance. In connection with this Agreement, you will comply with all applicable import, re-import, export, and re-export control and regulations, including the Export Administration Regulations, the International Traffic in Arms Regulations, and country or individual-specific economic sanctions programs implemented by the Office of Foreign Assets Control. For clarity, you are solely responsible for compliance related to the manner in which you choose to use NKD\$

12.6 Notice.

(a) To You. We may provide any notice to you under this Agreement by posting a notice on the naked.technology Site. Notices we provide by posting on the naked.technology Site will be effective upon posting. It is your responsibility to periodically review the naked.technology Site for notices.

(b) To Us. To give us notice under this Agreement, you must contact NKD\$ by email to ico@naked.technology. We may update this email address for notices to us by posting a notice on the NKD\$ Site. Notices to us will be effective one business day after they are sent.

(c) Language. All communications and notices to be made or given pursuant to this Agreement must be in the English language.

12.7 Assignment. You will not assign this Agreement, or delegate or sublicense any of your rights under this Agreement, without our prior written consent. Any assignment or transfer in violation of this section will be void. Subject to the foregoing, this Agreement will be binding upon, and inure to the benefit of the parties and their respective successors and assigns.

12.8 No Waivers. The failure by us to enforce any provision of this Agreement will not constitute a present or future waiver of such provision nor limit our right to enforce such provision at a later time. All waivers by us must be unequivocal and in writing to be effective.

12.9 Reformation and Severability. Except as otherwise set forth herein, if any portion of this Agreement is held to be invalid or unenforceable, the remaining portions of this Agreement will remain in full force and effect. Any invalid or unenforceable portions will be interpreted to effect the intent of the original portion. If such construction is not possible, the invalid or unenforceable portion will be severed from this Agreement, but the rest of the Agreement will remain in full force and effect.

12.10 Disputes Resolution by Binding Arbitration; Jury Trial Waiver; Class Action Waiver; Limitation of Time. For any and all controversies, disputes, demands, claims, or causes of action between you and us (including the interpretation and scope of this Section and the arbitrability of the controversy, dispute, demand, claim, or cause of action) relating to TNT or this Agreement (as well as any related or prior agreement that you may have had with us), you and we agree to resolve any such controversy, dispute, demand, claim, or cause of action exclusively through binding and confidential arbitration. The arbitration will take place in the federal judicial district of your residence. As used in this Section, "we" and "us" mean NKD\$. In addition, "we" and "us" include any third party providing any product, service, or benefit in connection with this Agreement (as well as any related or prior agreement that you may have had with us) if such third party is named as a co-party with us in any controversy, dispute, demand, claim, or cause of action subject to this Section.

Arbitration will be subject to the Federal Arbitration Act and not any state arbitration law. The arbitration will be conducted before one commercial arbitrator from the American Arbitration Association ("AAA") with substantial experience in resolving commercial contract disputes. As modified by this Agreement, and unless otherwise agreed upon by the parties in writing, the arbitration will be governed by the AAA's Commercial Arbitration Rules and, if the arbitrator deems them applicable, the Supplementary Procedures for Consumer Related Disputes (collectively, the "Rules and Procedures"). Where no claims or counterclaims exceed \$10,000, the dispute will be resolved by the submission of documents without a hearing, unless a hearing is requested by a party or deemed necessary by the arbitrator, in which case, a party may elect to participate telephonically.

You should review this provision carefully. To the extent permitted by applicable law, you are GIVING UP YOUR RIGHT TO GO TO COURT to assert or defend your rights EXCEPT for matters that you file in small claims court in the state or municipality of your residence within the jurisdictional limits of the small claims court and as long as such matter is only pending in that court. Additionally, notwithstanding this agreement to arbitrate, claims of defamation, and infringement or misappropriation of the other party's patent, copyright, trademark, or trade secret shall not be subject to this arbitration agreement. Such claims shall be exclusively brought in the state or federal courts located in the City and County of San Francisco, State of California. Additionally, notwithstanding this agreement to arbitrate, you or we may seek emergency equitable relief before the state or federal courts located in the City and County of San Francisco, State of California in order to maintain the status quo pending arbitration and hereby agree to submit to the exclusive personal jurisdiction of the courts located within the City and County of San Francisco, State of California for such purpose. A request for interim measures shall not be deemed a waiver of the right to arbitrate.

Your rights will be determined by a NEUTRAL ARBITRATOR and NOT a judge or jury. You are entitled to a FAIR HEARING, BUT the arbitration procedures may be SIMPLER AND MORE LIMITED THAN RULES APPLICABLE IN COURT. Arbitrators' decisions are as enforceable as any court order and are subject to VERY LIMITED REVIEW BY A COURT.

You and we must abide by the following rules: (a) ANY CLAIMS BROUGHT BY YOU OR US MUST BE BROUGHT IN THE PARTY'S INDIVIDUAL CAPACITY, AND NOT AS A PLAINTIFF OR CLASS MEMBER IN ANY PURPORTED CLASS OR REPRESENTATIVE PROCEEDING; (b) THE ARBITRATOR MAY NOT CONSOLIDATE MORE THAN ONE PERSON'S CLAIMS, MAY NOT OTHERWISE PRESIDE OVER ANY FORM OF A REPRESENTATIVE OR CLASS PROCEEDING, AND MAY NOT AWARD CLASS-WIDE RELIEF; (c) in the event that you are able to demonstrate that the costs of arbitration will be prohibitive as compared to the costs of litigation, we will pay as much of your filing and hearing fees in connection with the arbitration as the arbitrator deems necessary to prevent the arbitration from being cost-prohibitive as compared to the cost of litigation, (d) we also reserve the right, in our sole and exclusive discretion, to assume responsibility for any or all of the costs of the arbitration; (e) the arbitrator will honor claims of privilege and privacy recognized at law; (f) the arbitration will be confidential, and neither you nor we may disclose the existence, content, or results of any arbitration, except as may be required by applicable law or for purposes of enforcement of the arbitration award; (g) subject to the limitation of liability provisions of these Terms, the arbitrator may award any individual relief or individual remedies that are expressly permitted by applicable law; and (h) you and we will pay our respective attorneys' fees and expenses, unless there is a statutory provision that requires the prevailing party to be paid its fees and litigation expenses and the arbitrator awards such attorneys' fees and expenses to the prevailing party, and, in such instance, the fees and costs awarded will be determined by the applicable law.

This Section will survive termination of your account and this Agreement as well as any voluntary payment of any debt in full by you or any bankruptcy by you or us. With the exception of subparts (a) and (b) above of this Section (prohibiting arbitration on a class or collective basis), if any part of this arbitration provision is deemed to be invalid, unenforceable, or illegal, or otherwise conflicts with the Rules and Procedures, then the balance of this arbitration provision will remain in effect and will be construed in accordance with its terms as if the invalid, unenforceable, illegal or conflicting part was not contained herein. If, however, either subpart (a) or (b) above of this Section is found to be invalid, unenforceable, or illegal, then the entirety of this arbitration provision will be null and void, and neither you nor we will be entitled to arbitration. If for any reason a claim proceeds in court rather than in arbitration, the dispute shall be exclusively brought in state or federal court located in San Francisco, California.

For more information on the AAA, the Rules and Procedures, or the process for filing an arbitration claim, you may call the AAA at 888-778-7879 or visit the AAA website at <http://www.adr.org>.

YOU AGREE THAT, TO THE MAXIMUM EXTENT PERMITTED BY APPLICABLE LAW, ANY CLAIM OR CAUSE OF ACTION ARISING OUT OF OR RELATING TO THE PURCHASE OR THESE TERMS MUST BE FILED WITHIN ONE (1) YEAR AFTER SUCH CLAIM OR CAUSE OF ACTION AROSE OR IT WILL BE FOREVER BARRED.

12.11 Entire Agreement; English Language. This Agreement includes the Policies and is the entire agreement between you and us regarding the subject matter of this Agreement. This Agreement supersedes all prior or contemporaneous representations, understandings, agreements, or communications between you and us, whether written or verbal, regarding the subject matter of this Agreement. Notwithstanding any other agreement between you and us, the security and data privacy provisions in this Agreement contain the Parties and their affiliates' entire obligation regarding the security, privacy and confidentiality of your personal information. We will not be bound by, and specifically object to, any term, condition or other provision which is different from or in addition to the provisions of this Agreement (whether or not it would materially alter this Agreement) and which is submitted by you in any order, receipt, acceptance, confirmation, correspondence or other document. If the terms of this document are inconsistent with the terms contained in any Policy, the terms contained in this document will control. If we provide a translation of the English language version of this Agreement, the English language version of the Agreement will control if there is any conflict.

12.12 Title. You understand and acknowledge that title to, and risk of loss of, TNT you receive from the Distribution Smart Contract passes from Company to you in the Cayman Islands.

13. Definitions.

"NKD\$ Confidential Information" means all nonpublic information disclosed by us, our affiliates, business partners or our or their respective employees, contractors or agents that is designated as confidential or that, given the nature of the information or circumstances surrounding its disclosure, reasonably should be understood to be confidential. NKD\$ Confidential Information includes: (a) non-public information relating to our or our affiliates or business partners' technology, customers, business plans, promotional and marketing activities, finances and other business affairs; (b) third-party information that we are obligated to keep confidential; and (c) the nature, content and existence of any discussions or negotiations between you and us or our affiliates. NKD\$ Confidential Information does not include any information that: (i) is or becomes publicly available without breach of this Agreement; (ii) can be shown conclusively by documentation to have been known to you at the time of your receipt from us; (iii) is received from a third party who did not acquire or disclose the same by a wrongful or tortious act; or (iv) can be shown conclusively by documentation to have been independently developed by you without reference to the NKD\$ Confidential Information.

"NKD\$ Content" means Content we or any of our affiliates make available in connection with this Agreement or on the NKD\$ Site to allow access to or purchase of TNT. NKD\$ Content does not include TNT.

"NKD\$ Site" means NKD\$'s website at <https://naked.technology> and any successor or related site used by us.

"Content" means software (including machine images), data, text, audio, video, images or other content.

"Distribution Smart Contract" means the algorithmic code that distributes TNT to purchasers in accordance with the Exchange Rate and amounts sent to the Ethereum address contained within the code.

"End User" means any individual or entity that directly or indirectly through another user purchases TNT on behalf of another person or entity.

"Exchange Rate" means the amount of TNT distributed per ETH or BTC at a particular point in time as published on the Tierion Site immediately prior to the launch of the Token Sale.

"Network" means the blockchain supporting TNT as well as the Distribution Smart Contract.

"Offering Documentation" means any statements on the NKD\$ Site regarding the sale of TNT.

"Policies" means these Terms, all restrictions described in the NKD\$ Content and on the NKD\$ Site, and any other policy or terms referenced in or incorporated into this Agreement. Policies does not include whitepapers or other marketing materials referenced on the NKD\$ Site. In the event of a conflict between any Policy and this Agreement, the terms of this Agreement prevail.

"Resulting Distribution" means the amount of TNT distributed to you by the Distribution Smart Contract as a result of the amount you sent to the Distribution Smart Contract.

"Suggestions" means all suggested modifications, improvements, additions or subtractions to our business that you provide to us.

"Term" means the term of this Agreement described in Section 6.1.

"Third Party Content" means Content made available to us or to you by any third party, including, without limitation, any price, speed, volume, frequency, or statistical information.

RISKS ASSOCIATED WITH THE NKD\$ TOKEN AND PRE-SALE

Last updated November 9th 2017

The NKD\$ Token is a new and innovative product. This memorandum is intended to apprise you of some of the risks involved with purchasing, buying, owning, and using the NKD\$ Token. It does not purport to advise you of all of the risks and other significant aspects of the sale (the "Token Sale") by NKD Technologies LTD ("NKD\$" or the "Company") of NKD\$ Network Tokens (the "Tokens"). You should also consider any additional risks and considerations relating to the Token Sale and consult your own legal, tax, financial and other advisers before entering into any transaction.

There are a number of risks involved in this Token Sale, as well as the future development, maintenance and running of the NKD\$ Network and Tokens. Some of these risks are beyond the control of the Company. Each person participating in the Token Sale ("Purchaser") should comprehend, consider and evaluate carefully the risks described below in addition to any other available information before participating in the Token Sale.

Each Purchaser should pay particular attention to the fact that, although the Company is established in the Cayman Islands, neither the Company nor the NKD\$ Network has any specific physical presence. In addition, the legal and regulatory position of the Company and the NKD\$ Network may vary depending on the facts and circumstances. They therefore fall within the purview of one or more jurisdictions, at least to some extent, and the legal and regulatory implications may therefore be unexpected.

Participation in the Token Sale shall be taken as an action based upon careful and prudent analysis and evaluation, and will be deemed as the relevant Purchaser having been fully informed, advised and willing to bear all of the risks associated with it, including as set out in this memorandum.

A purchase of the Tokens is not an investment. There is no guarantee – indeed there is no reason to believe – that the Tokens you purchase will increase in value. They may – and probably will at some point – decrease in value.

1) Risks Associated with Purchaser Credentials

Any third party that gains access to the Purchaser's login credentials or private keys may be able to dispose of the Purchaser's Tokens. To minimize this risk, the Purchaser should guard against unauthorized access to their electronic devices.

2) Risk of Unfavorable Regulatory Action in One or More Jurisdictions

Crypto-tokens have been the subject of scrutiny by various regulatory authorities and may be overseen by the legal and regulatory authorities of a number of jurisdictions globally. The functioning of the NKD\$ Network and the Tokens could be impacted by one or more regulatory inquiries or actions, including, but not limited to, restrictions on the use or possession of digital tokens like the Tokens, which could impede or limit the development of the NKD\$ Network. The Company may receive notices, queries, warnings, requests or rulings from one or more authorities upon short notice, or may even be ordered to suspend or terminate any action in connection with the Token Sale or NKD\$ as a whole without prior notice. Furthermore, many aspects of NKD\$ also involve untested areas of law and regulation, and could be subject to new laws or regulation, so their legal and regulatory outcome in all relevant jurisdictions is not possible to predict. The planning, development, marketing, promotion, execution or otherwise of the Company or the Token Sale may be seriously affected, hindered, postponed or terminated as a result. Since regulatory policies can change with or without prior notice, any existing regulatory permissions for or tolerance of the Company, the NKD\$ Network and the Token Sale in any jurisdiction may be withdrawn without warning. The Tokens could be deemed from time to time as a virtual commodity, a digital asset or even as money, securities or currency in various jurisdictions and therefore could be prohibited from being sold, purchased, traded, distributed or held in certain jurisdictions pursuant to local regulations. In turn, NKD\$ could be deemed to be a regulated or restricted product. There is no guarantee that the Company can maintain any particular legal or regulatory status in any particular jurisdiction at any time.

3) Risk of Insufficient Interest in the NKD\$ Network or Chainpoint Service

It is possible that the NKD\$ Network and related Chainpoint Service will not be used by a large number of businesses, individuals, and other organizations and that there will be limited public interest in the creation and development of distributed applications. Such a lack of interest could impact the development of the NKD\$ Network and therefore the potential uses or value of the Tokens.

4) Risk that the NKD\$ Network, As Developed, Will Not Meet the Expectations of Purchaser

The NKD\$ Network is presently under development and its governance structure, fees, purpose, consensus mechanism, algorithm, code, infrastructure design and other technical specifications and parameters may undergo significant changes without notice. Any expectations regarding the form and functionality of Tokens or the NKD\$ Network held by the Purchaser may not be met, for any number of reasons, including a change in the design and implementation plans and execution of the NKD\$ Network.

5) Risk of Theft and Hacking

Hackers or other groups or organizations may attempt to interfere with the NKD\$ Network or the availability of the Tokens in any number of ways, including, without limitation, denial of service attacks, Sybil attacks, spoofing, smurfing, malware attacks, or consensus-based attacks. Additionally, there may be attempts to steal the Token Sale proceeds. Such theft or attempted theft may impact the ability of the Company to fund the development or maintenance of the NKD\$ Network. While the Company will endeavor to adopt industry best practices to keep the Token Sale proceeds safe (including, but not limited to, the use of cold storage and multisignature authentications), successful cyber thefts may still occur.

6) Risk of Flaw in Source Codes

While the Company adopts quality assurance procedures to help ensure the source codes reflect as accurately as possible their intended operation, the flawlessness of the source codes cannot be guaranteed. They may contain bugs, defects, inconsistencies, flaws or errors, which may disable some functionality, create vulnerabilities or cause instability. Such flaws may compromise the predictability, usability, stability, and/or security of the NKD\$ Network. Open source codes rely on transparency to promote community-sourced identification and solution of problems within the code.

7) Risk of Unpermissioned, Decentralized and Autonomous Ledger

The NKD\$ Network is being developed in connection with various distributed ledger systems including, but not limited to, Ethereum, which are unpermissioned protocols that could be accessed and used by anyone. The utility and integrity of the NKD\$ Network relies on the stability, security and popularity of these decentralized ledgers. The NKD\$ Network is envisaged to be an open, decentralized community and its composition can include users, supporters, developers, Token holders and other participants worldwide who may or may not be connected with the Company in any manner. Given the diversity of the underlying technologies, the NKD\$ Network is intended to be decentralized and autonomous in nature as far as its maintenance, governance and evolution are concerned.

8) Risk of Weaknesses or Exploitable Breakthroughs in the Field of Cryptography

Cryptography is evolving and there can be no guarantee of security at all times. Advancement in cryptography technologies and techniques, including, but not limited to, code cracking, the development of artificial intelligence and/or quantum computers, could be identified as risks to all cryptography-based systems, including NKD\$. When such technologies and/or techniques are applied to NKD\$, adverse outcomes such as theft, loss, disappearance, destruction, devaluation or other compromises result. The security of the Company and the NKD\$ Network cannot be guaranteed as the future of cryptography or security innovations is unpredictable.

9) Risk of Token Mining Attacks

As with other decentralized blockchains, the blockchain used for the NKD\$ Network is susceptible to mining attacks, including, but not limited to, double-spend attacks, majority mining power attacks, "selfish-mining" attacks and race condition attacks. Any successful attacks present a risk to the NKD\$ Network. Despite the efforts of the NKD\$ team, the risk of known or novel mining attacks exists.

10) Risk of Abandonment or Failure

Due to the technically complex nature of the NKD\$ Network, the Company or those contributing to the NKD\$ software development effort could face difficulties from time to time that may be unforeseeable and/or unresolvable. Accordingly, the development of the NKD\$ Network could fail, terminate or be delayed at any time for any reason, including due to lack of funds. Development failure or termination may render the Tokens untransferable, of reduced or no utility, and/or obsolete.

11) Risk of Lack of Adoption or Use of the NKD\$ Network

The utility of the Tokens is dependent on the popularity of the NKD\$ Network. While the Tokens should not be viewed as an investment, they may have value over time. An absence of active users or low level of utilization may negatively affect the long-term development and future of the NKD\$ Network, and reduce or obviate the utility of the Tokens.

12) Risk of an Illiquid Market

After the Token Launch, the Company is not responsible for and has limited control over the subsequent circulation and trading of the Tokens. The Token is not money, legal tender or currency, fiat or otherwise, issued by any individual, entity, central bank or national, supranational or quasi-national organization, nor is it backed by any type or quantity of assets, property or credits, nor does it represent any entitlement to any distributions of profits, dividends, or any other returns or payments of any kind. There is no obligation of the Company nor anyone else to redeem, repurchase or acquire any Tokens from any Token holder. There is no guarantee or assurance that there will be a market or marketplace where holders may readily trade Tokens.

13) Risk of Price Volatility

Many cryptographic tokens have volatile prices. Large fluctuations in price over short timeframes occur frequently. Such fluctuations could result from market dynamics (including, but not limited to, speculation), regulatory changes, technical advancements, exchange availabilities and other factors that impact the equilibrium between token supply and demand.

14) Risk of Exposure to Cryptographic Tokens

After the completion of this Token Sale, the Company expects that a certain portion of the proceeds will be held in cryptographic tokens. The Company expects to convert an appropriate proportion of cryptographic tokens received into fiat currencies at the sole discretion of the directors of the Company. For the avoidance of doubt, no Token holder has any right, title or interest in any such cryptographic tokens.

15) Risk of Potential Concentrated Ownership of Tokens

Immediately after the completion of the Token Sale, a number of individuals may directly or indirectly hold significant portions of the total available Tokens. These Token holders may have significant influence over the Company, including its operational decisions. These significant Token holders may, acting alone or in concert, not necessarily make decisions that are in the best interests of the other Token holders or of the NKD\$ community as a whole.

16) Risk of Uninsured Losses

Unlike bank accounts or accounts at some other financial institutions, funds held using a blockchain network are generally uninsured. In the event of loss or loss of value, there is no public insurer, such as the FDIC or private insurer, to offer recourse to the Purchaser.

17) Risk of Privacy and Data Retention Issues

As part of the Token Sale and the subsequent verification processes, the Company may collect personal information from Purchasers. The collection of such information is subject to applicable laws and regulations. All information collected will be used for purposes of Token Sale and community management for the NKD\$ Network and may be transferred to contractor, service providers and consultants worldwide as appointed by the Company. Apart from external compromises, the Company and its appointed entities may also suffer from internal security breach whereby their employees may misappropriate, misplace or lose personal information of Purchasers. The Company may be required to expend significant financial resources to alleviate problems caused by any breaches or losses, settle fines and resolve inquiries from regulatory or government authorities. Any information breaches or losses will also damage the Company reputation and thereby may harm its long term prospects.

18) Risk of Malfunction in the NKD\$ Network

It is possible that the NKD\$ Network malfunctions in an unfavorable way, including, but not limited to, one that results in the loss of Tokens, or information concerning a market.

19) Risk Relating to Use of the Internet or Other Electronic Medium

Without limiting the foregoing risks, any communication or transaction via or information (including document) transmitted via the internet or other electronic medium involves risks and by participating in the Token Sale or utilizing the NKD\$ Network, you acknowledge that you understand and accept the following risks:

We and/or third parties may use such authentication technologies as we deem appropriate. No authentication, verification or computer security technology is completely secure or safe. You agree to bear all risks of unauthorized access/use, hacking or identity theft.

The internet or other electronic media (including, without limitation, electronic devices, services of third party telecom service providers such as mobile phones or other handheld trading devices or interactive voice response systems) are an inherently unreliable form of communication.

Any information (including any document) transmitted, or communication or transactions made, over the internet or through other electronic media (including electronic devices, services of third party telecom service providers such as mobile phones or other handheld trading devices or interactive voice response systems) may be subject to interruption, transmission blackout, delayed transmission due to data volume, internet traffic, market volatility or incorrect data transmission (including incorrect price quotation) or stoppage of price data feed due to the public nature of the internet or other electronic media.

As a result of such unreliability:

there may be time-lags, delays, failures or loss of data or loss of confidentiality in the transmission of data and receipt of communications; and while the Company may believe certain data to be reliable, there may be no independent basis for it to verify or contradict the accuracy or completeness of data.

This is not an exhaustive list of all of the consequences arising from such unreliability.

Purchasers are solely responsible for preventing anything which may be harmful to any equipment that they use in connection with the Tokens or the NKD\$ Network (including any computer virus, malicious program or harmful component) from affecting any such equipment, regardless of whether it originated in connection with the Tokens or the NKD\$ Network.

20) Tax Risk Relating to Participation in the Token Sale

The taxability of cryptographic tokens is an evolving area of law, is subject to change, and may vary amongst jurisdictions. In some instances, there may be little or no formal regulatory guidance. Participation in the Token Sale may have tax reporting implications and liabilities for Purchasers, and such liabilities and obligations shall be borne by the Purchasers alone. Purchasers are advised to consult their tax advisors prior to participating in the Token Sale.

21) Unanticipated Risks

Applied cryptography and blockchain technology are new and untested. In addition to the risks set forth here, there are risks that the NKD\$ team cannot anticipate. Risks may further materialize as unanticipated combinations or variations of the risks set forth here.

I Accept Reject
© 2017 NKD\$