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# Bored Gen DMCC

## Confidential Private Placement Statement

### OFFERING OF ISLM TOKENS

#### SEE “**TERMS OF THE OFFERING**” FOR PRICING AND OTHER INFORMATION

September 12, 2023

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This Confidential Private Placement Statement (this “**Private Placement Statement**”) has been prepared by Bored Gen DMCC, license number DMCC-843746, located at Unit No: 705, The Palladium, Plot No: JLT-PH1-C3A, Jumeirah Lakes Towers, Dubai, UAE (the “**Company**”), for use by certain prospective purchasers (each, a “**Purchaser**” and collectively, the “**Purchasers**”), to whom the Company is offering (the “**Offering**”) the opportunity to purchase ISLM Tokens (also referred to as “**Islamic Coins**”), which is the native token intended to ultimately provide its holders (the “**Holder**”) with certain governance rights and functionality within the Haqq Network and projects built on its blockchain (collectively, the “**Haqq Platform**”). The ISLM Tokens will not give any equity rights in the Company or any other enterprise.

The capital shares of the Company are owned by two persons, Aleksandr Malkov and Andrey Kuznetsov, both of which hold 50%.

The Company serves as the development company that developed the core infrastructural elements of the Haqq ecosystem, such as the Haqq wallet on the App Store and Google Play, for ICNetwork Ltd., which is a British Virgin Islands company that is the initial deployer of the Haqq Network and initial owner of the first 20 billion minted ISLM tokens (out of a total eventual supply of 100 billion ISLM tokens). Additionally, the Haqq Association, a Swiss non-profit organization, promotes ISLM and Haqq, such as their listings, marketing, grants, and other related tasks.

**No public market for the ISLM Tokens currently exists. There are currently plans for ISLM Tokens to be listed publicly on at least three exchanges within the next two months: Kucoin; OKX/Gate; and Bybit.**

The ISLM Tokens may be subject to restrictions on transferability and resale and generally may not be transferred or resold except as specified herein and in the applicable Offering Document (as defined herein).

The primary place for purchases of ISLM Tokens will be via the token sale website at <https://republic.co/islamic-coin> (the “**Token Sale Website**” or “**Republic Website**”) in accordance with the instructions and terms of sale set forth therein. The Company may exercise its discretion in accepting purchases through means other than the Token Sale Website. Purchases may be made in in US dollars (via wire or credit card), Tether (USDT), USD Coin (USDC), or any other currency that the Company permits; provided that the Company may elect to accept other forms of payment on an as-

converted to US dollars basis in its sole discretion; the Company reserves the right to discontinue accepting any type of consideration in its sole discretion. The US dollar exchange rate for USDC or other forms of payment shall be determined at the time the transaction is submitted on the Token Sale Website by the Purchaser in accordance with reasonable and accepted market practices and will also be subject to certain transaction fees. Such currencies are subject to fluctuations in the rate of exchange and, in the case of digital assets, the exchange valuations. Such fluctuations may have an adverse effect on the value, price, or income of a purchase, and purchasers bear any liability or risk with such fluctuations. Purchasers may receive a number of ISLM Tokens upon conversion of the value rounded up to ten (10) decimal places.

#### **FURTHER DISCLAIMERS**

This Offering is being conducted on the Offering Platform that is operated for the benefit of OpenDealBroker LLC dba OpenDealBroker, the Capital R, a registered private placement broker-dealer with CRD#: 291387 (“ODB”). ODB is a registered FINRA/SEC broker dealer. ODB is not purchasing the ISLM as such ISLM are being sold in this Offering (except as otherwise described in “Certain Relationships and Related Party Transactions” herein) and is not required to sell any specific number or dollar amount of ISLM in this Offering. This Offering is being conducted on a “best efforts” basis, and we may not be able to raise enough funds to fully implement our business plan, which may result in the loss of the entire investment of investors. This Offering is being conducted pursuant to Regulation D 506(c) of the Securities Act and is only available to accredited investors.

The Company will use the broker-dealer and technology services of ODB, incurring and paying network transaction fees for cryptocurrency network transactions (i.e., to deliver Islamic Coins to a wallet address in accordance with a lockup schedule).

NEITHER ODB NOR REPUBLIC CRYPTO LLC d/b/a REPUBLIC ADVISORY SERVICES LLC (“REPUBLIC ADVISORY”) HAS INVESTIGATED (NOR HAVE ANY OF THEIR AFFILIATES INVESTIGATED) THE DESIRABILITY OR ADVISABILITY OF ANY INVESTMENT IN THIS OFFERING OR THE SECURITIES OFFERED HEREIN. ODB, REPUBLIC ADVISORY, AND THEIR AFFILIATES MAKE NO REPRESENTATIONS, WARRANTIES, ENDORSEMENTS, OR JUDGMENT ON THE MERITS OF THE OFFERING OR THE SECURITIES OFFERED HEREIN. REPUBLIC ADVISORY AND ODB’S CONNECTION TO THE OFFERING IS SOLELY FOR THE LIMITED PURPOSES OF ACTING AS A BROKER-DEALER AND SERVICE PROVIDER. AN INVESTOR SHOULD HAVE KNOWLEDGE AND UNDERSTANDING OF SOPHISTICATED AND COMPLEX INVESTMENTS TO MAKE A SELF-DETERMINATION OR SEEK ADVICE ELSEWHERE. PLEASE REFER TO THE “RISKS” SECTIONS OF THIS DOCUMENT. ODB MAY INVITE OTHER BROKER/DEALERS TO PARTICIPATE IN THIS OFFERING UNDER SIMILAR TERMS AND CONDITIONS.

#### **GENERAL NOTICE**

THE ISLM TOKENS RECEIVED (IF ANY) HAVE NOT BEEN AND WILL NOT BE REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED (THE “**SECURITIES ACT**”), OR ANY OTHER LAW OR REGULATION GOVERNING THE OFFERING, SALE OR EXCHANGE OF SECURITIES IN THE UNITED STATES OR ANY OTHER JURISDICTION. THIS OFFERING IS BEING MADE ONLY TO ACCREDITED INVESTORS AS DEFINED UNDER RULE 501 OF REGULATION D OF THE SECURITIES ACT IN JURISDICTIONS WHERE THE OFFER AND SALE OF ISLM TOKENS IS PERMITTED UNDER APPLICABLE LAW AND IN RELIANCE ON REGULATION D UNDER THE SECURITIES ACT.

THE COMPANY WILL NOT BE REQUIRED TO, NOR DO THEY CURRENTLY INTEND TO, OFFER TO EXCHANGE THE ISLM TOKENS FOR ANY SECURITIES REGISTERED UNDER THE SECURITIES ACT OR ANY OTHER LAW, OR REGISTER THE ISLM TOKENS FOR RESALE UNDER THE SECURITIES ACT.

NO GOVERNMENTAL AUTHORITY IN THE UNITED STATES, UNITED ARAB EMIRATES, OR ANY OTHER JURISDICTION HAS PASSED JUDGMENT UPON OR APPROVED THE TERMS OR MERITS OF THIS DOCUMENT.

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**FOR FLORIDA RESIDENTS**

THE TOKENS (DEFINED HEREIN) HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED, OR THE FLORIDA SECURITIES ACT, BY REASON OF SPECIFIC EXEMPTIONS THEREUNDER RELATING TO THE LIMITED AVAILABILITY OF THE OFFERING. THESE TOKENS CANNOT BE SOLD, TRANSFERRED, OR OTHERWISE DISPOSED OF TO ANY PERSON OR ENTITY UNLESS THEY ARE SUBSEQUENTLY REGISTERED OR EXEMPTION FROM REGISTRATION IS AVAILABLE.

THE TOKENS REFERRED TO HEREIN WILL BE SOLD TO, AND ACQUIRED BY, THE HOLDER IN A TRANSACTION EXEMPT UNDER SECTION 517.061 OF THE FLORIDA SECURITIES ACT. THESE TOKENS HAVE NOT BEEN REGISTERED UNDER SAID ACT IN THE STATE OF FLORIDA. IN ADDITION, ALL FLORIDA RESIDENTS SHALL HAVE THE PRIVILEGE OF VOIDING THE PURCHASE WITHIN THREE (3) DAYS AFTER THE FIRST TENDER OF CONSIDERATION IS MADE BY SUCH PURCHASER TO THE ISSUER, AN AGENT OF THE ISSUER, OR AN ESCROW AGENT OR WITHIN THREE (3) DAYS AFTER THE AVAILABILITY OF THAT PRIVILEGE IS COMMUNICATED TO SAID PURCHASER, WHICHEVER OCCURS LATER.

#### **FOR NEW JERSEY RESIDENTS**

THE ATTORNEY GENERAL OF THE STATE OF NEW JERSEY HAS NOT PASSED ON OR ENDORSED THE MERITS OF THIS OFFERING. NO FILING OF THE WITHIN OFFERING HAS BEEN MADE WITH THE BUREAU OF SECURITIES OR THE DEPARTMENT OF LAW AND PUBLIC SAFETY OF THE STATE OF NEW JERSEY. ANY REPRESENTATION TO THE CONTRARY IS UNLAWFUL.

#### **FOR NEW YORK RESIDENTS**

THESE TOKENS HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED, OR THE NEW YORK FRAUDULENT PRACTICES (“*MARTIN*”) ACT, BY REASON OF SPECIFIC EXEMPTIONS THEREUNDER RELATING TO THE LIMITED AVAILABILITY, OR OTHERWISE DISPOSED OF TO ANY PERSON OR ENTITY UNLESS SUBSEQUENTLY REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED, OR MARTIN ACT, IF SUCH REGISTRATION IS REQUIRED.

THIS OFFERING STATEMENT HAS NOT BEEN FILED WITH OR REVIEWED BY THE ATTORNEY GENERAL PRIOR TO ITS ISSUANCE AND USE. THE ATTORNEY GENERAL OF THE STATE OF NEW YORK HAS NOT PASSED ON OR ENDORSED THE MERITS OF THIS OFFERING. ANY REPRESENTATION TO THE CONTRARY IS UNLAWFUL.

THE SALE OF TOKENS IS SUBJECT TO THE PROVISIONS OF A TOKEN PURCHASE AGREEMENT ACCOMPANYING THIS PRIVATE PLACEMENT STATEMENT CONTAINING EXPLICIT REPRESENTATIONS, WARRANTIES, TERMS AND CONDITIONS. ANY INVESTMENT IN THE TOKENS SHOULD BE MADE ONLY AFTER A COMPLETE AND THOROUGH REVIEW OF THE PROVISIONS OF THE SECURITIES PURCHASE AGREEMENT ACCOMPANYING THIS STATEMENT.

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**A purchase of the ISLM Tokens involves a high degree of risk, volatility, and illiquidity. A prospective purchaser should thoroughly review the confidential information contained herein and the terms of the applicable Offering Documents, and carefully consider whether a purchase of the ISLM or receipt of Islamic Coins is suitable to its financial situation and goals. See “*Risk Factors*” below.**

**Neither the US Securities and Exchange Commission nor any other government or state securities commission has approved or disapproved of this offering or passed upon the adequacy or accuracy of the information herein. Any representation to the contrary is a criminal offense.**

THIS OFFERING IS MADE ONLY TO ACCREDITED INVESTORS AS DEFINED UNDER RULE 501 OF REGULATION D OF THE SECURITIES ACT IN JURISDICTIONS WHERE THE OFFER AND SALE OF THE ISLM TOKENS IS PERMITTED UNDER APPLICABLE LAW. ONLY PERSONS OF ADEQUATE FINANCIAL MEANS WHO HAVE NO NEED FOR PRESENT LIQUIDITY WITH RESPECT TO THIS PURCHASE SHOULD CONSIDER PURCHASING THE ISLM TOKENS ON THE TERMS SET FORTH IN THE APPLICABLE OFFERING DOCUMENTS PROVIDED TO YOU IN CONNECTION HEREWITH BECAUSE: (I) A PURCHASE OF THE ISLM TOKENS INVOLVES A NUMBER OF SIGNIFICANT RISKS (SEE “**RISK FACTORS**” BELOW); AND (II) NO MARKET FOR THE ISLM TOKENS CURRENTLY EXISTS NOR MAY EVER EXIST.

### OTHER NOTICES

STRIPE, INC. (“STRIPE”), THE CREDIT AND DEBIT CARD PROCESSOR, HAS NOT INVESTIGATED THE DESIRABILITY OR ADVISABILITY OF AN INVESTMENT IN THIS OFFERING OR THE SECURITIES OFFERED HEREIN. STRIPE NOR ANY OF ITS RESPECTIVE AFFILIATES, MAKES ANY REPRESENTATIONS, WARRANTIES, ENDORSEMENTS, OR JUDGMENT ON THE MERITS OF THE OFFERING OR THE SECURITIES OFFERED HEREIN. STRIPE’S CONNECTION TO THE OFFERING IS SOLELY FOR THE LIMITED PURPOSES OF ACTING AS A SERVICE PROVIDER.

### CERTAIN NOTICES

This Private Placement Statement shall be maintained in strict confidence. Any reproduction or distribution of this Private Placement Statement, in whole or in part, or the disclosure of its contents, without the prior written consent of the Company, other than to a recipient’s legal, tax or investment advisors, is prohibited. The existence and nature of all conversations regarding the Company and this opportunity must be kept confidential, unless otherwise allowed by the Company.

This Private Placement Statement contains a summary of the Offering, the Haqq Platform, the ISLM Tokens, and certain other documents referred to herein. However, the summaries in this Private Placement Statement do not purport to be complete and are subject to and qualified in their entirety by reference to the actual text of the relevant Offering Documents, copies of which will be provided to each prospective purchaser on the Token Sale Website. Each prospective purchaser should review the applicable Offering Documents, and such other documents for complete information concerning the rights, privileges, and obligations of Purchasers. If any of the terms, conditions or other provisions of the Offering Documents or such other documents are inconsistent with or contrary to the descriptions or terms in this Private Placement Statement, such other documents shall control. The Company reserves the right to modify the terms of the Offering, the Haqq Platform, and the ISLM Tokens described in this Private Placement Statement are offered subject to the Company’s ability to reject any commitment in whole or in part.

The ISLM Tokens have not been and will not be registered under the Securities Act of 1933, as amended (the “*Securities Act*”), the Securities Exchange Act of 1934, as amended (the “*Exchange Act*”), or any United States state securities laws or the laws of any foreign jurisdiction. The ISLM Tokens are being offered and sold herein only under an exemption provided by the Securities Act and Regulation D promulgated thereunder, and other exemptions of similar import in the laws of the states and other jurisdictions where the Offering will be made. The Company will not be registered as an investment company under the United States Investment Company Act of 1940, as amended (the “*Investment Company Act*”). Consequently, Purchasers will not be afforded the protections of the Investment Company Act.

No person has been authorized to make any statements concerning the Company or the sale of the ISLM Tokens discussed herein other than as set forth in this Private Placement Statement, and any such statements, if made, must not be relied upon.

Prospective purchasers must make their own investigations and evaluations of the Haqq Platform and the ISLM Tokens that will be delivered pursuant thereto, including the merits and risks involved in a purchase therein. Prior to any purchase, the Company will give prospective purchasers the opportunity to ask questions of and receive answers and additional information from it concerning the terms and conditions of this Offering and other relevant matters to the extent the Company possesses the same or can acquire it without unreasonable effort or expense. Prospective purchasers should inform themselves as to the legal requirements applicable to them in respect of the acquisition, holding and disposition of the ISLM Tokens upon their delivery, and as to the income and other tax consequences to them of such acquisition, holding and disposition.

This Private Placement Statement does not constitute an offer to sell, or a solicitation of an offer to buy, an interest in any jurisdiction in which it is unlawful to make such an offer or solicitation. Neither the United States Securities and Exchange Commission (the “*Commission*”) nor any other US federal, state or foreign regulatory authority has approved of this Offering.

Furthermore, the foregoing authorities have not confirmed the accuracy or determined the adequacy of this Private Placement Statement, nor is it intended that the foregoing authorities will do so. Any representation to the contrary is a criminal offense.

Prospective purchasers are not to construe this Private Placement Statement as investment, legal, tax, regulatory, financial, accounting, or other advice, and this Private Placement Statement is not intended to provide the sole basis for any evaluation of a purchase of an interest. Prior to purchasing the ISLM Tokens, a prospective purchaser should consult with its own legal, investment, tax, accounting, and other advisors to determine the potential benefits, burdens, and other consequences of such purchase.

## SPECIAL NOTE REGARDING FORWARD-LOOKING STATEMENTS

This Private Placement Statement contains estimates and forward-looking statements. All statements other than statements of historical fact are forward-looking statements. The words “may,” “might,” “will,” “could,” “would,” “should,” “expect,” “plan,” “anticipate,” “intend,” “seek,” “believe,” “estimate,” “predict,” “potential,” “continue,” “contemplate,” “possible,” and similar words are intended to identify estimates and forward-looking statements. Such forward-looking statements, including the intended actions and performance objectives of the Company, the ISLM Tokens and the Haqq Platform (as defined herein), are based largely on current expectations and projections about future events and trends.

These forward-looking statements are subject to a number of known and unknown risks, uncertainties, assumptions, and other important factors, including those described under “**Risk Factors**,” that could cause the actual results, performance, or achievements of the Company, the ISLM Tokens and the Haqq Platform to differ materially from any future results, performance, or achievements expressed or implied by such forward-looking statements.

Moreover, new risk factors and uncertainties emerge from time to time, and it is not possible to predict all risk factors and uncertainties, nor is it possible to assess the impact of all these risk factors or the extent to which any risk factor, or combination of risk factors, may cause actual results to differ materially from those contained in any forward-looking statements.

All forward-looking statements in this Private Placement Statement speak only as of the date hereof. The Company expressly disclaims any obligation or undertaking to disseminate any updates or revisions to any forward-looking statement contained herein to reflect any change in its expectation with regard thereto or any change in events, conditions, or circumstances on which any such statement is based.

## OVERVIEW

*This overview highlights certain information appearing elsewhere in this Private Placement Statement. As this is an overview, you should read the entire Private Placement Statement carefully, including the information under “Risk Factors”. This Private Placement Statement includes forward-looking statements that involve risks and uncertainties. See “Special Note Regarding Forward-Looking Statements.” Unless the context requires otherwise, in this Private Placement Statement, the terms the “Company,” “we,” “us” and “our” refer to Bored Gen DMCC, a Dubai Multi Commodities Centre company limited by shares. All dollar (\$) amounts set forth herein refer to United States dollars.*

### Overview and Background

Islamic Coin is designed to deliver a lasting, powerful impact for one of the largest communities in the world. We believe it is the first digital currency to provide economic and social benefits, support innovation and ensure sustainable, long-term growth via a dedicated Evergreen DAO (described in detail below).

Islamic law (known as “Shariah”) sets forth certain rules and ethical boundaries for Muslims related to finance. For example, Shariah prohibits the use of interest in any sort of transaction (whether paying or receiving it).

Additionally, there are rules that encourage a deflationary economic system such as those that are backed by precious metals. In the Quran, gold and silver are mentioned as examples of pleasures of this worldly life (Quran 3:14). In his magnum opus, the Muqaddimah, the celebrated 14th-century Muslim historian and philosopher Ibn Khaldun interpreted this verse to mean that gold and silver specifically, should be used as money. The Company believes the deflationary nature of many cryptocurrency systems, as well as the necessity to invest some work to produce them, makes them somewhat comparable to the processes of mining and processing gold or silver.

The current global financial system is ill-equipped to meet these requirements of the Shariah, considering its reliance on the universal principle of interest-based economics in which the main task of Central Banks, as state regulatory bodies, is to maintain the stability of interest rates and the exchange rate in the money market by regulating the behavior of commercial banks’ lending to nonfinancial enterprises, which are focused on maximizing profits that fuel repayments of principal and interest due.

Such a system allows governments to pursue a flexible monetary policy, managing the supply of money through the cost of their borrowing (the key rate). At the same time, this current system does not fully comply with the principles and norms of Islamic finance, since both paying and accruing interest for using money is prohibited in Islam.

Islamic Coin is Shariah-compliant digital money, designed to create value for the world’s Muslim community. Its Shariah-compliance is certified by a *fatwa*, a religious legal edict, given by our Shariah Board of five of the most esteemed Islamic legal scholars.<sup>1</sup>

Islamic Coin is built on Haqq—its dedicated Islamic blockchain. Meaning “Truth,” Haqq stringently abides by Islamic views and traditions on finance.

### Basic Features of Islamic Coin

- Islamic Coin cannot be arbitrarily ‘printed’ and thus devalued. It’s also impossible to cause arbitrary deflation through a rise of the Central Bank’s interest rate (key rate) - since there is no interest rate within the system. Islamic Coin currently has no market and no price, but its price will be determined exclusively by the market when it is listed on exchanges.
- Islamic Coin may only be minted (issued) by those who contribute work and investment—validators and stakers of the network at a predetermined, announced rate.
- Unlike traditional fiat money, Islamic Coin is not operated by the banks whose main business is to earn profit by charging interest. Paying or charging interest is forbidden in Islam. All accounts of the Company including those that will hold the proceeds of the sale will be non-interest bearing.
- Each time a new Islamic Coin is minted, 10% of the issued amount is deposited into a special Evergreen DAO for further investment into Islamic internet projects or given to Islamic charities.

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<sup>1</sup> See Fatwa, Islamic Coin. <https://islamiccoin.net/fatwa?lang=english>

- The Evergreen DAO is a non-profit virtual foundation focused on long term sustainability and community impact. It effectively works as a crypto endowment. In some cases described below, Evergreen DAO also may fund activities necessary for the Haqq network operations and development. Its key decisions are made in accordance with Haqq Network governance by stakers, validators and Haqq Association shariah board.

The mission is to empower the international community of the followers of Islam with a robust and future-proof financial instrument that allows for independent financial interaction, while supporting innovation and philanthropy. The Evergreen DAO (explained below in more detail) is the primary mechanism of supporting philanthropy.

### Islamic Coin Mechanics

Islamic Coin (ISLM) is the native currency of Haqq Network. It is used for paying transaction fees, governance and staking.

Staking is the process of locking ISLM coins by bonding them to validators. Validators maintain the Haqq Network. By bonding coins, ISLM holders delegate voting power to validators and become delegators, which gives them the right to earn rewards and participate in governance (see Tendermint BFT).

### Token Specifics

The initial mint of ISLM consisted of 20 billion coins, and the final supply of ISLM will reach 100 billion coins after approximately 100 years. After minting is enabled and until 100 billion coins are minted, every block produces new ISLM coins and gas fees collected from users. New ISLM coins and gas fees are distributed between validators, delegators, Evergreen DAO, and Haqqers DAO:

- 10% goes to Evergreen DAO.
- ~16.9% to ~62.6% goes to Haqqers DAO, which is a DAO that will take over the support activities of the Haqq Network
- The remainder (~27.4% to ~73%) is distributed between:
  - 5% distributed to block proposer and its delegators
  - 95% distributed proportionally to all bonded validators and their delegators

This minting module is scheduled for implementation around Sept-Oct 2023.

Delegators of tokens to validators are rewarded in proportion to the amount of their delegation, relative to the total amount delegated to the validator, including validator self-delegation. Rewards are distributed to the delegators minus the validator's own commission.

Initial supply: 20 billion. Initial supply is divided in categories depending on the receiving party(-ies) and consists of allocations entirely or partially distributed or assigned as of August 2023 (in billions):

- Private Sale Buyers 2.93
- Reserved Private Sale 1
- Republic Token Sale 0.3
- Distributed Team 3
- Undistributed Team 1
- Strategic Partners 3
- Strategic Partners Non-distributed 0.9
- Advisors 1.57
- Business Reserve 4.18
- Distributed Non-vested 0.05
- Distributed Vested 0.07
- Evergreen DAO 2

Coins dedicated for the Evergreen DAO will be locked until it is fully developed, tested and deployed on mainnet.

### Architecture

Haqq is an Ethereum-compatible Proof-of-Stake blockchain network with instant finality built on Evmos.

## FEATURES:

- Ethereum compatibility allows developers to build applications on Haqq using the existing Ethereum codebase and toolset, without rewriting smart contracts that already work on Ethereum or other Ethereum-compatible networks.
- IBC compatibility allows Haqq to interact with other IBC-compatible networks like Cosmos Hub, and with Ethereum via IBC-compatible bridges like Axelar.
- High throughput with instant finality makes Haqq usable for applications beyond the finance realm: social platforms, games, educational projects and much more.
- Proof of Stake mechanism allows Haqq holders to participate in the network consensus alongside with validators - and earn rewards for securing the network.
- Century Coinomics - finite supply, emission process lasts for 100 years.
- Evergreen DAO, funded by ISLM emissions and a portion of network fees, governed by stakers, validators, and the Shariah Board—dedicated to supporting innovative projects for the international Islamic community.
- Haqqers DAO holds a pool for funding Haqq ecosystem projects. It's governed by ISLM stakers via a governance module.

Haqq is built using Evmos which in turn is based on Cosmos SDK which runs on top of the Tendermint Core consensus engine. That said, high throughput and instant finality are inherited from the Tendermint Core, IBC - from Cosmos SDK and Ethereum Compatibility - from Evmos. The Haqq team is committed to implementing Evergreen DAO, Haqqers DAO and Century Coinomics and getting everything together in order to launch a stable network, compatible with the rest of the blockchain ecosystem.

Just like Ethereum, Haqq uses the Gas concept to disallow the EVM (Ethereum Virtual Machine) from running infinite loops. However, thanks to Tendermint Core, the gas prices will be much less compared to Ethereum.

## **Tendermint, Cosmos and IBC**

Tendermint is a software for securely and consistently replicating an application on many machines. Tendermint provides two chief technical components:

- A consensus engine.
- A generic application interface.

### Tendermint BFT: Consensus Engine

The ability to tolerate machines failing in arbitrary ways, including becoming malicious, is known as Byzantine fault tolerance (BFT). Tendermint consensus engine implements Byzantine fault tolerance.

Two important Tendermint consensus engine characteristics are:

- Security - network works even if up to 1/3 of nodes fail or act maliciously.
- Consistency - every non-faulty node sees the same transaction log and computes the same state.

In addition, Tendermint provides instant finality which means that once a transaction is validated, it can be considered final and irreversible. Instant finality means that forks are never created as long as more than a third of validators are honest (byzantine). Users can be sure their transactions are finalized as soon as a block is created.

Security and Consistency of Tendermint BFT Consensus allows the Haqq network to be maintained by a set of independent validators who don't have to trust each other and will provide consistent data and transaction processing. Instant finality makes Haqq network suitable for a wide range of applications, including the ones that require fast feedback loops like games, social networks, instant payments, etc.

## **ABCI: Generic Application Interface**

Tendermint Core communicates with the application processing transaction via a socket protocol that satisfies the Application BlockChain Interface (ABCI).

ABCI allows the implementation of custom transaction processing logic without forking Tendermint itself. This makes Haqq and components it's built on (Evmos) leverage new Tendermint versions without backporting features and fixes by

tedious and error-prone code merging process. This also opens ways for the Haqq team to collaborate with Tendermint maintainers and other members of the Tendermint ecosystem, in order to improve Tendermint Core for the good of the whole ecosystem.

## **Cosmos SDK**

Cosmos SDK is the most advanced framework for building custom application-specific blockchains today. Cosmos SDK is the base layer of Evmos which Haqq is built on. Cosmos SDK is designed for building blockchains out of composable modules, without forking the core. Cosmos SDK uses Tendermint as a default consensus engine. Cosmos SDK is a stable, time-proven solution that powers hundreds of blockchain applications including Binance Chain, Terra and Cosmos Hub.

The most important benefit for Haqq being built on the Cosmos SDK is compatibility with the Inter-Blockchain Communication Protocol which makes Haqq interoperable with the rest of the Cosmos ecosystem.

## **Inter-Blockchain Communication Protocol**

Blockchain is an open ecosystem and we believe that it should stay the same. We also believe that interoperability with different blockchains is an essential part of openness. That belief defines one of the most important reasons to choose Cosmos SDK as the foundation of Haqq Blockchain. IBC is a protocol that defines the way for IBC clients (mainly, blockchain networks but not limited to them) to read the consensus states of other blockchains and the proof specs of those blockchains, that are required to properly verify proofs against the client's consensus state. In practice, Haqq being compatible with IBC means that it can communicate with other IBC-compatible networks which already hold more than \$148 billion worth of assets under management. IBC is not a cross-chain token transfer protocol - it's a general communication protocol as the name implies. IBC makes it possible for blockchains to communicate with each other. This includes the transfer of tokens, but it is not limited to that. This is different from isolated networks like Ethereum, within which connection to other networks is limited by token transfers only. When enabled, IBC compatibility will interconnect Haqq with the rest of the Cosmos ecosystem. This includes Osmosis - interchain AMM - which, besides Cosmos networks, has plans to integrate with Ethereum and other EVM-compatible networks. The Haqq team also considers implementation of a direct bridge to Ethereum with a simplified user experience.

## **Ethereum Compatibility and Evmos**

Haqq desires to be open not just to users but to developers interested in building projects on the Haqq network. This requires Haqq to support a programming language and toolset to the majority of blockchain developers. According to the Electric Capital Developer Report, Ethereum still has the largest developer community. That makes it logical for Haqq to strive to support Ethereum Virtual Machine for smart contracts execution and Solidity as the primary smart contracts language.

For the purpose of EVM compatibility Haqq is using some components of Evmos - the network based on Cosmos SDK which provides full EVM compatibility, or equivalence.

Haqq being EVM-equivalent, means that everything that is built on Ethereum or other EVM-equivalent networks like Optimism or the Evmos and Evmos-based networks - can be deployed on Haqq without rewriting a single line of smart contract code and worrying about things to break in unexpected ways.

Evmos is the continuation of Ethermint project - the EVM-compatible blockchain with Tendermint BFT consensus. Evmos is being developed by Tharsis whose team has been the core development team behind the Ethermint codebase since April 2021.

As said in previous sections, Evmos is built on Cosmos SDK, leverages Tendermint Consensus security, consistency and instant finality and is compatible with the IBC protocol.

Haqq is aimed at full compatibility with the rest of Evmos and Cosmos ecosystems from the user experience perspective, as well as collaboration with its communities.

## **Shariah Oracle - An On-Chain Registry of Halal Certificates**

Shariah Oracle is an on-chain mechanism controlling a whitelist of smart contracts allowed for interaction (signing and listing in the in-app marketplace) through the Haqq Wallet.

The Shariah Oracle serves as an on-chain registry of Halal Certificates that provides smart contract developers and web2 businesses a way to prove their ethical relevance for Muslim users by listing their products/services on the Haqq Wallet.

The Shariah Oracle provides a Halal certification (verification mark) for smart contracts that meet the Shariah compliance criteria. This certification will be displayed on the apps for wallet users to see, allowing them to easily identify and interact with the Halal-certified smart contracts.

\*Shariah Oracle is expected to go live in Q1 2024.

Integrating the Shariah Oracle with Haqq Wallet will ensure that users interact only with whitelisted, Sharia-compliant dApps. Whitelisting in this context means the dApp is permissioned and approved by either the community or (if a higher level of approval) the Sharia Board. Thus whilst being a place where anyone can deploy their dApp or project, Haqq network's Shariah Oracle is a key measure to minimize unethical or Haram activity in our network.

The Haqq Network's Shariah Oracle is an excellent example of how blockchain oracles can be utilized to create a more ethical and sustainable financial system.

The Shariah Oracle ensures that all smart contracts that interact with the Haqq Wallet are Shariah-compliant, which means they adhere to Islamic principles and ethics. This feature is essential for Muslims and ESG-driven investors who prioritize ethical investing practices.

The Shariah Oracle's mechanism of community and Shariah Board approval ensures that only Shariah-compliant smart contracts are whitelisted on the Haqq Wallet. This feature benefits Haqq ecosystem investors and users by providing a transparent, secure, and Shariah-compliant environment for investment. It also helps to mitigate common front-end attacks, making it harder for hackers to hijack smart contracts and manipulate data. For instance, if a user tries to interact with a non-whitelisted contract on the Sharia Oracle level, the user gets a warning message.

Additionally, other smart contracts can integrate with the Shariah Oracle as well.

Since both community and Shariah approvals are Soulbound tokens (SBTs), a type of non-transferrable Non-Fungible Tokens (NFTs), smart contracts like Decentralized Exchanges (DEXs) can quickly check whether the ERC-20 token sent to them as liquidity is Shariah/community approved or not - and decide whether to accept it or not. This seamless integration allows for increased compliance and security within the Haqq ecosystem, ensuring that all participants adhere to Shariah principles and maintain a reliable environment for investment.

How It Works → The Shariah Oracle will be implemented on top of the Layer-1 governance and has two levels of approval: Community approval and Shariah board approval.

### **Community-Level Approval**

Community approval is granted by the ISLM stakers. It grants the right for the project to be listed in the Haqq Wallet Marketplace, and users can interact with such a contract without warning IF they selected community approval as the preferred level of approval. For a smart contract to be whitelisted, the author or project community should submit a governance proposal to whitelist a smart contract. Then ISLM stakers vote for or against this proposal. If the community accepts a proposal, the smart contract gets whitelisted on HAQQ Wallet but doesn't get the Shariah-compliance mark. Additionally, the community approval ensures that users of the Haqq Wallet also get a warning notification if they attempt to sign any transaction on non-community-approved contracts.

This warning feature ensures that users only interact with verified smart contracts, reducing the potential for fraudulent activities and enhancing the security of the Haqq Network. An example of the importance of this warning feature is the recent frontend attack on the stablecoin AMM exchange, Curve, where hackers were able to hijack a portion of the frontend code to redirect user funds to their wallet. A warning system like the Haqq Wallet could forestall this kind of attack as users would have been alerted when interacting with the hijacked code, preventing the inadvertent transfer of funds to malicious contracts.

Another key feature of the community-approved projects is that once approved, they are highlighted and showcased by getting listed on the in-app marketplace within the Haqq Wallet. This allows developers to showcase their projects to a broader audience, thereby increasing their chances of adoption and success.

### **Shariah Board Approval →**

Shariah Approval is given by Shariah Board. It grants projects Shariah Compliant label in the marketplace, and users can interact with such contracts without warning regardless of the preferred level of approval. For an explicit shariah-compliance mark, a community-approved project will have to submit a proposal alongside a deposit for review by the Shariah Board. The deposit is a board services fee that goes directly to scholars. If accepted, it gains an explicit shariah-compliance checkmark.

The Shariah Board reserves the right to revoke its endorsement for approved contracts should the projects exhibit non-compliant behavior at any point. In such cases, users can still interact with the smart contract. Still, the Haqq Wallet will display a conspicuous warning when attempting to sign a transaction involving a non-Shariah-compliant smart contract. This precaution is necessary as users may still have funds locked within the smart contract.

Initially, audits are conducted exclusively by our Shariah board. However, to avoid creating a bottleneck and to promote decentralization, we plan to implement additional authorized Shariah auditors in the future. By empowering our board to authorize other auditors to conduct compliance audits, we aim to streamline the process and ensure a more decentralized approach.

### **How Does the Shariah Oracle Maintain Decentralization →**

It is important to clarify that the Shariah Compliance feature does not impose centralization on the Haqq network. Instead, the Shariah Oracle influences only the Haqq Wallet behavior and not any other aspect of the Haqq network or Layer 1. As a result, users not concerned about Shariah compliance can still interact with any smart contract deployed on the Haqq Network via Metamask or any other EVM-compatible wallet.

Additionally, even with the Haqq wallet, users can interact with any smart contract by confirming transactions through a warning pop-up, ensuring that they are aware of any potential non-compliant transactions.

NOTE:

If a user interacts with smart contracts without community or Shariah approval, then:

1. If his preferred level of approval is the Community, he gets a warning that the project has got neither community approval nor Shariah approval **\*\*yet\*\***
2. If his preferred level of approval is Shariah, he gets a warning that the project has not got Shariah approval **\*\*yet\*\***

### **Technical Architecture**

→ Description of the technical architecture of the Shariah Oracle

#### **Community Approval Process →**

- Proposal submission: An \$ISLM staker submits a proposal for community approval via gov module
- Deposit: Proposals must be submitted with a minimum deposit to prevent spam.
- Vote: Community participants vote on the proposal.
- Whitelist (SBT issuance): Once approval is done, SBT is issued over a smart contract.

#### **Shariah Approval Process →**

- Proposal submission: An SBT token holder can submit a proposal for Shariah approval for ONLY a community-approved smart contract.
- Deposit: Proposals must be submitted, which serve as audit fees for the board or authorized auditors. Hence it is non-refundable.
- Shariah Board approval: After the community approves a smart contract, the Shariah Board conducts an audit and provides feedback. The project team implements the feedback, and the board conducts a final review,

either approving or rejecting the smart contract for Shariah compliance. No community vote is required for this process.

#### Revoking Shariah Approval →

If a project marked as Shariah-compliant deviates from the prescribed guidelines, it is flagged and provided a grace period of three to six months to rectify the issues.

During this time, any HAQQ community member who chooses to engage with the associated contract will receive a warning notification that the project is not approved. If the grace period expires without the necessary corrections made by the project, the HAQQ Network will impose restrictions, preventing HAQQ wallet users from accessing such contracts only if the user has set Shariah approval as his preference.

However, these contracts can still be interacted with via Metamask or any other EVM-compatible wallet.

#### Shariah Compliance Criteria →

By establishing a set of Shariah compliance criteria, the Shariah Oracle is able to screen and filter smart contracts that seek to list on the HAQQ wallet. These criteria will be based on the Islamic principles of fairness, transparency, social responsibility and other measures as stipulated by our scholars. For example, the Shariah Oracle checks if a smart contract involves prohibited activities like gambling, usury, or other unethical practices.

#### Evergreen DAO →

##### Purpose

Evergreen DAO is introduced to fund projects benefiting the global Muslim community, grants to ecosystem maintainers, bug bounties, marketing activities and other initiatives which the community decides are helpful for the Haqq Network and/or the Muslim community. There is already an account for it holding 10% of initially minted tokens and the DAO mechanism is slated for launch by Q1 of 2024.

The Haqq Community and Haqq Shariah Board Govern Evergreen DAO

Evergreen DAO governance is similar to a default Cosmos Governance with three differences:

1. The Haqq Shariah Board can approve every spending proposal.
2. Users are financially incentivized to submit high-quality proposals which benefit the Muslim Community.
3. Deposits never burn - they get transferred to the Evergreen DAO in the event of Voting Period or Deposit Period failure.

Evergreen will be based on the Cosmos Community Pool

Spending initiatives can be submitted by any ISLM staker and go through a governance process which consists of the following periods:

1. Deposit Period
2. Voting Period
3. Shariah Approval Period

#### Submitting a spending proposal →

Any ISLM staker can submit a spending proposal. This proposal should be first submitted to an off-chain discussion board. Then a link to this initiative should be submitted to the governance module alongside metadata which consists of the spending amount and target.

#### Deposit Protocol →

Like in default Cosmos governance, proposals must be submitted with a deposit in the coins defined in the MinDeposit param. The voting period will not start until the proposal's deposit equals MinDeposit.

When a proposal is submitted, it has to be accompanied by a deposit that must be strictly positive but can be inferior to MinDeposit. The submitter doesn't need to pay for the entire deposit on their own. If a proposal's deposit is inferior to MinDeposit, other token holders can increase the proposal's deposit by sending a Deposit transaction. The deposit is kept in an escrow in the governance ModuleAccount until the proposal is finalized (passed or rejected).

Once the proposal's deposit reaches MinDeposit, it enters a voting period. If a proposal's deposit does not reach MinDeposit before MaxDepositPeriod, the proposal closes, and nobody can deposit on it anymore.

#### Voting Period →

Voting period follows the default Cosmos governance process. Proposal enters the Voting Period once it reaches "MIN DEPOSIT."

Participants (bonded ISLM holders) vote Yes, No, "NO WITH VETO" or "ABSTAIN". "NO WITH VETO" counts as No but also adds a Veto vote. Abstain option allows voters to signal that they do not intend to vote in favor or against the proposal but accept the result of the vote.

#### Quorum →

Quorum is the minimum percentage of voting power that needs to be cast on a proposal for the result to be valid.

#### Threshold →

Threshold is defined as the minimum proportion of Yes votes (excluding Abstain votes) for the proposal to be accepted. Initially, the threshold is set at 50% with a possibility to veto if more than 1/3rd of votes (excluding Abstain votes) are NoWithVeto votes. This means that proposals are accepted if the proportion of Yes votes (excluding Abstain votes) at the end of the voting period is superior to 50% and if the proportion of NoWithVeto votes is inferior to 1/3 (excluding Abstain votes).

Inheritance → If a delegator does not vote, it will inherit its validator vote.

#### Shariah Approval Period →

If and when the proposal has passed the Voting Period, the proposal enters the Shariah Approval Period. During this period Haqq Association Shariah Board reviews a proposal and decides if it complies with Shariah Law. If the Shariah Board approves a proposal, it gets executed and coins are transferred to the destination defined in a proposal.

If the Shariah Board rejects the proposal, coins stay in Evergreen DAO. If the Shariah Board doesn't submit a decision in 21 days, a proposal gets automatically rejected, coins stay in Evergreen DAO.

#### Deposit Refund and Seizure →

When a proposal is finalized, the coins from the deposit are either refunded or go to Evergreen DAO (on the contrary to the default Cosmos governance where coins are burned), according to the final tally of the proposal:

- If the proposal is approved or if it is rejected but not vetoed during Voting Period, deposit will automatically be refunded to their respective depositor (transferred from the governance ModuleAccount) regardless of the Shariah Approval Period outcome.
- If the proposal is vetoed by a supermajority during the Voting Period, deposit is transferred to the Evergreen DAO.
- If the proposal closes during the Deposit Period (didn't reach MinDeposit during MaxDepositPeriod), deposit is transferred to the Evergreen DAO.

## Offering Details

For purposes of this agreement, the Company will define the date of completed reconciliation and processing of all the underlying Token Purchase Agreements (“*TPAs*”) for the ISLM Tokens as the “*TPA Date*.” To avoid any ambiguity, the TPA Date will be the date which the final TPA is fully processed across all Offerings.

The Company plans to deliver ISLM Tokens 30 days after the TPA Date (“Release Date”).

If the Company does not achieve the Release Date within 60 days of the TPA Date (the “*Deadline Date*”), the Company will repay Purchasers the full amount paid pursuant to this Private Placement Statement (the “*Purchase Amount*”), due and payable to such Purchasers immediately prior to, or on, the Deadline Date, to the extent funds are lawfully available at that time.

## Terms of Offering

In connection with this Offering, the Company is offering you and certain other prospective purchasers the opportunity to purchase ISLM Tokens on the terms and conditions set forth under “*Terms of the Offering*.” This Offering is made only to accredited investors via the Token Sale Website at <https://republic.co/islamic-coin>. Each of ODB and the Company may terminate such sales at any time prior to the sale of any and all Islamic Coins in its sole discretion.

The maximum aggregate amount of tokens sold in this Regulation D Offering is \$7,000,000.

The Terms of this Offering, including the applicable Lockups, are set forth under the section titled “*Terms of the Offering*”.

## Concurrent Offerings

There is a concurrent Offering on the Republic website with a maximum aggregate amount of \$43,000,000. Tokens in that Offering are being sold for \$0.30 per ISLM token with a lockup of 120 days

## Prior Offerings

There were several sales of ISLM tokens prior to this present Offering, captured in the table below:

<b>Date</b>	<b>Price per ISLM</b>	<b>Amount</b>	<b>Blockchain Address</b>
May-22	0.05	20,311,313.00	0x1D15a91f892F5920585f457755424766370e57F9
Jul-22	0.05	369,962.00	0x6C4C33612538861324b1ce805dd395BE275eF9A7
Jul-22	0.10	100,000,000.00	0x61194DD86EB588dEC9486dEaEA86CDe842675381
	0.05	21,746,215.00	0x61194DD86EB588dEC9486dEaEA86CDe842675381
Sep-22	0.04	46,246,769.00	0xF015a66078c6a7642063e0353f45F5244280AdAf
Nov-22	0.25	3,000,000.00	0x9c213CAa94C96BBEa33586764326A0487Eb0983
Nov-22	0.05	599,976.00	0x57D3891e0A0a9Ef72DdbA8Cbe4525fBaeD950162
Apr-23	0.05	32,000.00	0x6ce2817c34a6e56cf30069ab9ac796a4c71e43db
Jun-23	0.25	785,919.00	0x3B92F6A9a9967eD9d506e47415c8e4d52FeB2ACa
Aug-23	0.05	100,000.00	0x771262032Ef14F59E885A23CB179cE4f21e4700C
Aug-23	0.05	100,000.00	0x7Bb3d51454d59E0de22c6Ba8D962cb0C89F33E71

Prior offerings were offered at 4 cents, 5 cents, 10 cents, and 25 cents per ISLM token. Some later purchasers were given the right to purchase in two different buckets to make their blended cost per ISLM token lower, explaining why vastly different prices of tokens might have occurred at around the same time.

## Token Distribution

A current supply of 20,000,000,000 ISLM currently exists in circulation. The total supply of 100,000,000,000 ISLM will eventually be in circulation.

## Distribution Schedule

The distribution schedule for the ISLM Tokens is described below.

- **Team**: A total of 3,000,000,000 ISLM Tokens have been distributed to employees of the Company. These ISLM Tokens will be released linearly over 24 months after a 12-month lockup from the time of issuance.
- **Non-distributed Team**: A total of 1,000,000,000 ISLM Tokens will be distributed to employees of the Company and contractors. These ISLM Tokens will be released linearly over 24 months after a 12-month lockup from the time of issuance.
- **Advisors**: A total of 1,570,000,000 ISLM Tokens will be issued to advisors of the Company. These ISLM Tokens will be released linearly over 24 months after a 6-month lockup from the time of issuance.
- **Strategic Partners**: A total of 3,000,000,000 ISLM Tokens were given to various strategic partners, institutions, foundations, and businesses in exchange for their efforts related to the ISLM Token. These ISLM Tokens will be released linearly over 60 months after a 6-month lockup from the time of issuance.
- **Reserved Strategic Partners**: A total of 900,000,000 ISLM Tokens have been reserved for future strategic partners.
- **Private Sale**: A total of 2,930,000,000 ISLM Tokens were sold in a private sale round. These ISLM Tokens will be released linearly over 24 months after a 6-month lockup from the time of issuance.
- **Reserved Private Sale**: A total of 1,000,000,000 ISLM Tokens have been reserved for future private sales.
- **Republic Sale**: A total of 300,000,000 ISLM Tokens will be sold in the Republic sale offerings, which include this Offering. These ISLM Tokens will feature various token unlocking schedules.
- **Evergreen DAO**: A total of 2,000,000,000 ISLM Tokens have been reserved as part of the Evergreen DAO.
- **Business Reserve**: A total of 4,180,000,000 ISLM Tokens will be reserved. 700,000,000 of these ISLM Tokens will be released at the time of issuance and the remaining ones will be released linearly over 24 months after a 6-month lockup from the time of issuance.
- **Distributed Non-vested**: A total of 50,000,000 ISLM Tokens have been sent to circulating supply and won't be re-vested even if a re-vesting governance proposal passes. These tokens are controlled by partners, private sale participants, the parties they transferred tokens to, and parties who received tokens from the team during the last 16 months of network existence.
- **Distributed Vested**: A total of 70,000,000 ISLM Tokens have been sent to circulating supply and have already vested. These tokens are controlled by partners, private sale participants, the parties they transferred tokens to, and parties who received tokens from the team during the last 16 months of network existence.

## DESCRIPTION OF ISLM TOKENS

- The Company is offering Islamic Coins in this Offering at different options described under "Terms of the Offering" below. The Islamic Coins are subject to transfer restrictions as set forth above.
- The ISLM Tokens do not carry any voting rights with respect to the Company. The Purchaser is not entitled, as a holder of ISLM Tokens or Islamic Coins, to vote or receive dividends or be deemed the holder of equity of the Company for any purpose, nor will anything contained herein be construed to confer on the Purchaser, as such, any of the rights of an equity holder of the Company, or any right to vote for the election of board members or upon any matter submitted to board members at any meeting thereof, or to give or withhold consent to any corporate action or to receive notice of meetings, or to receive subscription rights or otherwise. The board of directors of the Company exercises all voting power on behalf of the Company.

- A total supply of 20,000,000,000 Islamic Coins have already been minted. Such Islamic Coins have and will be distributed to major participating groups in the Haqq Platform based on the percentage allocations set forth above which assume that the offering is fully sold. These groups are critical to the creation, development, growth, and maintenance of the Haqq Platform. Subject to potential modification, these groups are described in the section “**Overview—Token Distribution**” above.

## TERMS OF THE OFFERING

*The summary below describes the principal terms of the ISLM Tokens and the Offering. Certain of the terms and conditions described below are subject to important limitations and exceptions. Prospective purchasers should review the entirety of the documents to be entered into in connection with the Offering. The summary below is qualified in its entirety by reference to the actual text of the form of the applicable Offering Documents.*

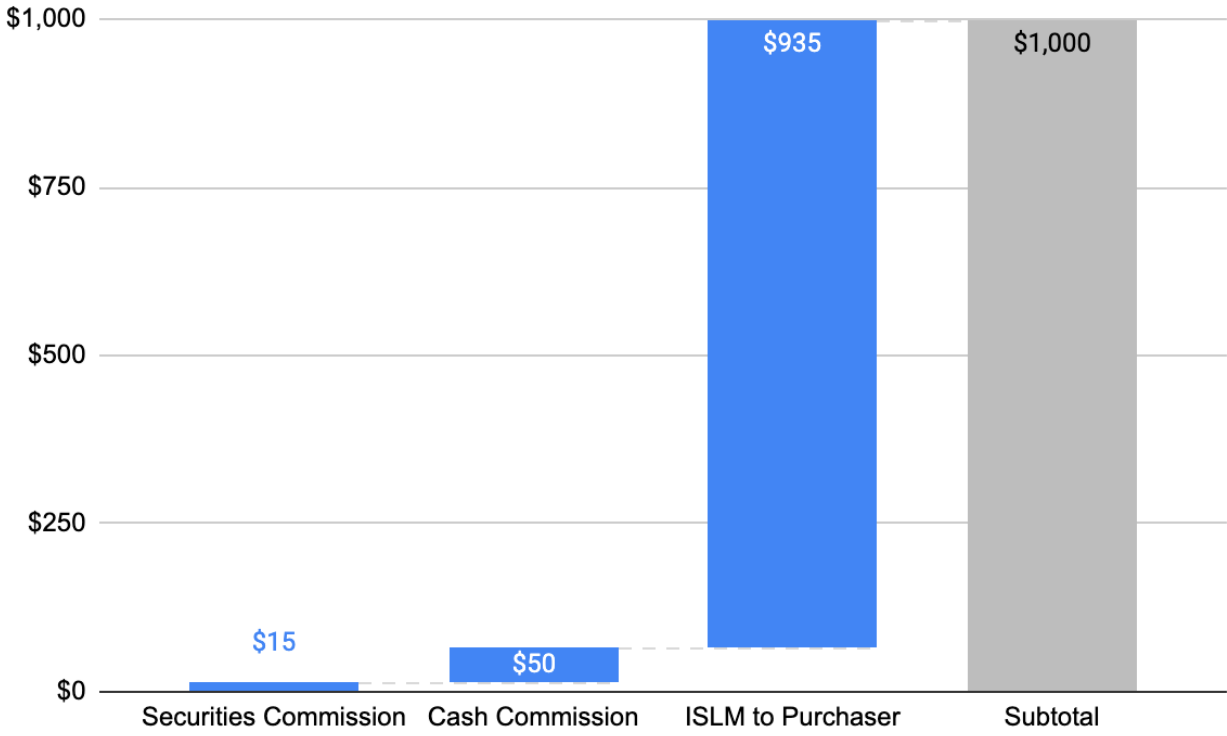
<i>Seller:</i>	Bored Gen DMCC, a Dubai Multi Commodities Centre company
<i>Islamic Coins:</i>	The maximum amount of ISLM Tokens to be sold in the Regulation D Offering is 28 Million Tokens, which total \$7,000,000.
<i>Purchaser Qualifications:</i>	Each Purchaser must be an “Accredited Investor” as defined under Rule 501 of Regulation D under the Securities Act.
<i>Period of Offering:</i>	<p>Sept. 12, 2023 at 12:00 UTC (8am EDT/5am PDT) through Sept. 26, 2023 at approximately 6:59 UTC (2:59am EDT) (the “<b>Offering Period</b>”). The Company reserves the right to reject any payments not made within the Offering Period. The Offering Period may be extended or shortened by the Company in its sole discretion, by providing notice through a supplement to this Private Placement Statement or announcement on the relevant offering page.</p> <p>The first 48 hours of the sale will be restricted to participants on an exclusive whitelist. The terms offered to these participants are the same as the terms in the subsequent period.</p>
<i>Fulfillment Price:</i>	Participants may purchase ISLM Tokens at a price of \$0.25 per ISLM token that will unlock after 12 months.
<i>Lockup and Transfer Restrictions:</i>	<p>Purchasers may not Transfer any underlying ISLM Tokens (“Restricted Interests”), or any options to acquire any ISLM Tokens, or any instruments convertible into, exchangeable for, or that represent the right to receive Restricted Interests, whether now or hereinafter acquired by the Purchaser, unless such Transfer is in accordance with the release schedule set according to the Lock-Up and Transfer Restrictions in the table set out above (collectively, the “Lock-up Restrictions”).</p> <p>Any cliffs and vesting periods will be enforced by on-chain Cosmos SDK module. Buyers will receive their balance after these transactions settle and be able see the balance in their wallets but won’t be able to send it until unlocked; however, buyers will be able to stake locked tokens.</p>

<p><i>Purchase Limits:</i></p>	<p>Throughout the Offering Period, the minimum purchase amount will be (i) \$1,000 for individuals and (ii) \$5,000 for entities.</p> <p>The maximum purchase amount will be \$1,000,000.</p> <p>Such amounts may be modified by the Company in its sole discretion.</p>
<p><i>Means of Purchase:</i></p>	<p>Purchasers must access the token sale website at <a href="https://republic.co/islamic-coin">https://republic.co/islamic-coin</a> (the “<b>Token Sale Website</b>”) and be subject to the offering documents as set forth therein (the “<b>Offering Documents</b>”).</p>
<p><i>Form of Payment for Islamic Coins:</i></p>	<p>The Purchase Amount can be paid in US dollars (via wire or credit card), Tether (USDT), or USD Coin (USDC).</p> <p>Purchases through Stripe will incur a total fee of approximately 2.7%-3.8% plus an additional \$0.36 per transaction. These total expenses for Stripe will ultimately be borne by the Company. Wire fees are different depending on the institution and are the responsibility of the investor. It can range from \$25-\$75+ per transaction.</p> <p>Cash received in connection with the Purchase Amount will be directly transferred to the Company. Purchasers in the offering will not have the right to revoke their purchase at any time. If a purchase is rejected for any reason, it will be refunded without interest or deduction save any applicable fees. Purchasers will follow instructions for completing payment when making their investment via the Offering Platform that is operated by ODB for the benefit of the offering.</p> <p>Cryptocurrencies and digital assets received in connection with purchases pursuant to this Offering are directed to an account maintained by the Company.</p> <p>If a purchase is rejected for any reason, and if payment was made in the specifically approved cryptocurrency or digital asset, a refund of the purchase price will be made in USDC, and such refunds will be based upon the USD-denominated value of the Purchase Amount only, regardless of the type and amount of the approved cryptocurrency or digital assets paid, or any volatility in their prices, and subject to certain fees (i.e. the amount of cryptocurrency originally sent may vary from the amount of cryptocurrency refunded due to exchange rate variations). Gas fees or miner fees for refunds will be deducted from the amount of the refund sent. Purchasers in the Offering will not have the right to revoke their subscription at any time. Gas costs and miner fees paid in the original subscription will not be refunded.</p> <p>For all accepted purchases, Company will bear the cost of any gas</p>

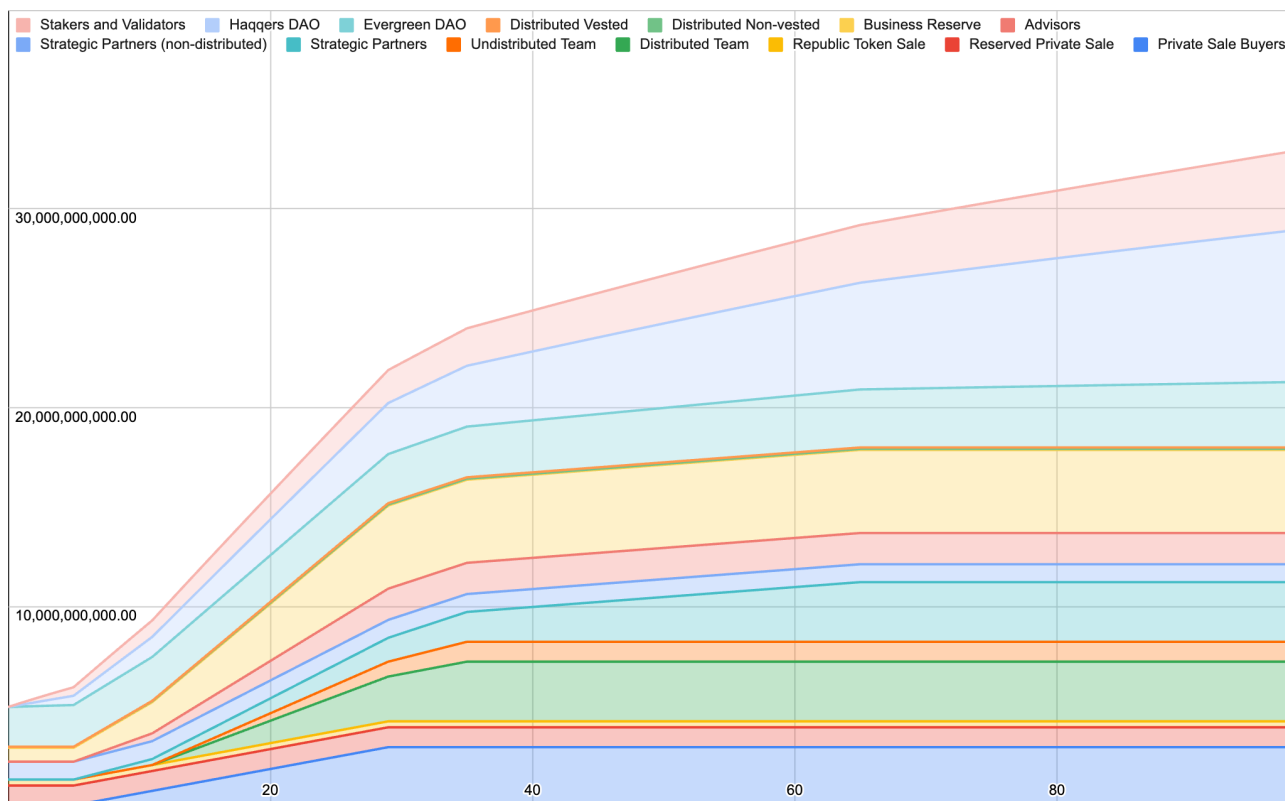
	costs and/or other fees to deliver the tokens to the Purchaser.
<i>Documentation:</i>	<p>In order to complete the closing process in this Offering, each Purchaser will be required to complete such documentation as may be requested by ODB on behalf of the Company, which may include, without limitation: (1) the acceptance of a token purchase agreement; (2) completion of purchaser qualification requirements (status as an Accredited Investor under Regulation D and KYC/AML or KYB (if applicable) screening requirements; and (3) confirmation by ODB or the Company of receipt of funds (collectively, the “<b>Closing Requirements</b>”).</p> <p>The proceeds of this Offering will be disbursed to the Company intermittently throughout the closing process, provided that all applicable Closing Requirements associated with such proceeds must be satisfied prior to disbursement.</p>
<i>Use of Proceeds:</i>	The Company intends to use a significant portion of the proceeds from this Offering to develop and promote the Haqq Platform. See “ <b>Use of Proceeds.</b> ”

**Graphical Representation of Purchase**

Assuming the offerings in aggregate exceed the \$2M amount, an incremental \$1000 purchase in the Offering towards ISLM tokens would result in approximately \$935 to the Company. \$50 would be a cash commission to ODB. \$15 in ISLM would go to ODB as a securities commission.



**Graphical Representation of Token Release Schedule: Tokens released by number of months (x-axis)**



**RISK FACTORS**

*A purchase of the Islamic Coins involves a high degree of risk. You should consider carefully the risks described below, together with all the other information contained in this Private Placement Statement and the Offering Documents, before making a purchase decision. The following risks entail circumstances under which the Islamic Coins, the Haqq Platform and their related operations and prospects could suffer. They may also be harmed by additional risks and uncertainties not currently known or that we currently do not believe to be material.*

UNLESS EXPRESSLY SET OUT HEREIN, THE COMPANY SPECIFICALLY DOES NOT REPRESENT AND WARRANT AND EXPRESSLY DISCLAIMS ANY REPRESENTATION OR WARRANTY WITH RESPECT TO THE INFORMATION MATERIALS, THE ISLM TOKENS, EXPRESS, IMPLIED OR STATUTORY, INCLUDING WITHOUT LIMITATION, ANY REPRESENTATIONS OR WARRANTIES OF TITLE, NON-INFRINGEMENT, MERCHANTABILITY, USAGE, SUITABILITY OR FITNESS FOR ANY PARTICULAR PURPOSE, OR AS TO THE WORKMANSHIP OR TECHNICAL CODING THEREOF, OR THE ABSENCE OF ANY DEFECTS THEREIN, WHETHER LATENT OR PATENT. THE COMPANY DOES NOT REPRESENT OR WARRANT THAT ISLM TOKENS ARE RELIABLE, CURRENT OR ERROR-FREE, MEET YOUR REQUIREMENTS, OR THAT DEFECTS IN THE ISLM TOKENS WILL BE CORRECTED. THE COMPANY CANNOT AND DOES NOT REPRESENT OR WARRANT THAT ISLM TOKENS OR THE DELIVERY MECHANISM FOR THE ISLM TOKENS IS FREE OF VIRUSES OR OTHER HARMFUL COMPONENTS

***The Haqq Platform may not continue to be successfully developed.***

Despite the Haqq Platform already having been launched, it may not succeed in the long term. Changes to the specifications of the Haqq Platform may be necessary for any number of reasons, and the Haqq Platform may be developed in a way that does not realize those specifications and may cease to be able to integrate with a functioning

blockchain network. It is possible that the Haqq Platform may never gain traction and that there may never be any fees generated from use of the Platform. The Haqq Platform, even if successfully maintained, may not meet expectations. Furthermore, despite good faith efforts to support and develop the Haqq Platform, it is still possible that the Haqq Platform will experience malfunctions or otherwise fail to be adequately developed or maintained, which may negatively impact the ISLM Token. If the Haqq Platform is not successfully developed, the ISLM Token may lose all its value, and Purchasers may lose all of their Total Purchase Price.

***We have a limited operating history.***

The Company has a limited operating history. The Platform has launched but the ISLM token has not yet been fully integrated into the Platform. There is no assurance that any of the Company's proposed activities and business plans as set forth in the Company's white paper (the "*Whitepaper*")<sup>2</sup> will succeed.

***Risks Associated with the Structure of Token Purchase Agreements***

An investment in a TPA involves a significant amount of risk and is suitable only for sophisticated Purchasers: (i) of substantial means who have no immediate need for liquidity in the amount invested; (ii) for whom such investment does not constitute a complete investment program; (iii) that fully understand, and are willing to assume and have the financial resources necessary to withstand, the risks involved in investing in a TPA; and (iv) that can bear the potential loss of all of their investment in a TPA. There is no assurance as to whether an investment in a TPA will be profitable. Any Investment made in a TPA may result in a loss of all or part of a Purchaser's Investment. The Token Purchase Agreement or a portion thereof may be modified, waived, or amended without your consent consistent with its terms.

***The Haqq Platform may not be able to compete effectively with other platforms.***

The Haqq Network may spur innovation and competition in Shariah compliant platforms and ecosystems in blockchain, and the space may become competitive as it is rapidly evolving. Currently, there may be other attempts to develop similar platforms, and many more new attempts may emerge. Competitors to the Haqq Platform may gain substantial competitive advantages, such as in speed, security, scalability, greater financial and other resources, stronger name recognition, larger network of testnet users and developers, greater market acceptance among developers, as well as pre-existing relationships with developers. Any of these events could negatively impact the development and viability of the Haqq Platform and harm the value of the Islamic Coin.

***The Haqq Platform may be unable to attract and retain users.***

The growth and success of the Haqq Platform depends critically on its widespread adoption, which depends on many factors, including the number and quality of the app's features, speed, usability, security, scalability, competitiveness versus other competitor platforms, and overall market acceptance. The Company, the Haqq Platform, and the Islamic Coin can also be the subject of negative commentary in the news media, website postings, social media, and other non-traditional media, all of which may result in reduced growth and adoption of the Haqq Platform and negatively affect the value of the Islamic Coin.

***The Haqq Platform may not gain approval among Islamic scholars or Muslims worldwide.***

An important factor for the success of the project will be its widespread adoption among Muslims worldwide. If certain Islamic scholars disapprove of the design of Haqq platform or claim that it is not compliant with Shariah, then Muslims may be less likely to use or adopt it.

***The Haqq Platform is dependent on validators and computer networks for its operations.***

Even if the Haqq Platform becomes operational, the functionality of blockchains underlying it will depend on validators, computer networks and their continued operations, all of which are outside of the control of the Company and even the developers of the blockchains the Haqq Platform will employ. If such validators fail to maintain their operations on

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<sup>2</sup> The Company's documentation and Whitepaper for the Haqq Platform can be found on the Islamic Coin Website at the following link: <https://islamiccoin.net/wp>

blockchains powering the Haqq Platform, as expected, it could have a material adverse impact on the value of the Islamic Coin.

***Real or perceived errors, failures, or bugs in the Haqq Platform, or in the software or systems of third-party developers utilizing the Haqq Platform, could adversely affect the Haqq Platform and the value of the Islamic Coin.***

Real or perceived errors, failures, vulnerabilities, or bugs in the Haqq Platform, or in the software or systems of third-party developers utilizing the Haqq Platform, could harm the Haqq Platform and the Islamic Coins. Errors, failures, vulnerabilities, or bugs may occur and may cause errors or failures of applications or products, computing and storage environment of the Haqq Platform. Any such errors, failures, vulnerabilities, or bugs may not be found until after the Token Release Date or after updates are deployed by developers or data has been deployed on a network using the Haqq Platform, which could result in negative publicity, loss of data, failure of applications, loss of or delay in market adoption, a decrease in user and developer satisfaction or adoption, loss of competitive position, or claims from third parties. Neither we nor the Haqq Platform community may be able to promptly resolve these problems, if at all. Any of these incidents could materially and adversely harm the Haqq Platform and the Islamic Coins.

***The ISLM Tokens have no market, liquidity or performance history.***

The ISLM Tokens have no market, liquidity, or performance history. As such, they should be evaluated on the basis that the Company or any third party's assessment of the prospects of the Islamic Coin or the Haqq Platform may not prove accurate, and that the Company, the Islamic Coin, and the Haqq Platform may not achieve their objectives, including the use and adoption of the Haqq Platform and their associated blockchain applications.

***The tax treatment of acquiring, holding, and where permitted, selling, exchanging, or otherwise disposing of the Islamic Coins is uncertain, and there may be adverse tax consequences for Purchasers upon certain future events.***

The tax treatment of acquiring, holding, and where permitted, selling, exchanging, or otherwise disposing of the ISLM Tokens is uncertain, and each Purchaser must seek its own tax advice in connection with a purchase of the ISLM Tokens as described herein. The Company has not requested a ruling from any tax authority regarding the tax treatment of the ISLM Tokens. Acquiring, holding, and where permitted, selling, exchanging, or otherwise disposing of the ISLM Tokens may result in adverse tax consequences to Purchasers, including liability for withholding taxes and income taxes and responsibility for complying with certain tax reporting requirements. Each Purchaser should consult with and must rely upon the advice of its own tax advisors with respect to the tax treatment of acquiring, holding, selling, exchanging, or otherwise disposing of the ISLM Tokens.

***The Haqq Platform and/or the Evmos or Ethereum Blockchains may be the target of malicious cyberattacks or may contain exploitable flaws in its underlying code, which may result in security breaches and the loss or theft of ISLM Tokens. Additionally, Cosmos SDK, the base layer on which Evmos is built and allows for interconnectability across blockchains may also be a target of cyberattacks or otherwise malfunction. If the Haqq Platform or these technologies' security is compromised or if the protocols are subjected to attacks that frustrate or thwart access to and use of the Islamic Coins, developers may cut back on or stop using the Haqq Platform altogether, which could seriously curtail the utilization of the Islamic Coins and cause a decline in the market price of the ISLM Tokens.***

The Haqq Platform, and the networks, applications and other interfaces which will utilize it, as well as applications built upon the networks that will utilize it, are still in the early stages and are unproven, and there can be no assurances that the operation of the Haqq Platform will be uninterrupted or fully secure which may result in a complete loss of the Islamic Coins, or an unwillingness of smart contract creators to access, adopt and utilize the Haqq Platform. Additionally, if the underlying Evmos blockchain or network is subject to unknown and known security attacks (such as double-spend attacks or other malicious attacks), this may materially and adversely affect the Haqq Platform's reputation, even though the Company is not responsible for the attacked network. In any such event, if the Haqq Platform is not widely adopted, if the Haqq Platform does not reach a sufficient number of users, Purchasers may lose all of their Total Purchase Price.

***Assertions by third parties of infringement or other violation by us of their intellectual property rights could harm our ability to develop the Haqq Platform and the Islamic Coin.***

Third parties may in the future assert that we have infringed, misappropriated, or otherwise violated their copyrights, patents, and other intellectual property rights, and as we face increasing competition, the possibility of intellectual property infringement claims against us grows. Various laws and regulations govern the copyright and other intellectual property rights associated with the Haqq Platform. Existing laws and regulations are evolving and subject to different

interpretations, and various legislative or regulatory bodies may expand current or enact new laws or regulations. We cannot assure you that we are not infringing or violating any third-party intellectual property rights, or that we will not do so in the future. In addition, internet and technology companies are frequently subject to litigation based on allegations of infringement, misappropriation, or other violations of intellectual property rights. Many companies in these industries have substantially larger patent and intellectual property portfolios than we do, which could make us a target for litigation as we may not be able to assert counterclaims against parties that sue us for patent, or other intellectual property infringement.

It is difficult to predict whether assertions of third-party intellectual property rights or any infringement or misappropriation claims arising from such assertions will substantially harm our business, operating results, and financial condition. If we are forced to defend against any infringement or misappropriation claims, whether they are with or without merit, are settled out of court, or are determined in our favor, we may be required to expend significant time and financial resources on the defense of such claims. Furthermore, an adverse outcome of a dispute may require us to pay significant damages, which may be even greater if we are found to have willfully infringed upon a party's intellectual property; cease exploiting copyrighted content that we have previously had the ability to exploit; cease using solutions that are alleged to infringe or misappropriate the intellectual property of others; expend additional development resources to redesign our solutions; enter into potentially unfavorable royalty or license agreements in order to obtain the right to use necessary technologies, content, or materials; indemnify our partners and other third parties; and/or take other actions that may have material effects on our business, operating results, and financial condition.

***Decentralization may result in inadequate governance and the adoption of plans or strategies that destroy the value or usefulness of the Haqq Platform***

ISLM is designed as a governance token, allowing tokenholders to vote on the direction and initiatives of the Haqq Platform. It is plausible that the tokenholders propose and vote for business strategies or initiatives that hamper the potential or value of the Haqq Platform and ultimately render the ISLM Token without any value.

***Risk of Migration to New Blockchain and/or Token***

It is possible that the Haqq Platform may in the future allow or require users of the Platform to migrate their tokens to another blockchain and/or upgrade their token into a new digital asset. Haqq Platform may choose to do so for numerous reasons, including, without limitation, to address regulatory requirements, due to technological constraints, because of restrictions or failures arising from the existing blockchain, to minimize transaction costs to users, or to enable the Haqq Platform to incorporate new features into the Platform. There can be no assurance that the migration to a new blockchain will be successful or that the token will retain the same features and functionality if the holder chooses not to migrate their Token to the new blockchain.

***Risks related to blockchain technologies and digital assets***

***The regulatory regime governing the blockchain technologies, cryptocurrencies, coins including the ISLM Tokens and coin or token offerings including the Offering, is uncertain, and new regulations or policies may materially adversely affect the development or operation of the Haqq Platform and the value of the ISLM Tokens.***

Regulation of coins and tokens (including the ISLM Token), offerings such as this, cryptocurrencies, blockchain technologies, and cryptocurrency exchanges currently is still relatively undeveloped, likely to rapidly evolve, varies significantly among international, federal, state, and local jurisdictions and is subject to significant uncertainty. Various legislative and executive bodies in the United States and in other countries may in the future, adopt laws, regulations, guidance, or other actions, which may severely impact the development and adoption of the Haqq Platform. Failure by certain developers using the Haqq Platform to comply with any laws, rules, and regulations, some of which may not exist yet or are subject to interpretation and may be subject to change, could result in a variety of adverse consequences, including civil penalties and fines.

***As blockchain networks and blockchain assets have grown in popularity and in market size, US federal and state agencies have begun to regulate their use and operation.***

In the case of virtual currencies, state regulators like the New York Department of Financial Services have created new regulatory frameworks. Others, as in Texas, have published guidance on how their existing regulatory regimes apply to virtual currencies. Some states, like New Hampshire, North Carolina, and Washington, have amended their state's statutes to include virtual currencies into existing licensing regimes. Treatment of virtual currencies continues to evolve under

federal law as well. The Department of the Treasury, the Commission, and the Commodity Futures Trading Commission (the “CFTC”), for example, have published guidance on the treatment of virtual currencies. The Internal Revenue Service (the “IRS”) has released guidance treating virtual currency as property that is not currency for US federal income tax purposes, although there is no indication yet whether courts or federal or state regulators will follow this classification. Both federal and state agencies have instituted enforcement actions against those violating their interpretation of existing laws.

The regulation of non-currency use of blockchain assets is also uncertain. The CFTC has publicly taken the position that certain blockchain assets are commodities, and the Commission, including Chairman Gary Gensler, has issued several public reports or comments stating federal securities laws require treating some blockchain assets as securities.

Recently, the Commission also won summary judgment in federal court in its case against LBRY, Inc., establishing that its blockchain token LBC was offered as an unregistered security.

To the extent that a domestic government or quasi-governmental agency exerts regulatory authority over a blockchain network or asset, the Haqq Platform and ISLM Tokens may be materially and adversely affected.

Blockchain networks also face an uncertain regulatory landscape in many foreign jurisdictions. In August 2017, Canada issued guidance stating the sale of cryptocurrency may constitute an investment contract in accordance with Canadian law for determining if an investment constitutes a security. In July 2016, the Russian Ministry of Finance indicated that it supports a proposed law that bans cryptocurrencies domestically. Russia has since issued several releases indicating they may begin regulating cryptocurrencies and licensing miners and entities engaging in initial coin offerings. In July 2016, the European Commission released a draft directive that proposed applying counterterrorism and anti-money laundering regulations to virtual currencies, and, in September 2016, the European Banking authority advised the European Commission to institute new regulation specific to virtual currencies, with amendments to existing regulation as a stopgap measure. On September 4, 2017, China issued a guidance prohibiting the practice of using cryptocurrency for capital fundraising. Additional reports have surfaced that China is considering regulating cryptocurrency businesses by enacting a licensing regime. In April 2019, China’s National Development Reform Commission listed crypto-mining among a variety of industries it intends to eliminate. In September 2017, the Financial Services Commission of South Korea released a statement that initial coin offerings would be prohibited as a fundraising tool. In December 2018, South Korea’s Financial Services Commission stated that six bills related to the regulation of cryptocurrencies had been submitted to the National Assembly. One of the bills would require all persons in charge of a cryptocurrency transfer business to register with the Financial Services Commission. In June 2017, India’s government ruled in favor of regulating cryptocurrencies. In April 2018, the Reserve Bank of India issued a statement to all entities regulated by the Reserve Bank, stating that they must cease all activities related to cryptocurrency. In 2018, Australia passed legislation which requires digital currency exchange providers to register with AUSTRAC (the Australian Transaction Reports and Analysis Centre). Various foreign jurisdictions may, in the near future, adopt laws, regulations or directives that affect the Haqq Platform, including deeming that ISLM Tokens constitute securities under the laws of such jurisdiction, or that the use of ISLM Tokens violates applicable law. Such laws, regulations or directives may conflict with each other and may directly, negatively, and materially impact the Haqq Platform. The effect of any future regulatory change is impossible to predict, but such change could be substantial and materially adverse to the development and growth of the Haqq Platform.

***As blockchain networks and blockchain assets have grown in popularity and in market size, US federal and state agencies have begun to take interest in, and in some cases regulate, their use and operation.***

In the case of virtual currencies, state regulators like the New York Department of Financial Services have created new regulatory frameworks. Others, as in Texas, have published guidance on how their existing regulatory regimes apply to virtual currencies. Some states, like New Hampshire, North Carolina, and Washington, have amended their state’s statutes to include virtual currencies into existing licensing regimes. Treatment of virtual currencies continues to evolve under federal law as well. The Department of the Treasury, the Commission, and the Commodity Futures Trading Commission (the “CFTC”), for example, have published guidance on the treatment of virtual currencies<sup>3</sup>. The Internal Revenue Service (the “IRS”) has released guidance treating virtual currency as property that is not currency for US federal income tax

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<sup>3</sup> *A Virtual Primer on Virtual Currencies*, CFTC (Oct. 17, 2017), [http://www.cftc.gov/idc/groups/public/documents/file/labcftc\\_primercryptocurrencies100417.pdf](http://www.cftc.gov/idc/groups/public/documents/file/labcftc_primercryptocurrencies100417.pdf).

purposes, although there is no indication yet whether courts or federal or state regulators will follow this classification<sup>4</sup>. Both federal and state agencies have instituted enforcement actions against those violating their interpretation of existing laws.

The regulation of non-currency use of blockchain assets is also uncertain. The CFTC has publicly taken the position that certain blockchain assets are commodities, and the Commission, including Chairman Gary Gensler, has issued several public reports or comments stating federal securities laws require treating some blockchain assets as securities.<sup>5</sup> To the extent that a domestic government or quasi-governmental agency exerts regulatory authority over a blockchain network or asset, the Haqq Platform and Islamic Coins may be materially and adversely affected.

Blockchain networks also face an uncertain regulatory landscape in many foreign jurisdictions. In August 2017, Canada issued guidance stating the sale of cryptocurrency may constitute an investment contract in accordance with Canadian law for determining if an investment constitutes a security. In July 2016, the Russian Ministry of Finance indicated that it supports a proposed law that bans cryptocurrencies domestically. Russia has since issued several releases indicating they may begin regulating cryptocurrencies and licensing miners and entities engaging in initial coin offerings. In July 2016, the European Commission released a draft directive that proposed applying counterterrorism and anti-money laundering regulations to virtual currencies, and, in September 2016, the European Banking authority advised the European Commission to institute new regulation specific to virtual currencies, with amendments to existing regulation as a stopgap measure. On September 4, 2017, China issued a guidance prohibiting the practice of using cryptocurrency for capital fundraising. Additional reports have surfaced that China is considering regulating cryptocurrency businesses by enacting a licensing regime. In April 2019, China's National Development Reform Commission listed crypto-mining among a variety of industries it intends to eliminate. In September 2017, the Financial Services Commission of South Korea released a statement that initial coin offerings would be prohibited as a fundraising tool. In December 2018, South Korea's Financial Services Commission stated that six bills related to the regulation of cryptocurrencies had been submitted to the National Assembly. One of the bills would require all persons in charge of a cryptocurrency transfer business to register with the Financial Services Commission. In June 2017, India's government ruled in favor of regulating cryptocurrencies. In April 2018, the Reserve Bank of India issued a statement to all entities regulated by the Reserve Bank, stating that they must cease all activities related to cryptocurrency. In 2018, Australia passed legislation which requires digital currency exchange providers to register with AUSTRAC (the Australian Transaction Reports and Analysis Centre). Various foreign jurisdictions may, in the near future, adopt laws, regulations or directives that affect the Haqq Platform, including deeming that Islamic Coins constitute securities under the laws of such jurisdiction, or that the use of Islamic Coins violates applicable law. Such laws, regulations or directives may conflict with each other and may directly, negatively and materially impact the Haqq Platform. The effect of any future regulatory change is impossible to predict, but such change could be substantial and materially adverse to the development and growth of the Haqq Platform.

***The Haqq Platform may be deemed a money transmitter under US anti-money laundering laws.***

On May 9, 2019, the US Financial Crimes Enforcement Network ("**FinCEN**") issued guidance on the application of FinCEN's regulations to certain business models involving convertible virtual currencies. Pursuant to this guidance, the creator and seller of a convertible virtual currency may, under certain circumstances, be deemed a money transmitter under US anti-money laundering laws and subject to registration with and oversight by FinCEN. In addition, we may be subject to licensure with certain state and foreign regulators. In some cases, it is unclear how certain laws may affect us based on our business model and operations and compliance with these laws may be costly or impractical. If we are unable to comply with and become liable for violations of these laws, or if courts or regulatory bodies provide unfavorable interpretations of existing regulations, we may be subject to civil or criminal penalties, including significant fines or damages, the loss of ability to operate.

***This Issuance of ISLM Tokens may constitute the issuance of a "security" under US federal securities laws***

On July 25, 2017, the Commission issued a Report of Investigation under Section 21(a) of the Exchange Act describing an SEC investigation of The DAO, a virtual organization, and its use of distributed ledger or blockchain technology to facilitate the offer and sale of DAO ERC-20 Tokens to raise capital. The Commission applied existing US federal

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<sup>4</sup> I.R.S. Notice 2014-21, 2014-16 I.R.B. 938 (Apr. 14, 2014).

<sup>5</sup> *A Virtual Primer on Virtual Currencies*, CFTC (Oct. 17, 2017), [http://www.cftc.gov/idc/groups/public/documents/file/labcftc\\_primercryptocurrencies100417.pdf](http://www.cftc.gov/idc/groups/public/documents/file/labcftc_primercryptocurrencies100417.pdf).

securities laws to this new paradigm, determining that DAO ERC-20 Tokens were securities. The Commission stressed that those who offer and sell securities in the United States are required to comply with federal securities laws, regardless of whether those securities are purchased with virtual currencies or distributed with blockchain technology. Further, on December 11, 2017, Commission Chairman Jay Clayton issued a Statement on Cryptocurrencies and Initial Coin Offerings emphasizing that whether a digital asset constitutes a security is a fact-specific inquiry that “depends on the characteristics and use of that particular asset,” and cautioned that the Commission’s Division of Enforcement will continue to police this area vigorously. For instance, on December 11, 2017, a California-based company named Munchee selling digital ERC-20 Tokens to raise capital for its blockchain-based food review service agreed to an order with the Commission to halt its initial coin offering and return all proceeds. Similar enforcement actions continued through 2018, 2019 and 2020 including claims brought against Kik Interactive Inc., Block.one, Telegram Group Inc. and Ripple Labs for their unregistered securities offerings. On April 3, 2019, the SEC’s Fintech Hub issued a “**Framework for Investment Contract Analysis of Digital Assets**” (the “**SEC Framework**”) further delineating various factors considered by the SEC in determining whether any cryptocurrency is a security.

More recently, the Commission has brought actions for the unregistered offer and sale of securities against several companies and individuals, including Sparkster, Ltd. and its CEO (9/19/2022), Dragonchain, Inc. (8/16/2022), and NASGO and its associates (4/28/2022). The Commission also brought insider trading charges against a former Coinbase product manager, and his brother and friend, for perpetuating a scheme to trade ahead of announcements regarding crypto assets that would be made available for trading on Coinbase, specifically alleging that 9 of the 25 tokens traded were securities.

Moreover, the Commission seems to have taken an aggressive stance towards the classification of certain NFT collections, such as the Bored Ape Yacht Club NFTs. As of October 2022, the SEC was investigating Yuga Labs, the creator of the Bored Ape Yacht Club, in examining whether the issuance of NFTs constituted any securities violations.

In June 2023, the SEC filed suit against Coinbase, Inc. claiming that it was operating an unregistered securities exchange and identified 13 cryptocurrency tokens as unregistered securities. The list of purported cryptocurrency securities included popular tokens such as SOL (the token powering the Solana ecosystem), Cardano’s ADA token, and Protocol Labs’ Filecoin FIL token.

While the characterization of any cryptocurrency or digital asset as a security is a highly fact-specific analysis, the SEC framework suggests that the SEC is taking a broad view of what constitutes a security under US federal securities laws, and many digital assets are expected to be characterized as securities under this new SEC Framework.

If the ISLM Tokens collection are deemed to be securities under US federal securities laws, then the Company may be required to register such issuance under the Securities Act. In addition, each purchaser will be required to comply with the Securities Act for all sales, resales, and transfers of the ISLM Tokens. The Company has no contractual obligation to register the ISLM Tokens under the Securities Act and do not presently intend to do so. If we decide to pursue such registration of ISLM Tokens under the Securities Act, it would result in significant delays in the issuance of the ISLM Tokens, and would require us to incur substantial additional expenses. If in the alternative we do not pursue such registration, or if we abandon the development of the Haqq Platform, you may lose all or part of your Total Purchase Price.

***The ISLM Tokens contemplated hereby may be subject to registration under the Exchange Act if the Company has assets above \$10 million and more than 2,000 Purchasers participate in such offering.***

Each company with total assets above \$10 million and more than 2,000 holders of record of a class of its equity securities, or 500 holders of record of a class of its equity securities who are not accredited investors, must register that class of equity securities with the Commission under the Exchange Act. The Company may surpass \$10 million in assets by virtue of the Islamic Coins held in treasury. While the ISLM Tokens are not intended to constitute equity securities within the meaning of the Exchange Act, there is substantial uncertainty on the application of US securities laws to cryptocurrencies, and there is no guarantee that they will not be characterized as such. There is the possibility that the Commission will deem the ISLM Tokens to constitute “equity securities” under the Exchange Act; and in such event, if the sale of ISLM Tokens as described herein surpasses 2,000 Purchasers, or there are more than 2,000 holders of ISLM Tokens after the Token Release Date, then the Company will have to register the ISLM Tokens as described herein with the Commission, which will be a laborious and expensive process. If such registration takes place, it would require us to incur substantial additional expenses, including expenses to comply with the periodic reporting requirements under the Exchange Act. If we do not pursue such registration, or if we abandon the development of the Haqq Platform, you may lose all or part of your Total Purchase Price.

***There may be occasions when certain individuals involved in the development of the Haqq Platform may encounter potential conflicts of interest, such that such a person may avoid a loss, or even realize a gain, when other Purchasers are suffering losses.***

There may be occasions when certain individuals involved in the development of the Haqq Platform or the Company may encounter potential conflicts of interest in connection with the sale of ISLM Tokens described herein, such that such person may avoid a loss, or even realize a gain, when other Purchasers in such sale are suffering losses. Purchasers may also have conflicting investment, tax, and other interests, which may arise from the terms of the Offering Documents, the Haqq Platform and its code, or other factors. Decisions made by the Company on such matters may be more beneficial for some Purchasers than for others.

***Purchasers may lack information for monitoring their purchases.***

The Purchaser may not be able to obtain all information it would want regarding the Company or the Haqq Platform on a timely basis or at all. It is possible that the Purchaser may not be aware on a timely basis of material adverse changes that have occurred with respect to certain of its purchases. In addition, the Company is a private entity and is not required to publicly disclose any information about its finances, cash runway, or product development status. Certain information relating to the protocol may not be publicly disclosed or readily available. As a result of these difficulties, as well as other uncertainties, a Purchaser may not have accurate or accessible information about the Haqq Platform.

***If the Haqq Platform is unable to satisfy data protection, security, privacy, and other government- and industry-specific requirements, its growth could be harmed.***

There are several data protection, security, privacy, and other government- and industry-specific requirements, including those that require companies to notify individuals of data security incidents involving certain types of personal data. Security compromises could harm the Haqq Platform reputation, erode market confidence in the effectiveness of its security measures and reliability of its endorsements, negatively impact its ability to attract new users, or cause users to stop using the Haqq Platform.

***The further development and acceptance of blockchain networks, including those underlying the Haqq Platform, which are part of highly competitive and rapidly changing industries, are subject to a variety of factors that are difficult to evaluate. The slowing or stopping of the development or acceptance of blockchain networks and blockchain assets would have an adverse material effect on the successful development and adoption of the Haqq Platform.***

The growth and adoption of the blockchain industry, including the Haqq Platform, is subject to a high degree of uncertainty. The factors affecting the further development of the cryptocurrency industry, as well as blockchain networks, include, without limitation:

- Worldwide growth in the adoption and use of Bitcoin, Ethereum, Cosmos SDK, Evmos, and other blockchain technologies;
- Government and quasi-government regulation of Bitcoin, Ethereum, Cosmos SDK, Evmos, and other blockchain assets and systems and their use, or restrictions on or regulation of access to and operation of blockchain networks or similar systems;
- The maintenance and development of other open-source software protocols such as the Bitcoin, Ethereum, and Evmos networks;
- Changes in consumer demographics and public tastes and preferences;
- The availability and popularity of other forms or methods of buying and selling goods and services, or trading assets including new means of using fiat currencies or existing networks;
- General economic conditions and the regulatory environment relating to cryptocurrencies; and
- A decline in the popularity or acceptance of Bitcoin, Ethereum, Atom (the native token of Cosmos), Evmos, or other blockchain-based coins and the Haqq Platform.

The slowing or stopping of the development, general acceptance and adoption and usage of blockchain networks and blockchain assets may deter or delay the acceptance and adoption of the Haqq Platform and may decrease the value of the of the ISLM Tokens.

***The application of distributed ledger technology is novel and untested and may contain inherent flaws or limitations.***

Blockchain is an emerging technology that offers new capabilities which are not fully proven in use. There are limited examples of the application of distributed ledger technology. In most cases, software used by blockchain asset issuing entities will be in an early development stage and still unproven. As with other novel software products, the computer code underpinning the blockchain networks using the Haqq Platform may contain errors, or function in unexpected ways. Insufficient testing of smart contract code, as well as the use of external code libraries, may cause the software to break or function incorrectly. Any error or unexpected functionality may cause a decline in value of the ISLM Tokens and result in substantial losses to Purchasers.

***The prices of blockchain assets are extremely volatile. Fluctuations in the price of digital assets could materially and adversely affect our business, and the ISLM Tokens and Islamic Coins may also be subject to significant price volatility.***

The prices of blockchain assets such as Bitcoin, Ethereum and other blockchain assets have historically been subject to dramatic fluctuations and are highly volatile, and the market price of the ISLM Tokens may also be highly volatile. Several factors may influence the market price of the ISLM Tokens, including, but not limited to:

- Global blockchain asset supply;
- Global blockchain asset demand, which can be influenced by the growth of retail merchants' and commercial businesses' acceptance of blockchain assets like cryptocurrencies as payment for goods and services, the security of online blockchain asset exchanges and digital wallets that hold blockchain assets, the perception that the use and holding of blockchain assets is safe and secure, and the regulatory restrictions on their use;
- Purchasers' expectations with respect to the rate of inflation;
- Changes in the software, software requirements or hardware requirements underlying the Haqq Platform;
- Changes to the software, security, cost and adoption of the Haqq Platform;
- Changes in the rights, obligations, incentives, or rewards for the various participants in the blockchains utilizing the Haqq Platform;
- Interest rates;
- Currency exchange rates, including the rates at which digital assets may be exchanged for fiat currencies;
- Fiat currency withdrawal and deposit policies of blockchain asset exchanges on which the ISLM Tokens may be traded and liquidity on such exchanges;
- Interruptions in service from or failures of any blockchain asset exchanges on which the ISLM Tokens may be traded, if any such exchanges exist at all;
- Activities of large purchasers, including private and registered funds, that may directly or indirectly purchase ISLM Tokens, or other blockchain assets;
- Monetary policies of governments, trade restrictions, currency devaluations and revaluations;
- Regulatory measures, if any, that affect the use of blockchain assets such as the ISLM Tokens;
- The maintenance and development of the Haqq Platform;

- New technologies and competing products and services;
- Global or regional political, economic or financial events and situations; and
- Expectations among Haqq Platform or other blockchain asset participants that the value of the ISLM Tokens or other blockchain assets will soon change.

A decrease in the price of a single blockchain asset may cause volatility in the entire blockchain asset industry and may affect other blockchain assets including the ISLM Tokens. For example, a security breach that affects purchaser or user confidence in Bitcoin, Ethereum, or Evmos may affect the industry as a whole and may also cause the price of the ISLM Tokens and other blockchain assets to fluctuate.

***If you lose access to your wallet credentials or someone else accesses them, it may result in total loss of your tokens.***

Any third party that gains access to or learns of your wallet login credentials or private keys may be able to dispose of your ISLM Tokens. To minimize this risk, you should guard against unauthorized access to your electronic devices. Best practices dictate that you safely store private keys in one or more backup locations geographically separated from the working location. In addition, you are responsible for giving us the correct wallet address to which to send your ISLM Tokens. If you give us the incorrect address to which to send your ISLM Tokens, we are not responsible for any loss of Islamic Coins that may occur.

#### **Risks relating to the Haqq Platform**

***The blockchain networks utilizing the Haqq Platform may fail to generate enough value in their tokens to reap meaningful licensing fees.***

Given that the Islamic Coins depend upon other blockchain networks, the risks inherent in those blockchain networks failing to generate significant publicity, utility or value for their users and developer community become risks that the Haqq Platform and Islamic Coin, must also bear. Hundreds of blockchains may use the Haqq Platform without any meaningful licensing fees generated, given low value of the native tokens in these blockchain applications. As a consequence, the Haqq Platform technology could be widely used, and the Company's employees could be busy upgrading and customizing the technology to ensure wide adoption, but the Haqq Platform itself could still fail to generate meaningful network activity and usage of the Islamic Coins.

***The Haqq Platform has limited operating history.***

Because the Haqq Platform only recently launched in its current conception, issues may arise from time to time with the Haqq Platform that affects its security, speed, storage, scalability, security, operations, or cost. Also, the price and supply of Islamic Coins may in the future experience sharp fluctuations. If any real or perceived problems or vulnerabilities are identified, or if such volatility continues, the Haqq Platform may be materially and adversely affected, which may have a further adverse effect on the willingness of parties to utilize the Haqq Platform and transact using Islamic Coins.

***Modifications may be made to the Haqq Platform, Whitepaper, or the ISLM Tokens features and rights.***

The Company reserves the right to continuously modify the Whitepaper and modify the codebase of the Haqq Platform from time to time in the Company's sole and absolute discretion. Any such changes will be binding on the Purchasers. Following the Token Release Date, some changes to the Haqq Platform may be determined by an organic decision-making process among members of the community, which the Company does not control. Any such modifications could materially and adversely impact the value of the ISLM Tokens and you could lose all or part of your purchase price.

***A disruption of the Internet or the Evmos Network would affect the ability to transfer ISLM Tokens.***

Evmos depends on the Internet. A significant disruption in Internet connectivity could disrupt the Evmos Network's operations until the disruption is resolved and have an adverse effect on the price of ISLM Tokens which exist on the Evmos Network. In addition, the Evmos Network may be subjected to several denial-of-service attacks in the future, which could lead to delays in block creation and in the transfer of ISLM Tokens on the network. Any future attacks that impact the ability to transfer ISLM Tokens could have a material adverse effect on the price and supply of ISLM Tokens.

***Litigation and third-party claims may adversely affect the development and adoption of the Haqq Platform.***

From time to time, third parties may assert claims against the Company, its developers and/or its underlying technology. Regardless of the merit of any legal action or claim, any action that reduces confidence in the Company's long-term viability or the ability of individuals to hold and transfer ISLM Tokens may adversely affect the Haqq Platform. Additionally, a meritorious claim could prevent developers from accessing the most up to date Haqq Platform code or holding or transferring their ISLM Tokens.

***Planned Public listings of ISLM Tokens could negatively impact their price.***

Following this Offering, the Company plans to list the ISLM token on at least three public exchanges. Such listing could negatively impact the price of ISLM, especially if there is significant selling activity. Lockups may also prevent participants in this Offering from selling their stakes in ISLM while the price is declining.

***Planned public listings of ISLM Tokens may offer the public an opportunity to buy ISLM tokens at lower prices and without a lockup than participants in this Offering.***

Public listings on exchanges as early as September 2023 may give users the chance to buy ISLM on those exchanges for a lower price than what participants in this Offering are paying. Additionally, these ISLM tokens may not have lockups associated with them.

***ISLM Tokens may be sold at a lower price or with less restrictive lockup restrictions in future offerings.***

Following this Offering, the Company may distribute additional ISLM Tokens in future offerings, including via bounty programs, partnerships, airdrops and/or additional sales. The price per ISLM Token associated with any such future offerings may be greater or lower than the price herein and any lockup schedules may be more or less restrictive than that offered herein. For instance, the Company may sell or grant additional ISLM Tokens for community incentive and developer programs with a less restrictive lockup than yours. Any such distribution of ISLM Tokens at a lower price could materially and adversely impact the value of the ISLM Tokens and you could lose all or part of your Total Purchase Price.

***Additional sales or distributions of ISLM Tokens could cause the price of ISLM Tokens to drop significantly.***

In addition to the Offering hereunder, the Company has issued or will issue rights to ISLM Tokens to service providers, members of the community, and partners. Sales or distributions of a substantial number of ISLM Tokens by any party, or the perception in the market that we or any third parties are selling or distributing a large number of ISLM Tokens, could cause the market price of ISLM Tokens to drop significantly (as adjusted for any token split or combination), and you might lose all or part of your Total Purchase Price.

***Purchasers are responsible for securing and maintaining their private keys and otherwise following cybersecurity best practices. Failure to do so may result in the loss of all the Purchaser's ISLM Tokens.***

The Islamic Coin balances are associated in the Purchaser's respective wallet with the Purchaser's respective token public keys, which is in turn associated with the Purchaser's token private keys. The Purchaser is responsible for knowing its private key and keeping it a secret. Because a private key, or a combination of private keys, is necessary to control and use ISLM Tokens stored in a digital wallet or vault, the loss of one or more of the Purchaser's private keys associated with the Purchaser's digital wallet or vaults storing the ISLM Tokens will result in the loss of the Purchaser's ISLM Tokens. The Company will never ask for the Purchaser's private keys, and the Purchaser should never share any of his private keys with anyone.

The Purchaser is responsible for educating itself on best practices for securely keeping private keys, protecting his personally identifiable information and on cybersecurity best practices. Holders of crypto assets can be targeted by hackers in many ways which are out of our control. Holders' private keys also can be stolen. Any third party that gains access to one or more of the Purchaser's private keys, including by gaining access to login credentials of a hosted wallet service the Purchaser uses, may be able to misappropriate Purchaser's ISLM Tokens. The Company has no control over such attacks and cannot stop hackers from stealing private keys of users. The Company will further accept no liability and will not reimburse the Purchaser for any theft of private keys or any malfunction of wallet software. As a result, any

loss of the Purchaser's ISLM Tokens Platform due to such theft or malfunction or unauthorized use of any of his private keys may be final and result in the complete loss of the Purchaser's Total Purchase Price.

### **USE OF PROCEEDS**

We currently have no exact plans for the use of the net proceeds that we receive from this Offering; however, it is our intention to use the funds to further the organic worldwide adoption, development, and use of the Haqq Platform. Accordingly, we will have broad discretion in using these proceeds. Without limiting the foregoing, we currently intend to use all proceeds from this Offering to promote the use and adoption of the Haqq Platform, including making grants to third parties to develop the Haqq Platform, to research, develop and implement additional features and interoperability solutions, to incentivize adoption and developer participation, and promote community building activities. As part of promoting the use and adoption of the Haqq Platform, a portion of the proceeds will be used to procure various service providers for the provision of engineering, operational, and administrative services for the Company. We also intend to use a portion of the proceeds to work with the Haqq Platform community and various groups around the world to facilitate the organic growth of the adoption of Haqq Platform. We also intend to use a portion of the proceeds to work with the Haqq Platform community and various groups around the world to facilitate the organic growth of the Haqq Platform. We reserve the right to change our use of proceeds from time to time as determined by the board of directors of the Company in its sole discretion.

### **LIMITATION OF LIABILITY**

To the fullest extent permitted by applicable law (i) in no event will the Company be liable for any indirect, special, incidental, consequential, or exemplary damages of any kind (including, but not limited to, where related to loss of revenue, income or profits, loss of use or data, or damages for business interruption) arising out of or in any way related to this Private Placement Statement, ISLM Tokens, or the Islamic Coins, regardless of the form of action, whether based in contract, tort or any other legal or equitable claim (even if the party has been advised of the possibility of such damages and regardless of whether such damages were foreseeable); and (ii) in no event will the liability of the Company, whether in contract, tort or other legal or equitable claim, arising out of or relating to this Private Placement Statement, ISLM Tokens exceed the amount the Purchaser pays to the Company hereunder. The Company shall not be liable or responsible to the Purchaser, nor be deemed to have defaulted under or breached this Private Placement Statement, for any failure or delay in fulfilling or performing any provision of this Private Placement Statement, including without limitation, and delivering the ISLM Tokens.

### **THE COMPANY**

Bored Gen DMCC is a Dubai Multi Commodity Centre company. The capital shares of the Company are owned by two persons, Aleksandr Malkov and Andrey Kuznetsov, both of which hold 50%.

The Company serves as the development company for ICNetwork Ltd., which is a British Virgin Islands company that is the initial deployer of the Haqq Network and initial owner of the first 20 billion minted ISLM Tokens (out of a total eventual supply of 100 billion ISLM tokens). To compensate the Company for its services, ICNetwork Ltd. paid the Company 200 million ISLM Tokens, from which the allocation for this Offering is supplied.

Additionally, the Haqq Association, a Swiss non-profit association located at Mühlegasse 18, 6340 Baar, Switzerland, with UID number CHE-172.826.063, promotes ISLM and Haqq, such as their listings, marketing, grants, and other related tasks.

The Islamic Coins are the units of value which shall be established in accordance with the Whitepaper, and no person or entity may otherwise issue units of value in relation to such technology. The Company has received Islamic Coins from ICNetwork Ltd., which is a British Virgin Islands company that is the initial deployer of the Haqq Network and initial owner of the first 20 billion minted ISLM tokens (out of a total eventual supply of 100 billion ISLM tokens). The Company shall sell ISLM tokens in this Offering acquired from ICNetwork Ltd. Bored Gen DMCC shall be responsible for maintaining and operating the platform on which the ISLM tokens function. The Tokens do not represent any equitable or debt interest in the Company, nor do they assign any other rights of the Company.

## Employees

The Company has 16 employees and more than 40 independent contractors, working remotely. None of the employees or contractors work in any of the jurisdictions restricted from participating in the Offerings.

## Board of Directors and Officers

The Company plans to establish a board of directors in Q4 of 2023.

Director, Aleksandr Malkov: 5+ years of legal consulting for leading blockchain and fintech platforms. Alex has advised AAVE, Bequant, Scalable Solutions, Nebula and others.

Manager, Andrey Kuznetsov: Andrey is a serial entrepreneur and engineer focused on fintech, cybersecurity, and network communication solutions. He has led teams that have built payment services, corporate messengers, blockchain staking services, and financial analysis software.

## Audited Financial Information of the Company

The Company has limited operating history. It did not have any assets or financial activity in 2021, and it has only been in operation since April 19, 2022. According to financial statements for 2022 (which span from April 19 to December 31, 2022), the Company's total assets were AED 84,227,729. The financial statements were audited by AMCA Auditing, an approved auditing firm in DMCC.

	2022-12-31 AED
<b>Shareholder's Equity and Liabilities</b>	
A. Shareholder's Equity	
Share Capital	100,000
Retained Earnings	497,647
Total Equity	597,647
B. Liabilities	
Other Payable	83,630,082
Total Current Liability	83,630,082
Total Liability	83,630,082
Total shareholder's equity and liabilities	84,227,729
<b>Balance Sheet</b>	2022-12-31 AED
I. Accounts receivable and other assets	84,086,845
II. Cash and cash equivalents	140,884
Total Current Assets	84,227,729
<b>Total Assets</b>	84,227,729

<b>Statement of Cash Flows (Apr. 19, 2022 – Dec. 31, 2022)</b>	2022 AED
<b>Cash Flows from Operating Activity</b>	
Profit for the period <sup>6</sup>	497,647
Changes in working capital:	
Increase or Decrease in:	
Accounts and other receivable	(84,086,845)
Accounts and other payable	83,630,082
Cash generated from operations	40,884
Net cash generated from operating activities	40,884
<b>Cash Flows from Investing Activity</b>	-
Net cash in investing activity	-
<b>Cash Flows from Financing Activity</b>	
<b>Proceeds from issue of share capital</b>	<b>100,000</b>
<b>Net cash generated from financing activity</b>	<b>100,000</b>
<b>Net cash movement for the period</b>	<b>140,884</b>
<b>Cash and cash equivalents at end of the period</b>	<b>140,884</b>

#### DILUTION

A total supply of 20,000,000,000 ISLM Tokens have already been minted.<sup>7</sup> The release of Islamic Coins shall be made in accordance with the Release Schedule described above.

<sup>6</sup> Profits were attributable to grants from Haqq Association and tokens from ICNetwork.

<sup>7</sup> See <https://ping.pub/haqq/block/2840250> (block with initial mint). This mint occurred on May 5, 2022. On Nov. 8, 2022, the network was restarted because of the major network upgrade enabling the IBC module (the network was in Proof-of-Authority mode at the time) with the following genesis: <https://github.com/haqq-network/mainnet/blob/master/genesis.json> (containing a snapshot of the block prior to network restart, 2840251).

## Purchaser Qualifications

Each Purchaser must satisfy the following requirements. You acknowledge and agree that, in the event the Company determines that you do not meet the Company's requirements for Purchasers hereunder (as determined by the Company in its sole discretion), the Company may immediately and without notice rescind or terminate, as applicable, your purchase, notwithstanding your compliance with the Offering Documents, or that you have delivered the purchase price to the Company.

Only persons of adequate financial means who have no need for present liquidity with respect to this purchase should consider purchasing the Islamic Coins offered hereby because: (i) a purchase of the Islamic Coins involves a number of significant risks (See "**Risk Factors**"); and (ii) no market for the Islamic Coins currently exists. It is uncertain whether a robust public market will ever develop for the Islamic Coins. The sale of Islamic Coins as described herein is intended to be exempt from registration under the Securities Act and applicable state securities laws.

This Offering is limited solely to Purchasers who are "accredited investors" as defined in Rule 501 of Regulation D under the Securities Act.

For purposes hereof, an "accredited investor," as defined under the Securities Act shall mean any person who comes within any of the following categories, or who we reasonably believe comes within any of the following categories, at the time of the sale of shares of ISLM Tokens to that person:

- (a) any bank as defined in Section 3(a)(2) of the Securities Act, or any savings and loan association or other institution as defined in Section 3(a)(5)(A) of the Act whether acting in its individual or fiduciary capacity; any broker or dealer registered pursuant to Section 15 of the Securities Exchange Act of 1934; any insurance company as defined in Section 2(13) of the Act; any investment company registered under the Investment Company Act of 1940 or a business development company as defined in Section 2(a)(48) of that Act; any Small Business Investment Company licensed by the US Small Business Administration under Section 301(c) or (d) of the Small Business Investment Act of 1958; any plan established and maintained by a State, its political subdivisions, or any agency or instrumentality of a State or its political subdivisions, for the benefit of its employees, if such plan has total assets in excess of \$5,000,000; any employee benefit plan within the meaning of the Employee Retirement Income Security Act of 1974 if the investment decision is made by a plan fiduciary, as defined in Section 3(21) of such Act, which is either a bank, savings and loan association, insurance company, or registered investment adviser, or if the employee benefit plan has total assets in excess of \$5,000,000 or, if a self-directed plan, with investment decisions made solely by persons that are accredited investors;
- (b) any private business development company as defined in Section 202(a)(22) of the Investment Advisers Act of 1940;
- (c) any organization described in Section 501(c)(3) of the Internal Revenue Code, corporation, Massachusetts or similar business trust, or partnership, not formed for the specific purpose of acquiring the securities offered, with total assets in excess of \$5,000,000;
- (d) any director, executive officer, or general partner of the issuer of the securities being offered or sold, or any director, executive officer or general partner of a general partner of that issuer;
- (e) any natural person whose individual net worth, or joint net worth with that person's spouse, at the time of his purchase, exceeds \$1,000,000;
- (f) any natural person who had an individual income in excess of \$200,000 in each of the two most recent years or joint income with that person's spouse in excess of \$300,000 in each of those years and has a reasonable expectation of reaching the same income level in the current year;
- (g) any trust, with total assets in excess of \$5,000,000, not formed for the specific purpose of acquiring the securities offered, whose purchase is directed by a sophisticated person as described in Rule 506(b)(2)(ii) under the Act; and
- (h) any entity in which all of the equity owners are accredited investors.
- (i) any entity not listed among the above entities that owns investments in excess of \$5,000,000 not formed for

the specific purpose of acquiring the securities offered

- (j) any natural person holding in good standing one or more professional certifications or designations or credentials from an accredited educational institution that the Commission has designated as qualifying an individual for accredited investor status.
- (k) any “family office,” as defined in rule 202(a)(11)(G)–1 under the Investment Advisers Act of 1940 (17 CFR 275.202(a)(11)(G)–1) with assets under management above \$5,000,000 that is not formed for the specific purpose of acquiring the securities offered and whose prospective investment is directed by a person who has such knowledge and experience in financial and business matters that such family office is capable of evaluating the merits and risks of the prospective investment
- (l) any “family client,” as defined in rule 202(a)(11)(G)–1 under the Investment Advisers Act of 1940 (17 CFR 275.202(a)(11)(G)–1)), of a family office meeting the requirements in paragraph (k) above and whose prospective investment in the issuer is directed by such family office

The Purchaser represents, by completing and signing the Token Purchase Agreement attached hereto that:

- (a) the Purchaser understands that the shares of our common stock represent a speculative, high risk investment, and that he must bear the economic risk of that investment for an indefinite period of time because the shares have not been registered under the Securities Act or applicable state blue sky or securities laws and that the Purchaser therefore cannot sell his shares unless they are subsequently so registered or an exemption from registration is available, and that any transfer will require our approval;
- (b) the Purchaser understands that the Token Purchase Agreement will bear a restrictive legend prohibiting transfers thereof except in compliance with the provisions of this Private Placement Statement and applicable securities laws and will not be transferred of record except in compliance therewith;
- (c) the Purchaser is acquiring the ISLM Tokens solely for his own account and without any intention of reselling or distributing them;
- (d) if the Purchaser is not a natural person, it was not organized or reorganized for the specific purpose of acquiring the shares of the ISLM Tokens;
- (e) we have, during the course of the offering and prior to the sale of the ISLM Tokens, accorded the Purchaser and the Purchaser’s representatives, if any, the opportunity to ask questions and receive answers concerning the terms and conditions of the offering and to obtain any additional information, to the extent we or our agent possess such information or could have acquired it without unreasonable effort or expense, necessary to verify the accuracy of the information contained in this statement;
- (f) the Purchaser, alone or in conjunction with his purchaser representative, if any, has substantial knowledge and experience in business and financial matters, and is an experienced and sophisticated investor fully capable of evaluating the risks and merits of the proposed investment in the shares of the ISLM Tokens; and
- (g) considering his business and financial circumstances (including, but not limited to, health problems, unusual family responsibilities and requirements for current income) and all other factors, the prospective investor is able to bear the economic risk of an illiquid investment in the ISLM Tokens, including the risk of loss of the entire amount of the prospective investor’s investment.

**You should check the Office of Foreign Assets Control (the “OFAC”) website at <http://www.treas.gov/ofac> before making the following representations to the Company:** You represent that the amounts invested by you in this sale of ISLM Tokens as described herein were not and are not directly or indirectly derived from any activities that contravene Federal, state or international laws and regulations, including anti-money laundering laws and regulations. Federal regulations and Executive Orders administered by the OFAC prohibit, among other things, the engagement in transactions with, and the provision of services to, certain foreign countries, territories, entities and individuals. The lists of the OFAC-prohibited countries, territories, individuals, and entities can be found on the OFAC website at <http://www.treas.gov/ofac>.

In addition, the programs administered by the OFAC (the “**OFAC Programs**”) prohibit dealing with individuals<sup>8</sup> or entities in certain countries, regardless of whether such individuals or entities appear on any OFAC list;

- (i) you represent and warrant that none of: (1) you; (2) any person controlling or controlled by you; (3) if you are a privately-held entity, any person having a beneficial interest in you; or (4) any person for whom you are acting as agent or nominee in connection with this purchase is a country, territory, entity or individual named on an OFAC list, or a person or entity prohibited under the OFAC Programs. Please be advised that the Company may not accept any subscription amounts from a prospective Purchaser if such prospective Purchaser cannot make the representation set forth in the preceding sentence. You agree to promptly notify the Company should you become aware of any change in the information set forth in any of these representations. You are advised that, by law, the Company may be obligated to “freeze the account” of any Purchaser, either by prohibiting additional subscriptions from it, declining any redemption requests and/or segregating the assets in the account in compliance with governmental regulations, and that the Company may also be required to report such action and to disclose such Purchaser’s identity to the OFAC;
- (ii) you represent and warrant that none of: (1) you; (2) any person controlling or controlled by you; (3) if you are a privately-held entity, any person having a beneficial interest in you; or (4) any person for whom you are acting as agent or nominee in connection with this purchase is a senior foreign political figure<sup>9</sup>, or any immediate family<sup>10</sup> member or close associate<sup>11</sup> of a senior foreign political figure, as such terms are defined in the footnotes below; and
- (iii) if you are affiliated with a non-US banking institution (a “**Foreign Bank**”), or if you receive deposits from, make payments on behalf of, or handle other financial transactions related to a Foreign Bank, you represent and warrant to the Company that: (1) the Foreign Bank has a fixed address, and not solely an electronic address, in a country in which the Foreign Bank is authorized to conduct banking activities; (2) the Foreign Bank maintains operating records related to its banking activities; (3) the Foreign Bank is subject to inspection by the banking authority that licensed the Foreign Bank to conduct its banking activities; and (4) the Foreign Bank does not provide banking services to any other Foreign Bank that does not have a physical presence in any country and that is not a regulated affiliate.

The Company is entitled to rely upon the accuracy of each of your representations. The Company may, but under no circumstances shall it be obligated to, require additional evidence that a prospective purchaser meets the standards set forth above at any time prior to its acceptance of a prospective purchaser’s subscription. You are not obligated to supply any information so requested by the Company, but the Company may reject a subscription from you or any person who fails to supply such information. In addition, if at any time after completion of the sale of the Islamic Coins the representations concerning Purchaser’s compliance with the OFAC Programs becomes untrue, the Company may be required to take certain actions, including refusal to deliver the Islamic Coins after Listing and reporting the transaction(s) to the relevant governmental authorities.

## **Republic Crypto LLC**

Republic Crypto LLC d/b/a Republic Advisory Services (“**Republic Advisory**”) is providing advisory services for Bored Gen DMCC, including blockchain advisory & token design and the provision of a dedicated Senior Project Manager.

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<sup>8</sup> These individuals include specially designated nationals, specially designated narcotics traffickers, and other parties subject to OFAC sanctions and embargo programs.

<sup>9</sup> A “senior foreign political figure” is defined as a senior official in the executive, legislative, administrative, military, or judicial branch of a foreign government (whether elected or not), a senior official of a major foreign political party, or a senior executive of a foreign government-owned corporation. In addition, a “senior foreign political figure” includes any corporation, business or other entity that has been formed by, or for the benefit of, a senior foreign political figure.

<sup>10</sup> “Immediate family” of a senior foreign political figure typically includes such figure’s parents, siblings, spouse, children, and in-laws.

<sup>11</sup> A “close associate” of a senior foreign political figure is a person who is widely and publicly known to maintain an unusually close relationship with such senior foreign political figure and includes a person who is in a position to conduct substantial domestic and international financial transactions on behalf of such senior foreign political figure.

Republic Advisory will be compensated for advisory services in the amount of \$500,000 and a fixed amount of 15 million ISLM tokens due 6 months after the engagement began with 24 month linear vesting, beginning 180 days after the date of signing. Republic Advisory is entitled to stake, move in and out of smart contracts, or otherwise provide liquidity with the entire amount of tokens granted in this fee, including the locked and unvested portion, upon the Token Genesis Event (which has already occurred). Bored Gen DMCC will also compensated Republic Advisory 4% of the total ecosystem token supply (including all ISLM tokens to ever exist) delegated to Republic's staking and infrastructure services.

#### *Disclaimer*

Republic Advisory has not investigated (nor have any of its affiliates investigated) the desirability or advisability of a purchase in this offering or the securities offered herein. None of Republic Advisory or its respective affiliates make any representations, warranties, endorsements, or judgment on the merits of the offering or the Interests offered herein.

#### **ODB**

ODB, as a third-party service provider, does not hold any interest in any tokens being offered pursuant to this Offering nor the proceeds resulting from this Offering except any consideration received for services rendered as relating to this Offering.

#### *Commission*

ODB will charge a cash commission of 6% for sales up to \$2M in ISLM token sales total across both Offerings, and 5% for sales above \$2M. ODB will also be compensated an additional 1.5% commission in ISLM tokens based on the US dollar amounts of ISLM sold in the Offerings (subject to the Regulation D Offering Terms).

#### *Termination*

In the event the Offering does not close or we decide not to pursue this Offering, we have agreed to reimburse ODB the greater of (a) \$5,000, (b) all out of pocket costs incurred by ODB in enabling the Offering to be listed on the Offering Platform; or (c) a dollar amount equal to a cash commission based upon the dollar value of committed by the total number of Purchaser as established at the time of termination; except that if circumstances beyond the control of the Company make a closing impossible, then this fee for termination prior to closing will not apply. Further, in the event of termination by ODB without cause or for cause, the Company must pay a termination fee at the date of termination that is the greater of (a) \$5,000, or (b) the current number of Purchasers as established at the time of termination, multiplied by \$25, provided that no termination fee will be payable in the event termination is for cause due to ODB's uncured breach of the ODB Engagement Agreement. In no event will the Company be required to pay ODB more than one termination fee.

#### *Reconciliation and Refunds*

The Company will rely on ODB for reconciling all investor purchases in the Offering, including but not limited to verifying purchases and KYC AML of Purchasers. In the event that ODB is unable to reconcile a purchase, ODB will promptly notify Issuer of such inability. Issuer agrees to refund money actually received by the Issuer to the investor for the purchase within 10 days of receiving such notice from ODB.

If the Company fails to promptly refund the investor, the Company shall pay a penalty to the purchaser equal to 4% of the Purchase Amount. The penalty shall be paid to the purchaser within thirty (30) days of the date on which the refund was due.

#### *Indemnification and Control*

We have agreed to indemnify ODB against liabilities relating to any investigation, claim or proceeding stemming from the Offering, liabilities arising from breaches of representations and warranties contained in the Engagement Agreement, and to contribute to payments that ODB may be required to make for these liabilities. ODB and its respective affiliates are engaged in various activities, which may include securities, trading, commercial and investment banking, financial advisory, investment management, investment research, principal investment, hedging, financing and brokerage activities. ODB and its respective affiliates may in the future perform various financial advisory and investment banking services for us, for which they will receive customary fees and expenses. The Company agrees to rely on ODB for reconciling all investor purchases in the Offering, including but not limited to verifying purchases and KYC AML of Purchasers. In the event that ODB is unable to reconcile a purchase, ODB will promptly notify the Company of such inability. The Company agrees to refund money actually received by the Company to the Purchaser for the purchase within 10 days of receiving such notice from ODB.

### *Disclaimer*

ODB has not investigated (nor have any of its affiliates investigated) the desirability or advisability of a purchase in this offering or the securities offered herein. None of ODB or its respective affiliates make any representations, warranties, endorsements, or judgment on the merits of the offering or the Interests offered herein.

### *Potential Conflicts of Interest*

This Memorandum does not purport to identify all conflicts of interest. OpenDeal Broker, from time to time, may enter into other transactions not specifically described in this Memorandum with affiliates, officers, managers, members, employees, agents and representatives.

### **Insider Participation**

No board member, officer, or employee intends to participate in the public round.

## **CERTAIN UNITED STATES FEDERAL INCOME TAX CONSIDERATIONS**

Set forth below is a brief discussion of certain potential United States (“*US*”) federal income tax consequences relating to the acquisition, ownership, and disposition of Islamic Coins pursuant to this offer. This discussion is addressed solely to “foreign persons” (as defined in Section 7701 of the US Internal Revenue Code of 1986, as amended (the “Code”)). This summary does not attempt to present all aspects of the United States federal income tax laws or any state, local or foreign laws that may impact a purchase of Islamic Coins. In particular, this summary does not discuss US federal income tax considerations that may be applicable to purchasers based on their particular circumstances, including but not limited to purchasers who are “*United States persons*” as defined in the Code, financial institutions, insurance companies, tax-exempt entities (including retirement plans), dealers in securities, traders in securities that have elected a mark-to-market method of accounting for US federal income tax purposes, holders whose functional currency is not the US dollar, purchasers subject to the alternative minimum tax or Medicare contribution tax on net investment income, persons that own the Islamic Coins as a position in a hedging transaction, persons that own the Islamic Coins as part of a “straddle,” “conversion” or other integrated transaction for tax purposes, purchasers acquiring the Islamic Coins in a compensatory transaction, purchasers that have expatriated from the US or are former US citizens, purchasers that carry on activities relating to the Islamic Coins as part of a trade or business conducted in the US or in connection with a “permanent establishment” maintained in the US under an applicable income tax treaty, foreign governmental investors, including but not limited to “qualified foreign pension funds” as defined in Section 897(l) of the Code and entities wholly owned by them, and holders that are partnerships or other pass-through entities for US tax purposes. Purchasers should consult with their own professional tax advisors regarding a prospective purchase of the Islamic Coins. This summary is by nature general and should not be construed as tax advice to any prospective Purchaser.

This description is based on the Code, existing, proposed, and temporary US Treasury Regulations promulgated under the Code and judicial and administrative interpretations thereof, in each case as available on the date hereof. All the foregoing is subject to change, which change could apply retroactively and could affect the tax consequences described below. No ruling has been or will be requested from the Internal Revenue Service (the “*IRS*”) and no assurance can be given that the IRS will agree with the tax consequences described in this summary. The following discussion assumes that each prospective Purchaser will acquire Tokens as a capital asset (generally, property held for investment), and does not discuss any US estate, state, or local tax that may apply.

The tax treatment of a partnership and each partner thereof will generally depend upon the status and activities of the partnership and such partner. A holder that is treated as a partnership for US federal income tax purposes or a partner in such partnership should consult its own tax advisor regarding the US federal income tax consequences applicable to it and its partners of the acquisition, ownership, and disposition of the Islamic Coins.

**Each prospective purchaser should consult with its own tax adviser to fully understand the US federal, state, local, and foreign income tax consequences of a purchase of Islamic Coins. No formal or legal tax advice is hereby given to any prospective purchaser. In addition, transactions involving Islamic Coins and similar instruments, as well as other cryptocurrency and token transactions, are relatively new and it is more than likely that the IRS will issue guidance, possibly with retroactive effect, impacting the taxation of purchasers of Islamic Coins. Future legislation or tax guidance from the IRS (or guidance resulting from future judicial decisions) could negatively impact purchasers of Islamic Coins.**

There is substantial uncertainty regarding the tax treatment of digital assets such as the Islamic Coins, as well as activities or occurrences related or appurtenant thereto (including, without limitation, to the extent relevant and applicable, those discussed below). As a result, prospective purchasers may be subject to adverse tax consequences associated with their investment. Because this discussion only addresses various possible characterizations of the Ethereum Tokens for US tax purposes and given the lack of guidance from the IRS on tax matters relating to tokens with characteristics similar to Islamic Coins, there can be no assurance that the following discussion is accurate or will continue to be accurate. Accordingly, prospective purchasers should not base their decision to purchase the Islamic Coins on the information related to US taxation provided herein.

## **Use of Cryptocurrency or non-US Currency to Purchase Islamic Coins**

This summary does not discuss any tax consequences associated with the use of cryptocurrency or non-US currency to acquire Islamic Coins. Each prospective purchaser should consult with its own tax adviser in order to fully understand the United States federal, state, local and foreign income tax consequences of a purchase of Islamic Coins using cryptocurrency or non-US currency.

## **Tax Characterization of the Islamic Coins**

1. *Overview.* There are no regulations, published rulings or judicial decisions involving the US federal income tax characterization of instruments with substantially the same terms as the Islamic Coins. In IRS Notice 2014-21, the IRS provided guidance regarding the taxation of convertible virtual currency. “Virtual currency” is defined in the Notice as a digital representation of value that functions as a medium of exchange, a unit of account, and/or a store of value. Virtual currency that has an equivalent value in real currency, or that acts as a substitute for real currency, is a “convertible” virtual currency (a “CVC”). Bitcoin, for example, which can be digitally traded between users, and can be purchased for, or exchanged into, US dollars, Euros, and other fiat or virtual currencies, is the prototypical CVC. IRS Notice 2014-21 does not address any virtual currency that is not “convertible.”

IRS Notice 2014-21 provides that CVC is treated as property for federal tax purposes; it is not treated as currency for purposes of determining whether a transaction results in foreign currency gain or loss. A taxpayer must recognize taxable gain (or loss) if the taxpayer exchanges a unit of CVC for other property, measured by the difference between the fair market value of the other property and the tax basis in the unit of CVC. The tax character of exchange gain (or loss) will be determined under general US tax principles – a taxpayer who holds CVC as a capital asset will generally realize a capital gain (or loss).

However, Notice 2014-21 does not address the tax treatment of tokens similar to the Islamic Coins, which accord purchasers potential governance rights over activities pertaining to the Haqq Platform and which also involve the potential receipt of amounts received in a digital wallet that relate to fees paid by parties utilizing the Haqq Platform.

Accordingly, the characterization of the Islamic Coins is uncertain. Prospective purchasers should therefore expect that the IRS or a court will ultimately determine how the Islamic Coins should be characterized based on a consideration and weighing of the economic and governance rights of these instruments.

2. *Treatment of the Single Wallet into which Token Fees are collected as an Entity for US Federal Tax Purposes.* One possible characterization of the economic and governance rights associated with the Islamic Coins is that the Islamic Coins represent an interest in an entity that should be recognized for US federal income tax purposes. If this characterization is appropriate, the entity may be taxable for US federal income tax purposes as a corporation. The IRS may take this position based upon the underlying economic and governance rights inherent in the Islamic Coins, including the rights that purchasers will have to receive a share of Token Fees and the governance rights that Purchasers may exercise to control certain activities relating to the Haqq Platform. Under US federal tax law, the existence of an “entity” for tax purposes is not dependent on how local law characterizes the arrangement. Applicable Treasury Regulations provide that: “[w]hether an organization is an entity separate from its owners for federal tax purposes is a matter of federal tax law and does not depend on whether the organization is recognized as an entity under local law... a joint venture or other contractual arrangement may create a separate entity for federal tax purposes if the participants carry on a trade, business, financial operation, or venture and divide the profits therefrom.” Unlike Bitcoin, where investors can look solely to appreciation in value of Bitcoin for an investment return, the Islamic Coins might be viewed by the IRS or a court as involving, as provided in the Treasury Regulations cited above, a joint agreement by purchasers to share in the Token Fees generated through the Haqq Platform. Given the fact that the exact nature of the governance rights that will apply to the Islamic Coins are yet to be developed, no assurances can be given as to how these tests or other tests applicable to the determination of whether an entity has been or will be created for tax purposes will be applied.

In this case, it is possible that any amounts derived by the “entity” in respect of the ISLM Tokens might be treated as income that is effectively connected with a US trade or business, depending on various factors, including the extent of the contacts that exist between the creators of the Haqq Platform and the US, whether certain offices (including home offices) exist in the US that relate to the Haqq Network, or where the Haqq Network’s activities are conducted, and other factors. In general, non-US corporations are subject to tax at the same rates applicable to US corporations on income treated as effectively connected with a US trade or business and are then subject to an additional tax at a 30% rate on effectively connected earnings and profits. If this characterization is ultimately determined to be appropriate, any economic returns realized by prospective Purchasers with respect to the Islamic Coins would be materially reduced.

If the IRS takes the position that a taxable entity has been created in connection with the collection and distribution of Token Fees, the IRS may also be successful in taking the position that the entity should be taxable as a US corporation, rather than a foreign corporation. In this case, the Token Fees would be taxable in the US at regular corporate rates, and any Token Fees made available to holders of the Islamic Coins could be taxable as dividends for US tax purposes. In the absence of a reduced rate under an applicable tax treaty, distributions taxable as dividends (and that are not otherwise, in the hands of a purchaser, attributable to the conduct of a US trade or business by the purchaser or, to the extent an income tax treaty applies, treated as business profits attributable to a “permanent establishment” maintained in the US) are subject to a 30% US federal withholding tax rate.

If the IRS takes the position that an entity has been created in connection with the collection and distribution of the Token Fees, and the entity is taxable for US federal income tax purposes as a partnership, then prospective purchasers would generally be taxable on their distributive shares of the partnership’s earnings and profits treated as effectively connected to a US trade or business, as determined under US federal income tax principles, and prospective purchasers would be required to file US federal income tax returns. If viewed as a partnership, it is also possible that the IRS or a court would conclude that the “partnership” should nevertheless be taxable as a corporation for US federal income tax purposes as a “publicly-traded partnership.” Under the Code, “publicly-traded partnerships” are taxable as corporations unless specific exemptions apply. A publicly traded partnership is one whose interests are either traded on an “established securities market” or “are readily tradable on a secondary market (or the substantial equivalent thereof).” Depending on the market that develops for the Islamic Coins and depending on whether the exchanges on which the Islamic Coins are determined to meet these tests, the publicly traded partnership provisions of the Code may apply.

Prospective purchasers should be aware that neither the Company nor any of its employees or beneficial owners will undertake to ensure that activities relating to the Haqq Platform are carried out outside the US, and therefore, the risks of US taxation associated with purchasing the Islamic Coins will potentially be material and could change based on factors that the Company and such persons will not factor into their decisions.

*3. Other Potential Characterizations.* Other potential tax characterizations of the Islamic Coins are also possible. For example, rather than representing an interest in an entity for US federal income tax purposes, the Islamic Coins may represent a right to receive certain payments associated with the commercialization of the software developed by the Company. Prospective purchasers of Islamic Coins should be aware that, under this characterization, if Token Fees are ultimately paid to or received by the holder from a US person, these fees may also be treated as US-source royalty income, which, in the absence of a reduced rate under a tax treaty, would be subject to a US federal withholding tax rate of 30%.

*4. Withholding and Tax Disclosure.* It is unclear how participants in the program who pay Token Fees would comply with US withholding and tax information reporting requirements with respect to the Token Fees. In general, payors of income are required to withhold US withholding taxes, at varying rates, based upon the tax status of the recipients of the payments. Under current US federal income tax law, complying with these rules requires tax certifications to be given by the payee to the ultimate payor. The cryptocurrency industry has expressed concerns with the possible application of the rules to transactions involving undifferentiated payees, including when payments are made to a digital wallet without accompanying beneficial ownership information. It is possible that the IRS or another tax authority would seek to obtain information regarding the ultimate owners of the Islamic Coins, and to avoid significant taxes and penalties, purchasers should discuss these issues with their personal tax advisors and should provide applicable beneficial ownership interest certifications to the Company by completing and sending the Company an IRS Form W-8.

In addition, purchasers should be aware that recent legislation, including the infrastructure bill passed by the House of Representatives on November 6, 2021, includes an expanded information reporting regime that broadens the existing definition of “broker” to include “any person who (for consideration) is responsible for regularly providing any service effectuating transfers of digital assets on behalf of another person.” It is unclear how this expanded definition of broker would apply to the Company, the State ERC20 Tokens or the Haqq Platform and purchasers should expect that additional guidance and rulemaking may occur prior or subsequent to the provisions entering into effect. In any event, purchasers should expect that if the State ERC20 Tokens are traded on an exchange or otherwise by a “broker,” reporting obligations will apply (which would include identifying information about the purchasers).

To the extent that these information reporting rules are applicable, purchasers could be impacted in several ways. Failure to deliver appropriate tax certifications could result in US “backup” withholding tax of 24% even on the gross proceeds derived from a sale of the Islamic Coins. Rules treating cryptocurrency as cash might require reporting to the IRS for transactions involving the State ERC -20 Tokens above statutorily mandated thresholds. Penalties, additions to tax and interest may also apply in the case of certification failures and the failure to comply with information reporting.

### **Sale, Exchange, or Other Disposition of Islamic Coins:**

Except as provided below and above in Section 4 regarding withholding, if the Islamic Coins are treated for tax purposes as an interest in a US corporation, purchasers would not generally be subject to US taxation unless the corporation is treated as a “United States real property holding company” within the meaning of the Code, or certain other conditions are satisfied. If the corporation is treated as a “United States real property holding corporation,” a purchaser who sells, exchanges, or otherwise disposes of the Islamic Coins for cash or other property (including pursuant to an exchange of such Islamic Coins for other convertible virtual currency) would generally recognize taxable gain for US federal income tax purposes, which would be treated as effectively connected with a U.S trade or business. If the corporation is not treated as a “United States real property holding corporation” within the meaning of the Code, but the Islamic Coins are otherwise treated as equity interests in a US corporation, Non-US Holders would not generally be taxable in the US on gain realized on a sale of the Islamic Coins unless:

A. the gain (1) is effectively connected with the conduct by the purchaser of a US trade or business and (2) if required by an applicable income tax treaty between the US and the purchaser’s country of residence, is attributable to a permanent establishment (or, in the case of an individual, a fixed base) maintained by such purchaser in the United States, or

B. the purchaser is an individual who is present in the US for 183 days or more in the taxable year of the sale, exchange or other taxable disposition of the Islamic Coins and certain other requirements are met (in which case the gain would be subject to a flat 30% tax, or such reduced rate as may be specified by an applicable income tax treaty).

If, instead, the Islamic Coins are not treated as an interest in an entity for US federal income tax purposes, the tax consequences associated with a disposition are also unclear. If the Islamic Coins are treated as “capital assets” in a purchaser’s hands, then it is possible that Non-US Holders would generally not be subject to taxation in the US unless certain conditions are satisfied, including conditions similar to the conditions described above that relate to sales of Islamic Coins if the tokens are treated as interests in a US corporation.

**EACH PURCHASER SHOULD SEEK, AND MUST DEPEND UPON, THE ADVICE OF HIS, HER OR ITS TAX ADVISOR WITH RESPECT TO THEIR PURCHASES, AND EACH PURCHASER IS RESPONSIBLE FOR THE FEES OF SUCH ADVISOR. NOTHING IN THIS PRIVATE PLACEMENT STATEMENT IS OR SHOULD BE CONSTRUED AS LEGAL OR TAX ADVICE TO A PURCHASER. PURCHASERS SHOULD BE AWARE THAT THE INTERNAL REVENUE SERVICE MAY NOT AGREE WITH ALL TAX POSITIONS TAKEN BY THE COMPANY AND THAT CHANGES TO THE INTERNAL REVENUE CODE OR THE REGULATIONS OR RULINGS THEREUNDER OR COURT DECISIONS AFTER THE DATE OF THIS PRIVATE PLACEMENT STATEMENT MAY CHANGE THE ANTICIPATED TAX TREATMENT TO A PURCHASER. THE COMPANY WILL NOT OBTAIN ANY RULING FROM THE INTERNAL REVENUE SERVICE WITH REGARD TO THE TAX CONSEQUENCES OF A PURCHASE OF THE ISLM TOKENS.**