

ZOIDCOIN

RISK FACTORS DOCUMENT RELATING TO THE PURCHASE, SALE, REWARD, USE AND ACQUISITION OF ZOIDCOIN TOKENS

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THIS RISK FACTORS DOCUMENT IS SUPPLEMENTAL TO THE ZOIDCOIN TOKEN SALE AND REWARDING AGREEMENT TERMS AND CONDITIONS, THE WHITE PAPER AND THE PRODUCT PAPER AND SHOULD BE READ ALWAYS IN CONJUNCTION WITH THEM TO WHICH CONSTITUTES AN INTERGRAL PART OF THEM.

RISKS AND UNCERTAINTIES

The purchase or reward of tokens of whatever nature, involves a high degree of risk, including but not limited to the risks described below.

Prospective Purchasers or Rewarded Persons of Zoidcoin Tokens, (referred to as "**ZCN Tokens**") as these are defined on the Website and on the **THE ZOIDCOIN TOKEN SALE AND REWARDING AGREEMENT TERMS AND CONDITIONS, (the "Agreement")**, prior to any purchase of ZCN Tokens, should carefully consider and evaluate all risks and uncertainties associated with them.

Terms used and not otherwise defined herein shall have the meanings set forth in the Agreement or in the ZOIDCOIN White Paper (hereinafter referred to as the "**White Paper**") or in the Product Paper (hereinafter referred to as the "**Product Paper**") all found in the Zoidcoin Website.

If any of such risks and uncertainties as defined below develop into actual events, the business, financial condition, results of operations and prospects of ZCN ZOID LTD, of Nicosia, Cyprus, (**The "Company"**) under registration number HE 383950, being the issuing company of the ZCN Tokens or ZCN Tokens themselves, could be materially and adversely affected. In such cases, purchasers of ZCN Tokens may lose all or part of the value of ZCN Tokens.

ACKNOWLEDGEMENT OF RISKS

Purchasers or Rewarded Persons of ZCN Tokens, by purchasing, owning, accepting and using ZCN Tokens expressly acknowledge and assume the following RISKS:

1. SECURITY RISKS

1.1. Risk of Losing Access to ZCN Tokens Due to Loss of Private Key(s), Custodial Error or Purchaser Error

A private key, or a combination of private keys, is necessary to control and dispose of ZCN Tokens stored in purchaser's digital wallet or vault. Accordingly, loss of requisite private key(s) associated with purchasers of ZCN Tokens' digital wallet or vault storing ZCN Tokens will result in loss of such ZCN Tokens.

Moreover, any third party that gains access to such private key(s), including by gaining access to login credentials of a hosted wallet service purchasers of ZCN Tokens use, may be able to misappropriate purchasers of ZCN Tokens.

Any errors or malfunctions caused by or otherwise related to the digital wallet or vault purchasers of ZCN Tokens choose to receive and store ZCN Tokens in, including purchaser's own failure to properly maintain or use such digital wallet or vault, may also result in the loss of purchaser's ZCN Tokens.

Additionally, purchaser's failure to follow precisely the procedures set forth for buying and receiving ZCN Tokens, including, for instance, if purchasers of ZCN Tokens provide the wrong address for the receiving ZCN Tokens, or provide an

address that is not ERC-20 compatible, may result in the loss of purchaser's ZCN Tokens.

The ZCN Tokens may be held by the token holder in his digital wallet or vault, which requires a private key or a combination of private keys, for access. Accordingly, loss of requisite private keys associated with such token holder's digital wallet or vault storing the ZCN Tokens will result in loss of such ZCN Tokens, access to token holder's Token balance and/or any initial balances in blockchains created by third parties. Moreover, any third party that gains access to such private keys, including by gaining access to login credentials of a hosted wallet or vault service the token holder uses, may be able to misappropriate the token holder's ZCN Tokens.

1.2. Lack of ZCN Token Security. The ZCN Tokens may be subject to expropriation and or/theft. Hackers or other malicious groups or organizations may attempt to interfere with the token smart contract which creates the ZCN Tokens or the ZCN Tokens in a variety of ways, including, but not limited to, malware attacks, denial of service attacks, consensus-based attacks, Sybil attacks, smurfing and spoofing. Furthermore, because the Ethereum platform rests on open source software, there is the risk that Ethereum smart contracts may contain intentional or unintentional bugs or weaknesses which may negatively affect the ZCN Tokens or result in the loss of ZCN Tokens, the loss of ability to access or control the ZCN Tokens. In the event of such a software bug or weakness, there may be no remedy and holders of the ZCN Tokens are not guaranteed any remedy, refund or compensation.

1.3. Attacks on ZCN Token Smart Contract. The blockchain used for the token smart contract which creates the ZCN

Tokens is susceptible to mining attacks, including double-spend attacks, majority mining power attacks, "selfish-mining" attacks, and race condition attacks. Any successful attacks present a risk to the token smart contract, expected proper execution and sequencing of the Token transactions, and expected proper execution and sequencing of contract computations.

1.4. Failure to Map a Public Key to Purchaser's Account.

Failure of a purchaser of the ZCN Tokens to map a public key to such purchaser's account may result in third parties being unable to recognize purchaser's Token balance on the Ethereum blockchain when and if they configure the initial balances of a new blockchain based upon the Platform.

1.5. Risk of Incompatible Wallet Service. The wallet or wallet service provider used for the acquisition and storage of the ZCN Tokens, has to be technically compatible with the ZCN Tokens. The failure to assure this may have the result that purchaser of the ZCN Tokens will not gain access to his ZCN Tokens.

1.6. Risks of Theft of the Funds Raised in the ZCN Token Sale. The Company will make every effort to ensure that the funds received from the ZCN Token Sale will be securely held through the implementation of security measures. Notwithstanding such security measures, there is no assurance that there will be no theft of the cryptocurrencies as a result of hacks, sophisticated cyber-attacks, distributed denials of service or errors, vulnerabilities or defects on the Website, in the smart contract(s), on the Ethereum or any other blockchain, or otherwise. Such events may include, for example, flaws in programming or source code leading to exploitation or abuse thereof. In such event, even if the ZCN

Token Sale is completed, the Company may not be able to receive the cryptocurrencies raised and to use such funds for the development of the Zoidcoin Platform (the “**ZCN Platform**”) and/or for launching any future business line. In such case, the launch of the ZCN Platform might be temporarily or permanently curtailed. As such, distributed ZCN Tokens may hold little worth or value, and this would impact its price.

1.7. Risks Relating to Escrow Wallet. The private keys to the escrow wallet may be compromised and the cryptocurrencies may not be able to be disbursed. The escrow wallet is designed to be secure. Each of the holders of the three (3) private keys to the escrow wallet will use all reasonable efforts to safeguard their respective keys, but in the unlikely event that any two (2) of the three (3) keys to the escrow wallet are, for any reason whatsoever, lost, destroyed or otherwise compromised, the funds held by the escrow wallet may not be able to be retrieved and disbursed, and may be permanently unrecoverable. In such event, even if the ZCN Token Sale is successful, the Company will not be able to receive the funds raised and to use such funds for the development of the Platform. As such, distributed ZCN Tokens may hold little worth or value, and this would impact its trading price.

1.8. Risk of Mining Attacks. As with other decentralized cryptographic ZCN Tokens based on the Ethereum protocol, ZCN Tokens are susceptible to attacks by miners in the course of validating ZCN Token transactions on the Ethereum blockchain, including, but not limited, to double-spend attacks, majority mining power attacks, and selfish-mining attacks. Any successful attacks present a risk to ZCN Tokens,

including, but not limited to, accurate execution and recording of transactions involving ZCN Tokens.

1.9. Risk of Hacking and Security Weaknesses. Hackers or other malicious groups or organizations may attempt to interfere with ZCN Tokens in a variety of ways, including, but not limited to, malware attacks, denial of service attacks, consensus-based attacks, sybil attacks, smurfing and spoofing. Furthermore, because is based on open-source software, there is a risk that a third party or a member of the Zoidcoin Team, as defined in the Terms of Sale Agreement, may intentionally or unintentionally introduce weaknesses into the core infrastructure of Zoidcoin, which could negatively affect it and ZCN Tokens, including the utility of ZCN Tokens for obtaining rewards or discounts.

2. RISKS ASSOCIATED WITH THE ETHEREUM PROTOCOL

Because ZCN Tokens are based on the Ethereum protocol, any malfunction, breakdown or abandonment of the Ethereum protocol may have a material adverse effect on the ZCN Tokens. Moreover, advances in cryptography, or technical advances such as the development of quantum computing, could present risks to ZCN Tokens, including the utility of ZCN Tokens for obtaining rewards or discounts, by rendering ineffective the cryptographic consensus mechanism that underpins the Ethereum protocol.

3. RISKS ASSOCIATED WITH DEPENDENCE ON COMPUTER INFRASTRUCTURE

ZCN Tokens use depend on functioning software applications, computer hardware and the Internet. This implies that the Company can offer no assurances that a system failure would not adversely affect the use of ZCN Tokens. Despite the Company's

implementation of all reasonable network security measures, its processing centre servers are vulnerable to computer viruses, physical or electronic break-ins or other disruptions of a similar nature. Computer viruses, break-ins or other disruptions caused by third parties may result in interruption, delay or suspension of services, which would limit the use of the ZCN Tokens.

4. RISKS ASSOCIATED WITH SMART CONTRACT LIMITATIONS

Smart contract technology is still in its early stages of development, and its application is of experimental nature. This may carry significant operational, technological, regulatory, reputational and financial risks. Consequently, although the audit conducted by independent third party increases the level of security, reliability, and accuracy, this audit cannot serve as any form of warranty, including any expressed or implied warranty that the Zoidcoin Smart Contract is fit for purpose or that it contains no flaws, vulnerabilities or issues which could cause technical problems or the complete loss of ZCN Tokens.

5. RISKS ASSOCIATED WITH MARKETS FOR ZCN TOKENS

If secondary exchange of ZCN Tokens is facilitated by third party exchanges, such exchanges may be relatively new and subject to little or no regulatory oversight, making them more susceptible to fraud or manipulation. Furthermore, to the extent that third- parties do ascribe an external exchange value to ZCN Tokens (e.g., as denominated in a digital or fiat currency), such value may be extremely volatile. There is no guarantee that a robust or liquid secondary market for ZCN Tokens will develop.

6. RISKS ASSOCIATED LACK OF INCOME OR PROFIT GUARANTEES

The Company, cannot guarantee a specific price for ZCN Tokens within any certain period of time, and is not responsible for any changes in the price of the ZCN Tokens, or the failure of the ZCN Tokens' price to meet customer expectations, as the ZCN Tokens price depends on many unforeseen and uncontrolled circumstances.

Likewise, the Company, cannot guarantee that the purchaser will receive any income or profit due to the fact that the ZCN Tokens is intended for exclusive use within the ZCN Platform solely as a utility token to enable the services and features entitled exclusively to it as described there in and in related documents and beyond that it does not have any value or use.

7. RISKS ASSOCIATED WITH FORCE MAJEURE RISKS

The Company or ZCN Token's performance and use may be interrupted, suspended or delayed due to force majeure circumstances. For the purposes of this Risk Factors paper, force majeure shall mean extraordinary events and circumstances which could not be prevented by the Company and shall include, amongst others: acts of nature, wars, armed conflicts, mass civil disorders, industrial actions, epidemics, lockouts, slowdowns, prolonged shortage or other failures of energy supplies or communication service, acts of municipal, state or federal governmental agencies, other circumstances beyond the Company's control, which were not in existence at the time of White Paper or Product Paper release.

8. RISKS ASSOCIATED WITH DISCLOSURE OF INFORMATION

Personal information received from ZCN Token holders, the information about the number of tokens owned, the wallet addresses

used and any other relevant or Personal information may be disclosed as per the provisions of the PRIVACY POLICY STATEMENT found in the Zoidcoin Website, to law enforcement units, government officials and other third parties when the Company is obliged to disclose such information by law, subpoena or court order. The Company shall at no time be held responsible for such information disclosure according to the applicable Laws.

9. RISKS ACCOSIATED WITH THE VALUE OF ZCN TOKEN

9.1 No Rights, Functionality or Features Other than Strictly Provided Herein. The ZCN Tokens do not have any rights, uses, purpose, attributes, functionalities or features, express or implied, including, without limitation, any uses, purpose, attributes, functionalities or features on the Platform, other than strictly provided in the White Paper or in the Product Paper.

9.2 Lack of Development of Market for ZCN Tokens. Because there has been no prior public trading market for the ZCN Tokens, the sale of the ZCN Tokens may not result in an active or liquid market for the ZCN Tokens, and their price may be highly volatile. Although applications will be made to the cryptographic token exchanges for the ZCN Tokens to be admitted to trading, an active public market may not develop or be sustained after the Token sale. If a liquid trading market for the ZCN Tokens does not develop, the price of the ZCN Tokens may become more volatile and token holder may be unable to sell or otherwise transact in the ZCN Tokens at any time.

9.3 Risks Relating to Highly Speculative Exchanged Price. The valuation of digital ZCN Tokens in a secondary market is usually not transparent, and highly speculative. The ZCN

Tokens do not hold any ownership rights to the Company's assets and, therefore, are not backed by any tangible asset. Exchange price of the ZCN Tokens can fluctuate greatly within a short period of time. There is a high risk that a token holder could lose his/her entire contribution amount. In the worst-case scenario, the ZCN Tokens could be rendered worthless.

9.4 ZCN Tokens May Have No Value. The ZCN Tokens may have no value and there is no guarantee or representation of liquidity for the ZCN Tokens. The Company is not and shall not be responsible for or liable for the market value of the ZCN Tokens, the transferability and/or liquidity of the ZCN Tokens and/or the availability of any market for the ZCN Tokens through third parties or otherwise.

Once purchased, the value of ZCN Token may significantly fluctuate due to various reasons such as, but not limited to, the issuers' performance, success/ failure of business plans, commodity prices, foreign exchange market, stock market, other market trends, natural disasters, wars, political upheavals, changes in regulations, other cryptocurrencies, and unforeseeable events.

Especially with regards to token issuers, things do not always go according to the original business plan and there is a possibility for the ZCN Tokens held by clients to significantly decrease in value from the original purchasing price, or for such ZCN Tokens to lose value all together.

The purchase of ZCN Token can even lead to a total loss.

The Company does not guarantee any specific value of the ZCN Token over any specific period of time. The Company

shall not be held responsible for any change in the value of ZCN Token.

There is no guarantee that users can acquire sufficient ZCN Tokens for their usage within the Zoidcoin Ecosystem and neither is there a guarantee that users can cash out their ZCN Token via external platforms or otherwise.

Furthermore, every ZCN Token holder naturally carries the risk of volatile exchange rate fluctuations of the Zoidcoin towards both other cryptocurrencies and Fiat money exchange rates.

9.5 ZCN Tokens are Non-Refundable. Except for the cases strictly provided by the applicable legislation or in the legally binding documentation on the ZCN Tokens sale, the Company Affiliates are not obliged to provide the Token holders with a refund related to the ZCN Tokens for any reason, and the Token holders will not receive money or other compensation in lieu of the refund. No promises of future performance or price are or will be made in respect to the ZCN Tokens, including no promise of inherent value, no promise of continuing payments, and no guarantee that the ZCN Tokens will hold any particular value. Therefore, the recovery of spent resources may be impossible or may be subject to foreign laws or regulations, which may not be the same as the private law of the ZCN Token holder.

9.6 Risks of Negative Publicity. Negative publicity involving the Company, the ZCN Platform, the ZCN Tokens or any of the Company's Parties may materially and adversely affect the market perception or market price of the ZCN Tokens, whether or not it is justified.

9.7 Use of ZCN Tokens in Restricted Activities by Third Parties. Programs or websites banned or restricted in certain jurisdictions, such as gambling, betting, lottery, sweepstake, pornography and otherwise, could accept different crypto-currencies or ZCN Tokens in their operation. The regulatory authorities of certain jurisdictions could accordingly take administrative or judicial actions against the such programs or websites or even the developers or users thereof. The Company neither intends nor is able to act as a censor to scrutinize to any extent any program or website that uses ZCN Tokens with such goals. Therefore, any punishment, penalty, sanction, crackdown or other regulatory effort made by any governmental authority may more or less frighten or deter existing or potential users away from using and holding the ZCN Tokens, and consequently bring material adverse impact on the prospect of the ZCN Tokens.

10. RISKS ASSOCIATED WITH BLOCKCHAIN AND SOFTWARE

10.1 Blockchain Delay Risk. On the most blockchains used for cryptocurrencies' transactions (e.g., Ethereum, Bitcoin blockchains), timing of block production is determined by proof of work so block production can occur at random times. For example, the cryptocurrency sent as a payment for the ZCN Tokens in the final seconds of the Token sale may not get included into that period. The respective blockchain may not include the purchaser's transaction at the time the purchaser expects and the payment for the ZCN Tokens may reach the intended wallet address not in the same day the purchaser sends the cryptocurrency.

10.2 Blockchain Congestion Risk. The most blockchains used for cryptocurrencies' transactions (e.g., Ethereum, Bitcoin blockchains) are prone to periodic congestion during

which transactions can be delayed or lost. Individuals may also intentionally spam the network in an attempt to gain an advantage in purchasing cryptographic ZCN Tokens. That may result in a situation where block producers may not include the purchaser's transaction when the purchaser wants or the purchaser's transaction may not be included at all.

10.3 Risk of Software Weaknesses. The token smart contract concept, the underlying software application and software platform (i.e. the Ethereum, Bitcoin blockchains) are still in an early development stage and unproven. There are no representations and warranties that the process for creating the ZCN Tokens will be uninterrupted or error-free. There is an inherent risk that the software could contain weaknesses, vulnerabilities or bugs causing, inter alia, the complete loss of the cryptocurrency and/or the ZCN Tokens.

10.4 Risk of New Technology. The Platform, the ZCN Tokens and all of the matters set forth in the White Paper are new and untested. The Platform and the ZCN Tokens might not be capable of completion, creation, implementation or adoption. It is possible that no blockchain utilizing the Platform will be ever launched. Purchaser of the ZCN Tokens should not rely on the Platform, the token smart contract or the ability to receive the ZCN Tokens associated with the Platform in the future. Even if the Platform is completed, implemented and adopted, it might not function as intended, and any ZCN Tokens may not have functionality that is desirable or valuable. Also, technology is changing rapidly, so the Platform and the ZCN Tokens may become outdated.

11. RISKS ASSOCIATED WITH BITCOIN AND ETHEREUM VOLATILITY

The ZCN Token may be significantly influenced by digital currency market trends and the Zoidcoin value may be severely depreciated due to non-Zoidcoin related events in the digital currency markets. Cryptocurrencies exchange rate volatility may impact the Company's ability to provide services at the indicated prices. Assumptions with respect to the foregoing involve, among other things, judgments about the future economic, competitive and market conditions and business decisions, most of which are beyond the control of the Zoidcoin Team and are therefore difficult or impossible to accurately predict.

12. RISKS ASSOCIATED WITH THE ICO MARKET

The market of initial coin offerings is new. There is a risk that the market of initial coin offerings will not sustain its current growth rate and will instead decrease in the future.

13. RISKS RELATING TO THE ZCN PLATFORM DEVELOPMENT

13.1 Risk Related to Reliance on Third Parties. Even if completed, the ZCN Platform will rely, in whole or partly, on third parties to adopt and implement it and to continue to develop, supply, and otherwise support it. There is no assurance or guarantee that those third parties will complete their work, properly carry out their obligations, or otherwise meet anyone's needs, all of which might have a material adverse effect on the ZCN Platform.

13.2 Dependence of ZCN Platform on Senior Management Team. Ability of the senior management team which is responsible for maintaining competitive position of the ZCN Platform is dependent to a large degree on the services of each

member of that team. The loss or diminution in the services of members of respective senior management team or an inability to attract, retain and maintain additional senior management Personnel could have a material adverse effect on the ZCN Platform. Competition for Personnel with relevant expertise is intense due to the small number of qualified individuals, and this situation seriously affects the ability to retain its existing senior management and attract additional qualified senior management Personnel, which could have a significant adverse impact on the ZCN Platform.

13.3 Dependence of ZCN Platform on Various Factors. The development of the ZCN Platform may be abandoned for a number of reasons, including lack of interest from the public, lack of funding, lack of commercial success or prospects, or departure of key Personnel.

13.4 Lack of Interest to the ZCN Platform. Even if the ZCN Platform is finished and adopted and launched, the ongoing success of the ZCN Platform relies on the interest and participation of third parties like developers. There can be no assurance or guarantee that there will be sufficient interest or participation in the ZCN Platform.

13.5 Changes to the ZCN Platform. The ZCN Platform is still under development and may undergo significant changes over time. Although the project management team intends for the ZCN Platform to have the features and specifications set forth in the White Paper, changes to such features and specifications can be made for any number of reasons, any of which may mean that the ZCN Platform does not meet expectations of holder of the ZCN Tokens.

13.6 Ability to Introduce New Technologies. The block chain technologies industry is characterized by rapid technological change and the frequent introduction of new products, product enhancements and new distribution methods, each of which can decrease demand for current solutions or render them obsolete.

13.7 Risk Associated with Other Applications. The ZCN Platform may give rise to other, alternative projects, promoted by unaffiliated third parties, under which the Token will have no intrinsic value.

13.8 Risk of an Unfavourable Fluctuation of Cryptocurrency Value. The proceeds of the sale of the ZCN Tokens will be denominated in cryptocurrency, and may be converted into other cryptographic and fiat currencies. If the value of cryptocurrencies fluctuates unfavourably during or after the Token sale, the project management team may not be able to fund development, or may not be able to develop or maintain the ZCN Platform in the manner that it intended.

13.9 Risk of Dissolution / Liquidation of the Company or ZCN Platform. It is possible that, due to a number of reasons, including, but not limited to, an unfavourable fluctuation in the value of Ethereum, Bitcoin or other cryptographic and fiat currencies, decrease in the ZCN Tokens utility due to negative adoption of the ZCN Platform, the failure of commercial relationships, or intellectual property ownership challenges, the ZCN Platform may no longer be viable to operate and will stop its operation and the Company may be dissolved or liquidated.

13.10 Risk of a lack of interest in the ZCN Platform or distributed applications. There is a possibility that the ZCN

Platform may not be used by a large number of companies, individuals and other organizations, and that there may be limited public interest in the creation and development of distributed applications. Such a lack of interest could impact on the development of the ZCN Platform and, therefore, on the uses or potential value of ZCN Tokens.

13.11 Risk that the ZCN Platform is not developed. Among the main rights associated with ZCN Tokens are the rights to receive rewards and or discounts for using the ZCN Platform under certain conditions and or advertise and or promote products and or sell / purchase of products associated with specific actions on the ZCN Platform using the ZCN Token. The value of the ZCN tokens is therefore heavily correlated with the existence of such ZCN Platform, which has not yet been implemented. ZCN Tokens may lose part or all of their value if the ZCN Platform is never fully developed.

13.12 Risk that the ZCN Platform, as developed, does not meet purchaser expectations. The ZCN Platform is currently under development and may undergo significant redesign prior to its launch. For a number of reasons, not all Purchaser expectations concerning the ZCN Platform or ZCN Tokens' form and function may be met on the launch date, including changes in design, implementation and execution of the ZCN Platform.

13.13 Risk of competing with other platforms. It is possible that alternative platforms could be established that utilize the same open source code and protocol underlying the ZCN Platform and attempt to facilitate services that are materially similar to the services provided by Zoidcoin. This could materially affect the market share of ZCN platform, which, in turn, limits the utility of ZCN Tokens.

13.14 Risk associated with ZCN Platform deployment delays

It is possible that the ZCN Platform will be deployed later than anticipated due to various factors. Until the ZCN Platform has been deployed and has clients, ZCN Tokens will not have a utility or be effective or any other use.

14. RISKS OF ICO MARKET USING ETHEREUM

ZCN Tokens are valid in respect of ICOs using Ethereum. To the extent the ICO market migrates away from Ethereum as the predominant ICO platform, ZCN Tokens, and the rewards or discounts or use associated therewith, may have fewer applications. Although ZCN Tokens do not expire, if ICOs cease to use Ethereum altogether, ZCN Tokens will be hosted on another protocol.

15. RISK ASSOCIATED WITH ZCN TOKEN MARKET SHARE

ZCN Token may lose market share due to, among other things, competition, poor management, ineffective marketing, and/or in the event the ZCN Token does not appeal to customers and businesses, suffers security breaches, or is defective.

16. RISK OF UNINSURED LOSSES

ZCN Tokens are uninsured unless purchasers of ZCN Tokens specifically obtain private insurance to insure them. Thus, in the event of loss or loss of utility value, there is no public insurer or private insurance arranged by the Company, to offer recourse to purchasers of ZCN Tokens.

17. RISKS ASSOCIATED WITH CROWDSALE

ZCN Tokens are not investment products but rather serve as the means to access and use the ZCN Platform. Without ZCN Tokens, the general public or businesses may not access the ZCN Platform.

There is also no expectation or promise or guarantee whatever of future profit or gain from the acquisition or use or exchange of ZCN Tokens due to their utility nature.

For these and other reasons, the Company believes that the sale of ZCN Tokens does not constitute a public offering of securities subject to prospectus registration requirements.

However, public policy towards token sales is changing, and regulators may seek to broaden the scope of token sale regulations. This could make token sales including ZCN Tokens sales subject to registration requirements in jurisdictions willing to regulate or already regulating such token sales such as the U.S., Canada, Malta, Singapore, China, North and South Korea and similar jurisdictions on which jurisdictions and subjects the sale of ZCN Tokens is prohibited and banned as indicated in the Agreement, the Restricted Territories.

If the sale of ZCN Tokens becomes subject to registration requirements, this could delay or potentially postpone the proposed crowd sale until compliance in that jurisdiction or otherwise or indefinitely.

18. RISKS ARISING FROM TAXATION

The tax characterization of ZCN Tokens and its treatment is uncertain. Purchasers or Rewarded Persons of ZCN Tokens must seek their own tax or Vat (Value Added Tax), advice in connection with

purchasing or being rewarded of ZCN Tokens, which may result in adverse tax or Vat consequences to Purchasers or Rewarded Persons of ZCN Tokens, including withholding taxes, income taxes, Vat taxes and tax / Vat reporting requirements.

Purchasers or Rewarded Persons will be liable for any Vat liabilities might incur in any jurisdiction as a result of the rewards of ZCN Tokens rewarded to them by the Company and they should take relevant measures to meet such obligations if any.

19. RISK ASSOCIATED WITH “KNOW YOUR CLIENT” (KYC)

The Company reserves the right to conduct a “know your client” (KYC) assessment on all purchasers of ZCN Tokens or users of the ZCN Platform. Such KYC assessment may be conducted prior or following the receipt of funds / tokens from purchasers of ZCN Tokens. In the event KYC assessment is not satisfied (as determined by the Company, in its sole discretion), or the purchaser does not pass the Registration and Verification process, the Company may return any such funds and refuse to issue ZCN Tokens as this analytically is identified in the Agreement.

In such cases purchasers of ZCN Tokens will not be compensated for any loss of use of such funds during the period beginning with such payment until so returned.

20. RISKS RELATING TO THE COMPANY

20.1 Risks arising from lack of control. Because ZCN Tokens confer no control or governance rights of any kind with respect to the ZCN Platform or the Company itself, all decisions involving the Company or the Services or the use of the ZCN Token or the ZCN Platform, will be made by the Company at its sole discretion. These decisions might adversely affect the

ZCN Platform and ZCN Tokens in all their features.

20.2 Risks relating to Ineffective Management. The Company and Company Affiliates may be materially and adversely affected if they fail to effectively manage their operations as their business develops and evolves, which would have a direct impact on the Company's ability to maintain the ZCN Platform and/or launch any future business lines.

20.3 Risks Related to Highly Competitive Environment. The financial technology and cryptocurrency industries and the markets in which the Company competes are highly competitive and have grown rapidly over the past years and continue to evolve in response to new technological advances, changing business models and other factors. As a result of this constantly changing environment, the Company may face operational difficulties in adjusting to the changes, and the sustainability of the Company will depend on its ability to manage its operations and ensure that it hires qualified and competent employees, and provides proper training for its Personnel. As its business evolves, the Company must also expand and adapt its operational infrastructure. The Company cannot give any assurance that the Company will be able to compete successfully.

20.4 Risks Relating to General Global Market and Economic Conditions. Challenging economic conditions worldwide have from time to time may continue to contribute to slowdowns in the information technology industry at large. Weakness in the economy could have a negative effect on the Company's business, operations and financial condition, including decreases in revenue and operating cash flows, and inability to attract future equity and/or debt financing on commercially reasonable terms. Additionally, in a down-cycle economic

environment, the Company may experience the negative effects of a slowdown in trading and usage of the ZCN Platform.

20.5 Risks of Non-Protection of Intellectual Property Rights.

The Company relies on software, patents and trademarks and unpatented proprietary know-how and trade secrets and employ commercially reasonable methods, including confidentiality agreements with employees and consultants, to protect know-how and trade secrets. However, these methods may not afford complete protection and the Company cannot give any assurance that third parties will not independently develop the software or the know-how and trade secrets or develop better production methods than the Company.

20.6 Risks of Infringement Claims.

The competitors of the Company, other entities and individuals, may own or claim to own intellectual property relating to Services and solutions of the Company. Third parties may claim that the Services and solutions and underlying technology of the Company infringe or violate their intellectual property rights. The Company may be unaware of the intellectual property rights that others may claim cover some or all of the Services or technology of the Company.

21. GOVERNMENTAL RISKS

21.1 Risks Associated with Uncertain Regulations and Enforcement Actions.

The regulatory status of ZCN Tokens, distributed ledger technology and initial coin offerings is unclear or unsettled in many jurisdictions.

It is difficult to predict how or whether regulatory agencies may apply existing regulation with respect to such technology and its applications, including ZCN Tokens.

It is likewise difficult to predict how or whether legislatures or regulatory agencies may implement changes to law and regulation affecting distributed ledger technology and its applications, including ZCN Tokens. Regulatory actions could negatively impact ZCN Tokens in various ways, including, for purposes of illustration only, through a determination that the purchase, sale and delivery of ZCN Tokens constitutes unlawful activity or that ZCN Tokens are a regulated instrument that require registration or licensing of those instruments or some or all of the parties involved in the purchase, sale and delivery thereof.

The Company, despite the purely utility nature of its ZCN Token, may cease operations in a jurisdiction in the event that regulatory actions, or changes to Law or regulation, make it illegal to operate in such jurisdiction, or commercially undesirable to obtain the necessary regulatory approvals to operate in such jurisdiction.

21.2 Failure to Obtain, Maintain or Renew Licenses and Permits. Although as of the date of starting of the ZCN Token sale there are no statutory requirements obliging the Company to receive any licenses and permits necessary for carrying out of its activity, there is the risk that such statutory requirements may be adopted in the future and may relate to any of the Company Affiliates as well. In this case, the Company business will depend on the continuing validity of such licenses and permits and its compliance with their terms. Regulatory authorities will exercise considerable discretion in the timing of license issuance and renewal and the monitoring of licensees'

compliance with license terms. Requirements which may be imposed by these authorities and which may require the Company or any of the Company Affiliates to comply with numerous standards, recruit qualified personnel, maintain necessary technical equipment and quality control systems, monitor our operations, maintain appropriate filings and, upon request, submit appropriate information to the licensing authorities, may be costly and time-consuming and may result in delays in the commencement or continuation of operation of the ZCN Platform. Further, private individuals and the public at large possess rights to comment on and otherwise engage in the licensing process, including through intervention in courts and political pressure. Accordingly, the licenses the Company or any of the Company Affiliates may need, may not be issued or renewed, or if issued or renewed, may not be issued or renewed in a timely fashion, or may involve requirements which restrict the Company's or any of its Affiliates' ability to conduct its operations or to do so profitably.

21.3 Risk of Government Action. The industry in which the Company or its Affiliates operate is new, and may be subject to heightened oversight and scrutiny, including investigations or enforcement actions. There can be no assurance that governmental authorities will not examine the operations of the Company or its Affiliates and/or pursue enforcement actions against them. This may subject the Company and its Affiliates to judgments, settlements, fines or penalties, or cause the Company and its Affiliates to restructure their operations and activities or to cease offering certain Services, all of which could harm the Company's and its Affiliates' reputation or lead to higher operational costs, which may in turn have a material adverse effect on the ZCN Tokens and/or the development of the ZCN Platform.

21.4 Risk of Burdensomeness of Applicable Laws, Regulations and Standards. Failure to comply with existing Laws and regulations or the findings of government inspections, or increased governmental regulation of the Company and its Affiliates' operations, could result in substantial additional compliance costs or various sanctions, which could materially adversely affect the Company and its Affiliates business and the ZCN Platform. The Company Affiliates' operations and properties are subject to regulation by various government entities and agencies, in connection with ongoing compliance with existing Laws, regulations and standards. Regulatory authorities exercise considerable discretion in matters of enforcement and interpretation of applicable Laws, regulations and standards. Respective authorities have the right to, and frequently do, conduct periodic inspections of any Company Affiliates' operations and properties throughout the year. Any such future inspections may conclude that the Company and any Company Affiliates has violated Laws, decrees or regulations, and it may be unable to refute such conclusions or remedy the violations. Any Company's and Affiliates' failure to comply with existing Laws and regulations or the findings of government inspections may result in the imposition of fines or penalties or more severe sanctions or in requirements that respective Company and its Affiliates cease certain of its business activities, or in criminal and administrative penalties applicable to respective officers. Any such decisions, requirements or sanctions, or any increase in governmental regulation of respective operations, could increase the Company's and its Affiliates' costs and materially adversely affect the Company and its Affiliates business and the ZCN Platform.

21.5 Unlawful or Arbitrary Government Action. Governmental authorities may have a high degree of discretion and, at times,

act selectively or arbitrarily, without hearing or prior notice, and sometimes in a manner that is contrary a law or influenced by political or commercial considerations. Moreover, the government also has the power in certain circumstances, by regulation or government act, to interfere with the performance of, nullify or terminate contracts. Unlawful, selective or arbitrary governmental actions have reportedly included the denial or withdrawal of licenses, sudden and unexpected tax audits, criminal prosecutions and civil actions. Federal and local government entities have also used common defects in matters surrounding the ZCN Token sale as pretexts for court claims and other demands to invalidate or to void any related transaction, often for political purposes. In this environment, the Company and its Affiliates' competitors may receive preferential treatment from the government, potentially giving them a competitive advantage over the Company and its Affiliates.

22. UNANTICIPATED RISKS

Cryptographic tokens such as ZCN Tokens are a new and untested technology. In addition to the risks included in this list of Legal / Risk Factors, there are other risks associated with purchase, possession and use of ZCN Tokens, indicated as unanticipated risks. Such risks may further materialize as unanticipated variations or combinations of the risks discussed in this list of Zoidcoin Legal / Risk Factors.

23. CAUTIONARY NOTE ON FORWARD-LOOKING STATEMENTS

All statements contained in the White Paper, the Agreement, the Product Paper, statements made in press releases or in any place accessible by the public and oral statements that may be made by the Company or by any one of Zoidcoin Team on behalf of the Company, that are not statements of historical fact, constitute

“forward-looking statements”. Some of these statements can be identified by forward-looking terms such as “aim”, “target”, “anticipate”, “believe”, “could”, “estimate”, “expect”, “if”, “intend”, “may”, “plan”, “possible”, “probable”, “project”, “should”, “would”, “will” or other similar terms.

However, these terms are not the exclusive means of identifying forward-looking statements. All statements regarding the Company’s financial position, business strategies, plans and prospects and the future prospects of the industry which the Company are forward-looking statements. These forward-looking statements, including but not limited to statements as to the Company’s revenue and profitability, prospects, future plans, other expected industry trends and other matters discussed in the White Paper regarding the Company are matters that are not historical facts, but only predictions.

These forward-looking statements involve known and unknown risks, uncertainties and other factors that may cause the actual future results, performance or achievements of the ZCN Platform, ZCN Tokens, or the Company and its Affiliates to be materially different from any future results, performance or achievements expected, expressed or implied by such forward-looking statements. These factors include, amongst others:

(a) changes in political, social, economic and/or cryptocurrency market conditions, and the regulatory environment in the countries in which any of the ZCN platform, the Company, and/or its Affiliates conducts its respective businesses and operations;

(b) the risk that any of the ZCN platform, the Company, and/or its Affiliates may be unable or execute or implement their respective business strategies and future plans;

(c) changes in interest rates and exchange rates of fiat currencies and cryptocurrencies;

(d) changes in the anticipated growth strategies and expected internal growth of any of the ZCN Platform, the Company and/or its Affiliates;

(e) changes in the availability and fees payable to any of the ZCN Platform, and/or the Company or its Affiliates in connection with their respective businesses and operations;

(f) changes in the availability and salaries of employees who are required by any of the ZCN Platform, the Company and/or its Affiliates to operate their respective businesses and operations;

(g) changes in preferences of customers of any of the ZCN Platform, the Company and/or its Affiliates;

(h) changes in competitive conditions under which any of the ZCN Platform, the Company and/or its affiliates operate, and the ability of any of the ZCN Platform, the Company and/or its Affiliates to compete under such conditions;

(i) changes in the future capital needs of any of the ZCN Platform, the Company and/or its Affiliates and the availability of financing and capital to fund such needs;

(j) war or acts of international or domestic terrorism;

(k) occurrences of catastrophic events, natural disasters and acts of God that affect the businesses and/or operations of any of the ZCN Platform, the Company and/or its Affiliates; and

(l) other factors beyond the control of any of the ZCN Platform, the Company and/or its affiliates.

All forward-looking statements made by or attributable to the Company and/or Zoidcoin Team or other Persons acting on behalf of the Zoidcoin Team are expressly qualified in their entirety by such factors. Given that risks and uncertainties that may cause the actual future results, performance or achievements of any of the ZCN Platform, the Company and/or its affiliates to be materially different from that expected, expressed or implied by the forward-looking statements in the White Paper, undue reliance must not be placed on these statements.

Neither the Company nor any other Person represents, warrants and/or undertakes that the actual future results, performance or achievements of the Company will be as discussed in those forward-looking statements. The actual results, performance or achievements of the Company may differ materially from those anticipated in these forward-looking statements.

Nothing contained in the White Paper, the Agreement or the Product Paper is or may be relied upon as a promise, representation or undertaking as to the future performance or policies of the Company.

Further, the Company disclaims any responsibility to update any of those forward- looking statements or publicly announce any revisions to those forward-looking statements to reflect future developments, events or circumstances, even if new information becomes available or other events occur in the future.

24. MARKET AND INDUSTRY INFORMATION AND NO CONSENT OF OTHER PERSONS

The White Paper and the Product Paper includes market and industry information and forecasts that may have been obtained from internal surveys, reports and studies, where appropriate, as well as market research, publicly available information and industry publications.

Such surveys, reports, studies, market research, publicly available information and publications generally state that the information that they contain has been obtained from sources believed to be reliable, but there can be no assurance as to the accuracy or completeness of such included information.

Save for the Company and Zoidcoin Team, no Person has provided his or her consent to the inclusion of his or her name and/or other information attributed or perceived to be attributed to such Person in connection therewith in the White Paper or the Product paper or the Website, and no representation, warranty or undertaking is or purported to be provided as to the accuracy or completeness of such information by such Person and such Persons shall not be obliged to provide any updates on the same.

Neither the Company nor any member of Zoidcoin Team has conducted any independent review of the information extracted from third party sources, verified the accuracy or completeness of such information or ascertained the underlying economic assumptions relied upon therein. Consequently, neither the Company nor any of member of Zoidcoin Team makes any representation or warranty as to the accuracy or completeness of such information and shall not be obliged to provide any updates on the same.

25. TERMS USED

To facilitate a better understanding of ZCN Tokens being offered for purchase by the Company and the businesses and operations of the Company certain technical terms and abbreviations, as well as, in certain instances, their descriptions, have been used in the White Paper and in the Product Paper. These descriptions and assigned meanings should not be treated as being definitive of their meanings and may not correspond to standard industry meanings or usage.

Words importing the singular shall, where applicable, include the plural and vice versa and words importing the masculine gender shall, where applicable, include the feminine and neuter genders and vice versa.

26. NO ADVICE

No information in the White Paper or the Agreement or the Product Paper or the Website should be considered to be business, legal, financial or tax advice regarding the Company, ZCN Tokens, and/or the Company's ZCN Token sale. Purchasers of ZCN Tokens should consult their own legal, financial, tax or other professional adviser regarding the Company and its business and operations, ZCN Tokens, the Company token sale. Purchasers of ZCN Tokens should be aware that they may be required to bear the financial risk of any purchase of ZCN Tokens for an indefinite period of time.

27. NO FURTHER INFORMATION OR UPDATE

No Person has been or is authorized to give any information or representation not contained in the White Paper, the Product paper, the Website, or the Agreement in connection with the Company and its business and operations, the ZCN Tokens, the Company's ZCN Token sale, and, if given, such information or representation must not be relied upon. The Company's ZCN Token sale (as referred to in the Agreement, the White Paper, the Product Paper and the Website) shall not, under any circumstances, constitute a continuing representation or create any suggestion or implication that there has been no change, or development reasonably likely to involve a material change in the affairs, conditions and prospects of the Company or in any statement of fact or information contained in the White Paper, the Product Paper or the Website.