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Interdata Network Inc.

Confidential Private Placement Statement

RIGHT TO CERE TOKENS

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

April 7, 2021

This Confidential Private Placement Statement (this “*Private Placement Statement*”) has been prepared by Interdata Network Inc., a British Virgin Islands company (the “*Company*”), for use by certain prospective purchasers, to whom the Company is offering (the “*Offering*”) the opportunity to purchase rights (“*Future Token Interests*”) to receive “*Cere Tokens*”, the native unit of value on the Cere Protocol (as described in the White Paper) to be developed and released by Opendata Network Foundation, a Panamanian foundation (the “*Foundation*”). The Company is a wholly-owned subsidiary of the Foundation.

The Cere Protocol has not launched, and the Cere Tokens do not currently exist. No public market for the Future Token Interests or the Cere Tokens currently exists.

The Future Token Interests and the Cere 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). Purchasers of Future Token Interests (each, a “*Purchaser*” and collectively, the “*Purchasers*”) should be aware that they will be required to bear the financial risks of this purchase for an indefinite period of time.

Unless otherwise indicated herein, all references to the number of Cere Tokens set forth in this Private Placement Statement refers to the number of Cere Tokens in the genesis block of the Cere Protocol as adopted by its community with a maximum total supply of 10,000,000,000 Cere Tokens. The actual number of Cere Tokens may be subject to change from time to time and at any time via any forks to the Cere Protocol or similar events.

Unless otherwise provided by the Company, all purchases must be made via the token sale website at <https://republic.co/cere> in accordance with the instructions and terms of sale set forth therein. Purchases may be made in US dollars (USD), USD Coin (USDC), Dogecoin (DOGE), Bitcoin (BTC) or Ether (ETH); provided that the Company may elect to accept other forms of payment on an as-converted to U.S. dollars basis in its sole discretion and subject to acceptance by BitPay, the financial institution providing crypto payment processing to the Offering; the Company reserves the right to discontinue accepting any type of consideration in its sole discretion. The U.S. dollar exchange rate for BTC, ETH or other forms of payment shall be determined solely by the Company or its assignee or agent in accordance with reasonable and accepted market practices. 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. Purchasers may receive a number of Cere Tokens rounded to ten (10) decimal places.

Republic Core LLC (“*Republic Core*”) incurs and pays network transaction fees for transactions on cryptocurrency networks (i.e., to deliver Cere Tokens to a wallet address in accordance with a lockup schedule). For these transactions, Republic Core collects a “*Token Distribution Fee*” at the time of investment, to be deducted from the Purchaser’s purchase amount. In connection with this Offering, a Token Distribution Fee of \$50.00 will be collected from all prospective Purchasers. The Token Distribution Fee is based on the Company and Republic Core’s estimate of the network transaction fees that the Company anticipates paying to deliver Cere Tokens to the Purchaser. In certain circumstances, the Token Distribution Fee that Republic Core pays may differ from that estimate. If a purchase is rejected for any reason, Republic Core does not guarantee that Token

Distribution Fee will be returned to the Purchaser.

NEITHER THE FUTURE TOKEN INTERESTS NOR ANY SECURITIES RECEIVED (IF ANY) IN SUBSTITUTION OR FULFILLMENT OF THE FUTURE TOKEN INTERESTS, OR IN REPLACEMENT OF THE FUTURE TOKEN INTERESTS, AS MAY BE APPLICABLE (COLLECTIVELY, THE “*INTERESTS*”) HAVE BEEN OR WILL 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 THE SECURITIES ACT) IN JURISDICTIONS WHERE THE OFFER AND SALE OF FUTURE TOKEN INTERESTS IS PERMITTED UNDER APPLICABLE LAW AND IN RELIANCE ON REGULATION D UNDER THE SECURITIES ACT.

NEITHER THE FOUNDATION NOR THE COMPANY WILL BE REQUIRED TO, NOR DO THEY CURRENTLY INTEND TO, OFFER TO EXCHANGE THE INTERESTS FOR ANY SECURITIES REGISTERED UNDER THE SECURITIES ACT OR ANY OTHER LAW, OR REGISTER THE INTERESTS FOR RESALE UNDER THE SECURITIES ACT.

NO GOVERNMENTAL AUTHORITY IN THE BRITISH VIRGIN ISLANDS OR ANY OTHER JURISDICTION HAS PASSED JUDGMENT UPON OR APPROVED THE TERMS OR MERITS OF THIS DOCUMENT.

REPUBLIC CORE LLC, THE COMPLIANCE AND TECHNOLOGY PLATFORM SERVICING THE OFFERING, HAS NOT INVESTIGATED (NOR HAVE ANY OF ITS AFFILIATES INVESTIGATED) THE DESIRABILITY OR ADVISABILITY OF AN INVESTMENT IN THIS OFFERING OR THE SECURITIES OFFERED HEREIN. REPUBLIC CORE LLC AND ITS AFFILIATES MAKE NO REPRESENTATIONS, WARRANTIES, ENDORSEMENTS, OR JUDGEMENT ON THE MERITS OF THE OFFERING OR THE SECURITIES OFFERED HEREIN. REPUBLIC CORE LLC’S CONNECTION TO THE OFFERING IS SOLELY FOR THE LIMITED PURPOSES OF ACTING AS A SERVICE PROVIDER.

PRIME TRUST LLC, THE ESCROW AGENT SERVICING THE OFFERING WITH RESPECT TO CASH WIRE TRANSFERS, HAS NOT INVESTIGATED THE DESIRABILITY OR ADVISABILITY OF AN INVESTMENT IN THIS OFFERING OR THE SECURITIES OFFERED HEREIN. THE ESCROW AGENT MAKES NO REPRESENTATIONS, WARRANTIES, ENDORSEMENTS, OR JUDGEMENT ON THE MERITS OF THE OFFERING OR THE SECURITIES OFFERED HEREIN. THE ESCROW AGENT’S CONNECTION TO THE OFFERING IS SOLELY FOR THE LIMITED PURPOSES OF ACTING AS A SERVICE PROVIDER.

A purchase of the Future Token Interests 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 Future Token Interests is suitable to its financial situation and goals. See “Risk Factors” below.

Neither the U.S. Securities and Exchange Commission nor any 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 THE SECURITIES ACT IN JURISDICTIONS WHERE THE OFFER AND SALE OF THE FUTURE TOKEN INTERESTS 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 FUTURE TOKEN INTERESTS ON THE TERMS SET FORTH IN THE APPLICABLE OFFERING DOCUMENTS PROVIDED TO YOU IN CONNECTION HERewith BECAUSE: (I) A PURCHASE OF THE FUTURE TOKEN INTERESTS INVOLVES A NUMBER OF SIGNIFICANT RISKS (SEE “RISK FACTORS” BELOW); AND (II) NO MARKET FOR THE FUTURE TOKEN INTERESTS, THE CERE TOKENS, AND THE CERE TOKENS CURRENTLY EXISTS AND MAY NEVER EXIST.

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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. Each person who has received this Private Placement Statement is deemed to agree to return this Private Placement Statement to the Company upon request. The existence and nature of all conversations regarding the Company and this opportunity must be kept confidential.

This Private Placement Statement has been prepared in connection with the Offering. Each Purchaser will be required to sign, execute and deliver such documents as may be reasonably required by the Company to effect its purchase of Future Token Interests.

This Private Placement Statement contains a summary of the Offering, the Future Token Interests, and the Cere 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 Future Token Interests and the Cere Tokens described in this Private Placement Statement, and the Future Token Interests are offered subject to the Company's ability to reject any commitment in whole or in part.

The Future Token Interests and the Cere 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 Future Token Interests 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, the sale of the Future Token Interests or the delivery of the Cere 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 Future Token Interests and the Cere 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 Future Token Interests and the Cere 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 U.S. 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 Future Token Interests, 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 Cere Protocol and the Cere Network (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 Cere Network 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 of 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 Interdata Network Inc., a British Virgin Islands exempt company. All dollar (\$) amounts set forth herein refer to United States dollars. Unless otherwise indicated herein, all references to the number of Cere Tokens set forth in this Private Placement Statement refers to the number of Cere Tokens in the genesis block at the time of Network Launch (as defined below).

Overview

The Company is established for the purpose of developing and promoting a decentralized data cloud (“**DDC**”) platform for businesses to develop their own decentralized customer data cloud on top of a blockchain-powered decentralized data network (the “**Cere Network**”), as envisioned by the latest version of the Foundation’s white paper titled “Cere Technical White Paper v1.0” (as may be amended from time to time, the “**White Paper**”). The Cere blockchain protocol (the “**Cere Protocol**”) is designed to provide not only integrity, as other blockchain platforms do, but also establishes a foundation of interoperable identity and data privacy solutions and facilitates the secure validation of data and asset transfer. The Cere Protocol is expected to be open-sourced.

The Cere Token will be the native unit of value on the Cere Protocol and can be used for various transactions within the Cere Network, including staking, delegation, paying transaction fees and other features available on the Cere Protocol. The genesis block of the Cere Protocol is expected to be adopted by a decentralized network of validators in the Cere Network. We refer to the event whereby a decentralized network of validators on the Cere Network adopt a genesis block (which may or may not be the first block in the blockchain) for the bona fide public release of the Cere Protocol, upon which tokens can be transferred directly between users in a peer-to-peer manner, as determined by the Company in its sole discretion, as “**Network Launch**” or “**TGE**.” In addition, we refer to the date of bona fide public release of the “**Cere ERC-20 Tokens**”, a unit of value on an ERC-20 smart contract to be initiated by the Company on the Ethereum network, each representing the right to receive one (1) Cere Token, as determined by the Company in its reasonable discretion, as the “**Token Release Date**”.

It is the mission of the Foundation to promote the use of the Cere Network to foster the development of a decentralized network for financial applications. Establishing such an entity is considered a sound and established practice for foundational open source projects.

It is not expected that the Foundation will develop the Cere Network directly. Instead, the Foundation expects to contract with various third parties, including Cerebellum Network Ltd., a British Virgin Islands company and Cerebellum Network, Inc., a Delaware corporation, to perform the development work for the Cere project. In addition, these entities have or are expected to enter into a services agreement with the Company to provide the Company with certain engineering, operational, and administrative support.

Terms of Offering

In connection with this Offering, the Company is offering you and certain other prospective purchasers the opportunity to purchase Future Token Interests on the terms and conditions set forth under “Terms of the Offering.” This Offering is made only to accredited investors (as defined under the Securities Act) via the token sale website at <https://republic.co/cere>. The Company may terminate such sales at any time prior to the sale of any and all Cere Tokens in its sole discretion.

Concurrent with this Offering, the Company is offering certain purchasers outside the United States (the “**Non-US Offering**”) the opportunity to purchase Future Token Interests on the following terms:

Non-US Offering Option A1:

Price: \$0.024/Cere Token

Lockup: 7.7% of the Number of Tokens Purchased will be released on the Token Release date by the Company, as determined by the Company in its reasonable discretion; equal releases every 90 days thereafter for a period of 360 days.

Maximum Supply: 700,000,000 Cere Tokens

Maximum Purchase Price: \$250,000

Non-US Offering Option A2:

Price: \$0.020/Cere Token

Lockup: 7.2% of the Number of Tokens Purchased will be released on the Token Release date by the Company, as determined by the Company in its reasonable discretion; equal releases every 90 days thereafter for a period of 540 days.

Maximum Supply: 200,000,000 Cere Tokens

Maximum Purchase Price: \$250,000

Non-US Offering Option B:

Price: \$0.035/Token

Lockup: Fully Unlocked on the Token Release Date

Maximum Supply: 200,000,000 Cere Tokens

Additionally, concurrent with this Offering, the Company is offering certain purchasers outside of the United States the opportunity to purchase Future Token Interests via DAOMaker and Polkastarter (“*Other Platform Offerings*”). All Future Token Interests and Cere Tokens deliverable in fulfillment thereto purchased through Other Platform Offerings will be subject to a maximum lockup period of 12 or 18 months. The aggregate maximum amount of proceeds from both this Offering, the Non-US Offering and the Other Platform Offerings is expected to be approximately \$28 million.

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

Prior Offerings

Prior to this Offering, the Company has sold the rights to an aggregate amount of 2,086,000,000 Cere Tokens (~20.86%) to certain non-US purchasers in prior sales (the “*Prior Offerings*”). The aggregate proceeds received from the Prior Offerings was \$11,564,400. The Future Token Interests (and Cere Tokens deliverable in fulfillment thereto) sold in the Prior Offerings are subject to the following lockup schedule: 20% will be released on the Token Release Date, and an additional 20% will be released every 90 days thereafter in four equal amounts over a period of 360 days.

Token Distribution

A total supply of 10,000,000,000 Cere Tokens will be created in the genesis block in accordance with the allocations below.

Token Exchange

Following Network Launch, each Cere ERC-20 Token may be delivered to the Company or its agents or representatives in exchange for Cere Tokens. Other than in accordance with applicable laws, in no event will the Company permit any holder of Cere ERC-20 Tokens who is a U.S. person (as defined under Regulation S promulgated under the Securities Act) to participate in the Token Exchange and any Cere ERC-20 Tokens in the possession of U.S. persons will be worthless.

Distribution Schedule

The distribution schedule for the Cere Tokens are described below. As used in this section titled “Distribution Schedule”, the term “Cere Tokens” is used to refer to the Cere ERC-20 Tokens and the Cere Tokens deliverable in fulfillment thereof, as applicable at the time of determination.

Distribution Schedule on the Token Release Date:

ERC20 Staking Rewards: A total amount of 500,000,000 Cere Tokens will be released, of which 41,666,667 Cere Tokens will be released on the Token Release Date. Every 30 days following the Token Release Date, for a period of 5 months, 83,333,333 Cere Tokens will be released; the remaining 41,666,668 Cere Tokens will be released 30 days thereafter.

Enterprise Partners: A total amount of 900,000,000 Cere Tokens will be released, of which 270,000,000 Cere Tokens will be released on the Token Release Date, with 70,000,000 Cere Tokens released every 90 days thereafter for a period of 27 months.

Developer Outreach: To drive adoption of the Cere Network and its open data marketplaces, the developer outreach allocation will be used for community growth, bounty programs, hackathons and other developer/engineer related activities. A total amount of 800,000,000 Cere tokens will be released, of which 240,000,000 Cere Tokens will be released on the Token Release Date. Every 90 days following the Token Release Date, for a period of 27 months, 62,222,222.22 Cere Tokens will be released.

Grants: A total of 500,000,000 Cere Tokens, of which 188,050,000 Cere Tokens will be released on the Token Release Date, with 34,661,111.11 Cere Tokens released every 90 days thereafter for 27 months.

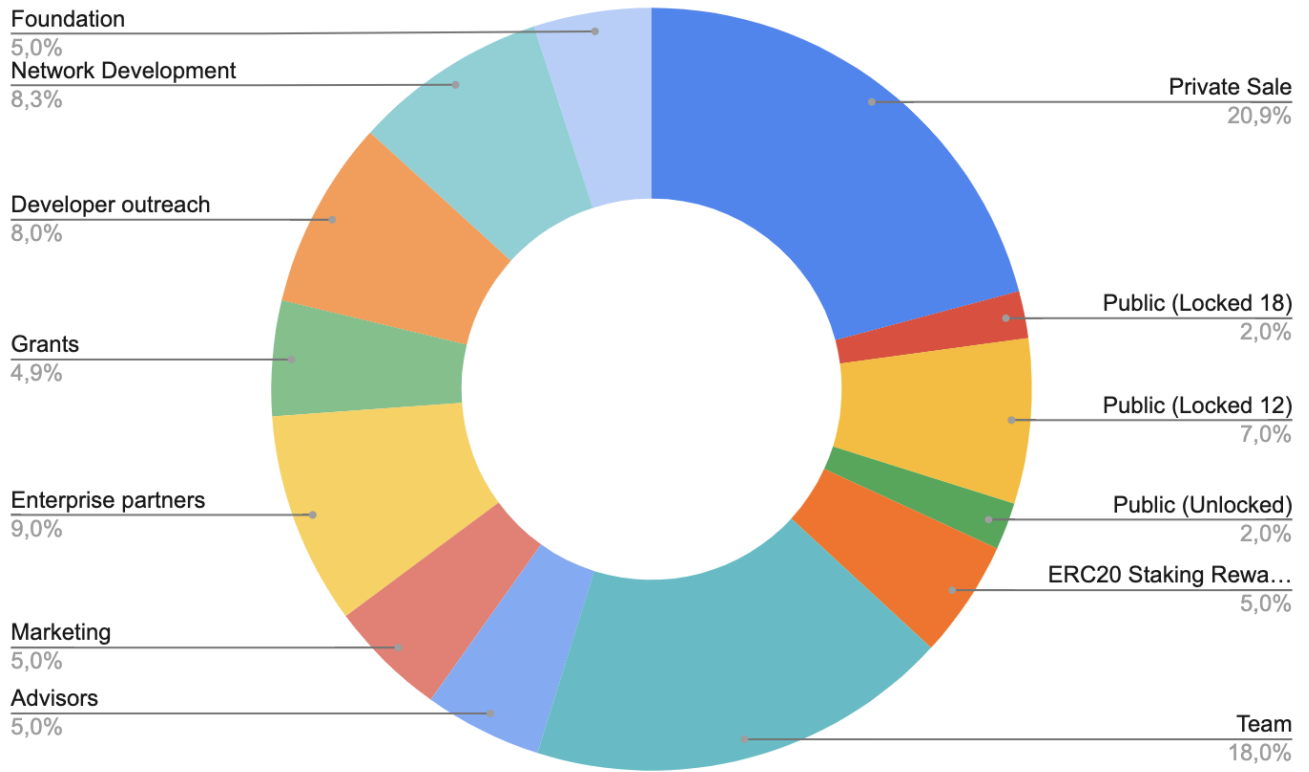
Network Development: To drive network/marketplace development and optimization, blockchain integrators, partnering projects, community incentive programs and other ecosystem-related activities. A total amount of 825,000,000 Cere tokens will be released, of which 247,500,000 Cere Tokens will be released on the Token Release Date. Every 90 days following the Token Release Date thereafter for a period of 27 months, 64,166,666.6667 Cere Tokens will be released.

Early Team: A total amount of 1,800,000,000 Cere Tokens will be released, of which 50,000,000 Cere Tokens will be released every 30 days, beginning 9 months after Token Release Date, for a period of 36 months.

Advisors: A total amount of 500,000,000 Cere Tokens will be released, of which 27,777,777.78 Cere Tokens will be released every 30 days, beginning 9 months after Token Release Date, for a period of 18 months.

Foundation: A total of 500,000,000 Cere Tokens, of which 188,050,000 Cere Tokens will be released on the Token Release Date, with 34,661,111.11 Cere Tokens released every 90 days thereafter for 27 months.

Marketing & Community: A total of 489,000,000 Cere Tokens, of which 183,912,900 Cere Tokens will be released on the Token Release Date, with 3,898,566.66 Cere Tokens released every 90 days thereafter for 27 months.



TERMS OF THE OFFERING

The summary below describes the principal terms of the Future Token Interests 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.

- Seller:* Interdata Network Inc., a British Virgin Islands company.
- Future Token Interests:* The maximum number of Cere Tokens underlying Future Token Interests to be sold in this Offering is 1,100,000,000 Cere Tokens, which the Company has the ability to increase or decrease in its sole discretion, all of which will be paid out from the Public Sale allocation. Any unsold Future Token Interests can be re-allocated by the Company in its sole discretion.
- Purchaser Qualifications:* Each Purchaser must be an “accredited investor” as defined under Regulation D under the Securities Act.
- Period of Offering:* April 13, 2021 at 10:00 AM ET (UTC-5) through May 8, 2021 at 10:00 PM ET (UTC-5). (the “**Offering Period**”). 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 Foundation in its sole discretion.
- Fulfillment Price and Lockup:* Purchasers may purchase Future Token Interests through any combination of the following purchasing options:
- The purchasing options as set forth below (collectively, the “**Public Sale Options**”) will be offered simultaneously, and Purchasers may simultaneously purchase any combination of the then available Public Sale Options. In the first three hours of the Offering, the maximum purchase price per Purchaser shall be capped at \$25,000.
- Option A1:**
Price: \$0.024/Cere Token
Lockup: 50% released on the date that is 12 months from the Token Release Date; remainder to be released in equal amounts every 90 days thereafter for a period of 180 days.
Maximum Supply: 700,000,000 Cere Tokens
Maximum Purchase Price: \$250,000
- Option A2:**
Price: \$0.020/Cere Token
Lockup: 25% released on the date that is 12 months from the Token Release Date; remainder to be released in equal amounts every 90 days thereafter for a period of 360 days.
Maximum Supply: 200,000,000 Cere Tokens
Maximum Purchase Price: \$250,000
- Purchase Limits:* The minimum purchase amount is: (i) \$1,000 for individuals and (ii) \$15,000 for entities. The maximum purchase amount is \$250,000. Such amounts may be modified by the Company in its sole discretion.
- Delivery of Cere Tokens:* Cere Tokens will be delivered to each Purchaser of Future Token Interests in fulfillment thereof to a wallet address designated by

such Purchaser in writing in accordance with the lockup schedule described above, provided that each delivery of Cere Tokens shall be deemed complete and to have complied with the Offering Documents as long as it is completed within ten days of the applicable delivery date set forth above. Purchasers may receive a number of Cere Tokens rounded to ten (10) decimal places.

Means of Purchase:

Purchasers must access the token sale website at <https://republic.co/cere> and be subject to the offering documents as set forth therein (the “**Offering Documents**”).

Form of Payment for Cere Tokens:

Wire transfer (to a bank account designated by the Company in writing) in fiat currency such as US dollars (USD), USD Coin (USDC), Dogecoin (DOGE), Bitcoin (BTC), Bitcoin Cash (BCH), Ether (ETH) or such other method or form of payment as is accepted by BitPay, Inc (“**BitPay**”), and subject to BitPay’s applicable terms of use, and that is agreed to by the Company. The U.S. dollar exchange rate for any of the foregoing cryptocurrencies or non-USD fiat currencies shall be determined at the time the transaction is seen solely by the Company or its assignee or agent in accordance with reasonable and accepted market practices and will also be subject to certain transaction fees. To avoid such variable exchange rate and any applicable transaction fees, you may pay with USDC. Payments in cryptocurrency and digital assets will be processed through BitPay. The Company reserves the right to discontinue accepting any type of consideration in its sole discretion.

Cash received in connection with purchases will be placed into an escrow account established by the Company with Prime Trust, LLC for the benefit of the Offering (the “**Escrow Account**”) at Prime Trust, LLC. Cryptocurrencies and digital assets received in connection with purchases are directed to an account maintained by BitPay for the benefit of the Offering. All funds will be released to the Company on or around the Token Release Date.

If a purchase is rejected for any reason, and if payment was made in the specifically approved cryptocurrency or digital assets, a refund of the purchase price will be made in the USD-denominated value of the Total Purchase Price (as defined in the Offering Document) only, regardless of the type and amount of the approved cryptocurrency or digital assets paid, or any volatility in their prices.. Purchasers in the Offering will not have the right to revoke their subscription at any time.

Token Distribution Fee:

Republic Core LLC (“**Republic Core**”) incurs and pays network transaction fees for transactions on cryptocurrency networks (i.e., to deliver Cere Tokens to a wallet address in accordance with a lockup schedule). For these transactions, Republic Core collects a “**Token Distribution Fee**” at the time of investment, to be deducted from the Purchaser’s purchase amount. In connection with this Offering, a Token Distribution Fee of \$50.00 will be collected from all prospective Purchasers. The Token Distribution Fee is based on the Company and Republic Core’s estimate of the network transaction fees that the Company anticipates paying to deliver Cere Tokens to the Purchaser. In certain circumstances, the Token Distribution Fee that Republic Core pays may differ from that estimate. If a purchase is rejected

for any reason, Republic Core does not guarantee that Token Distribution Fee will be returned to the Purchaser, and Purchasers must agree to the forfeiture of the Token Distribution Fee in any and all events.

Use of Proceeds:

The Company intends to use a significant portion of the proceeds from this Offering to promote the use and adoption of the Cere Tokens and the Cere Network. See “Use of Proceeds.”

RISK FACTORS

A purchase of the Future Token Interests and the Cere Tokens, which are exchangeable for Cere Tokens, involves a high degree of risk. You should consider carefully the risks described below, together with all of 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 Future Token Interests, the Cere Tokens, the Cere Tokens, the Cere Network 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.

The Cere Protocol may not be successfully developed or launched.

The Cere Protocol has not yet launched and significant financial, managerial, engineering and other resources may be required in order to develop and successfully launch the Cere Protocol, as well as consensus among validator members of the Cere Network community on the genesis block, which may not be available, feasible, or achievable on commercially reasonable terms, or at all. Changes to the specifications of the Cere Protocol or the Cere Tokens may be necessitated for any number of legitimate reasons, and the Cere Protocol may be developed in a way that does not realize those specifications and the Cere Network may cease to be a functioning network. It is possible that the Cere Protocol may never be launched and that there may never be an operational Token. The Cere Network and the Cere Tokens, even if successfully developed, launched and maintained, may not meet purchaser expectations. Furthermore, despite good faith efforts to support, develop and launch the Cere Protocol, it is still possible that the Cere Protocol will experience malfunctions or otherwise fail to be adequately developed or maintained, which may negatively impact the Cere Network. If the Cere Network is not successfully developed or launched, the Cere Tokens may not be delivered, and Purchasers may lose all of their Total Purchase Price.

We have a limited operating history.

Both the Company and the Foundation have limited operating histories. To date, we have primarily been engaged in organizational activities and operations relating to the development of the Cere Network. We do not have any significant assets. There is no assurance that any of the Foundation's proposed activities and business plans as set forth in the Foundation's White Paper will ever succeed, or even launch.

The Cere Network may not be able to compete effectively with other platforms.

The market for decentralized application platforms with an emphasis on interoperability and privacy are highly competitive and rapidly evolving. Currently, there are hundreds of other native blockchain protocols, with many more new protocols emerging frequently. Many of the competitors to the Cere Network may have substantial competitive advantages, such as in speed, security, scalability, longer operating histories, greater financial and other resources, stronger name recognition, larger network of users and developers, greater market acceptance among users and developers, as well as pre-existing relationships with users and developers. Existing and future decentralized applications may also face prohibitive switching costs when transitioning to a new platform such as the Cere Network. Currently, Ethereum is the most widely used platform, hosting an overwhelming majority of decentralized applications. In order for Cere Network to be widely adopted, it is necessary to first convince key stakeholders to participate in the network, including users, miners and developers. It is possible that the Cere Network will not be used or adopted by these stakeholders, that the Cere Network will not be able to compete with other platforms, both blockchain-based as well as centralized solutions, or that there will be limited interest from users and developers in the Cere Network altogether. Any of these events could negatively impact the development, growth and viability of the Cere Network.

The Cere Network may be unable to attract and retain users.

The growth and success of the Cere Network depends critically on its widespread adoption by users. The growth and adoption of the Cere Network will depend in large part on its ability to attract and retain users, which depends on many factors, including the number and quality of decentralized applications, number and quality of developers, speed, usability, security, scalability, competitiveness versus other blockchain protocols and centralized solutions, and overall market acceptance. Cryptocurrency and token issuers 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 Cere Network. If potential users and developers do not perceive the Cere Network to have value, if existing users and developers of other blockchain protocols do not switch to or make their products and services available on the Cere Network, if the Cere Network is unable to compete with other blockchain-based platforms, or if new or existing features are not favorably received by users and developers, the network may be materially and adversely harmed.

The Cere Network is dependent on a decentralized community of validators and computer networks for its operations.

Even if the Cere Network launches and becomes operational, its functionality will depend on a decentralized community of validators, computer networks and their continued operations, all of which are outside of the control of the Company or the Foundation. If such networks do not participate in the Cere Network, such as if validators do not participate in the Cere Protocol's consensus mechanism, or if such validators fail to maintain their operations as expected, it could have a material adverse impact on the Cere Network.

Alternative platforms may be established that compete with or are more widely used than the Cere Network.

It is also possible that alternative networks could be established that utilize the same or similar open source code, protocol, economic model or blockchain underlying the Cere Network and attempt to replicate an application platform that is materially similar to Cere Network. There have also been many similar centralized data-focused and privacy-enhancing technology solutions developed and released by large technology companies and additional solutions may be offered by them as well as by new entrants in the future. The Cere Network may not compete with these alternative networks, which could negatively impact the project and the Cere Tokens.

Real or perceived errors, failures or bugs in the Cere Network, or in the software or systems of third-party developers utilizing the Cere Protocol, could adversely affect the Cere Network.

Real or perceived errors, failures, vulnerabilities or bugs in the Cere Protocol, or in the software or systems of third-party developers utilizing the Cere Protocol, could harm the Cere Network. Errors, failures, vulnerabilities or bugs may occur and may cause errors or failures of applications or products, computing and storage environment of the Cere Network. Any such errors, failures, vulnerabilities or bugs may not be found until after Network Launch or after updates are deployed by developers or data has been deployed on the network by users, 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 Cere community may be able to promptly resolve these problems, if at all. Any of these incidents could materially and adversely harm the Cere Network.

The Future Token Interests and Cere Tokens have no market, liquidity or performance history.

The Future Token Interests and Cere 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 Cere Network may not prove accurate, and that the Company and the Cere Network may not achieve its objectives, including the use and adoption of the Cere Tokens or the Cere Tokens.

Certain non-U.S. purchasers of the Future Token Interests will receive a Cere ERC-20 Token evidencing their rights to receive Cere Tokens following Network Launch, which could adversely affect the Cere Network.

Purchasers of Future Token Interests in the Non-US Offering, the Other Platform Offerings and/or other purchasers or grantees of Future Token Interests will receive a Cere ERC-20 Token evidencing their rights to receive Cere Tokens. A significant number of such Cere ERC-20 Tokens are expected to be released into circulation on the Token Release Date, all of which may be traded, used, and exchanged by users of the Cere Network. If any holders of such Cere ERC-20 Tokens abuse their use of such Cere ERC-20 Tokens, or if such Cere ERC-20 Tokens are subject to adverse events, such as being used for illegal activities, schemes or other fraudulent activities, the reputation of the Cere Network, value of the Cere Tokens, and the use, adoption and feasibility of the Cere Network may be adversely affected.

The tax treatment of acquiring, holding, and where permitted, selling, exchanging, or otherwise disposing of the Future Token Interests and the Cere Tokens 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 Future Token Interests, Cere Tokens, and Cere Tokens is uncertain, and each Purchaser must seek its own tax advice in connection with a purchase of the Future Token Interests herein. The Company has not requested a ruling from any tax authority regarding the tax treatment of the Future Token Interests and Cere Tokens. Acquiring, holding, and where permitted, selling, exchanging, or otherwise disposing of the Future Token Interests or Cere 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 Future Token Interests, or Cere Tokens.

The Cere Network and the Ethereum Network 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 Cere Tokens. If the Cere Network or the Ethereum Network's security is compromised or if the protocol is subjected to attacks that frustrate or thwart access to and use of the Cere Tokens, users may cut back on or stop using Cere Tokens altogether, which could seriously curtail the utilization of the Cere Tokens and cause a decline in the market price of the Cere.

The Cere Network, on which the Cere Tokens are issued, and its network, users, applications and other interfaces, as well as applications built upon the Cere Network, are still in the early stages and are unproven, and there can be no assurances that the Cere Networks and the creation, transfer or storage of the Cere Tokens will be uninterrupted or fully secure which may result in a complete loss of Cere Tokens held by users, a complete loss of any value associated with such Cere Tokens, or an unwillingness of users to access, adopt and utilize the Cere Network. Further, the Cere Network may also be the target of malicious attacks seeking to identify and exploit weaknesses in the software of the Cere Network which may result in the loss or theft of Cere Tokens. For example, if the Cere Network, the underlying blockchain or network are subject to unknown and known security attacks (such as double-spend attacks or other malicious attacks), this may materially and adversely affect the Cere Network. In any such event, if the Cere Network is not widely adopted, if the Cere Network 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 business, operating results, and financial condition.

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 Cere Network, the Cere Protocol, and the Cere Tokens. 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, including many of our competitors, 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.

The open-source structure of the Cere Network means that it may be susceptible to developments by third parties and that contributors could damage the Cere Network and its reputation and could affect the utilization of the Cere Network and the Cere Tokens.

As an open source project, the Cere Network will not be represented, maintained or monitored by an official organization or authority. The open-source nature of the Cere Network means that it may be difficult for the Company, the Foundation or any contributors to maintain or develop the Cere Network and the Company and the Foundation may not have adequate resources to address emerging issues or malicious programs adequately or in a timely manner. Third parties not affiliated with the Company or the Foundation may introduce weaknesses or bugs into the core infrastructure elements of the Cere Network and open-source code which may negatively impact the network. Such events may result in a loss of trust in the security and operation of the Cere Network and a decline in activity and could negatively impact the market price of the Cere Tokens.

Risks related to blockchain technologies and digital assets

The regulatory regime governing the blockchain technologies, cryptocurrencies, coins and Cere Tokens and coin or token offerings such as the Cere Network, the Cere Tokens, and the Cere Tokens is uncertain, and new regulations or policies may materially adversely affect the development of the Cere Network and the value of the Cere Tokens.

Regulation of coins and Cere Tokens (including the Cere Token), offerings such as this, cryptocurrencies, blockchain technologies, and cryptocurrency exchanges currently is 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 growth of the Cere Network and the adoption and utility of the Cere Tokens or the Cere Tokens. Failure by the Company, the Foundation or certain users of the Cere Network 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, U.S. 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. The Internal Revenue Service (the "IRS") has released guidance treating virtual currency as property that is not currency for U.S. 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 former Chairman Jay Clayton, has issued several public reports or comments stating federal securities laws require treating some blockchain assets as securities. To the extent that a domestic government or quasi-governmental agency exerts regulatory authority over a blockchain network or asset, the Cere Network and Cere 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 counter-terrorism 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 Cere Network, including deeming that Cere Tokens constitute securities under the laws of such jurisdiction, or that the use of Cere Tokens violates applicable law. Such laws, regulations or directives may conflict with each other and may directly, negatively and materially impact

the Cere Network. 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 Cere Network and the adoption and utility of the Cere Tokens.

We may be deemed a money transmitter under U.S. anti-money laundering laws.

On May 9, 2019, the U.S. 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 U.S. 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 Cere Tokens May Constitute the Issuance of a “Security” Under U.S. 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 Cere Tokens to raise capital. The Commission applied existing U.S. federal securities laws to this new paradigm, determining that DAO Cere 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 Cere 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. 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. While the characterization of any cryptocurrency 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 U.S. federal securities laws, and many cryptocurrencies are expected to be characterized as securities under this new SEC Framework.

If the Cere Tokens or the Cere Tokens were deemed to be a security under U.S. federal securities laws, then prior to the issuance of Cere Tokens, we 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 Future Token Interests and Cere Tokens. Neither the Company nor the Foundation has any contractual obligation to register the Future Token Interests or Cere Tokens under the Securities Act and do not presently intend to do so. If we or the Foundation decide to pursue such registration of Future Token Interests or the Cere Tokens, or Cere Tokens or the Cere Tokens under the Securities Act, it would result in significant delays in the issuance of the Cere 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 Cere Tokens or Cere Tokens, you may lose all or part of your Total Purchase Price.

The sale of Future Token Interests 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 Cere Tokens held in treasury. While the Future Token Interests, the Cere Tokens, and Cere Tokens are not intended to constitute equity securities within the meaning of the Exchange Act, there is substantial uncertainty on the application of U.S. 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 either the Future Token Interests, Cere Tokens, or the Cere Tokens to constitute “equity securities” under the Exchange Act; and in such event, if the sale of Future Token Interests as described herein surpasses 2,000 Purchasers, or there are more than 2,000 holders of Cere Tokens after Network Launch, then the Company will have to register the Future Token Interests, the Cere Tokens, or Cere 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 Cere Tokens or the Cere Tokens, you may lose all or part of your Total Purchase Price.

Neither the Purchasers, the Company nor the Foundation will have control over the Cere Network following launch.

The Cere Network consists of open-source technologies that depend on a network of computers to run certain software programs to process transactions, including for the transfer of Cere Tokens on the blockchain protocol. Because of this decentralized model, neither the Purchasers, the Company or the Foundation will have control over the Cere Network following its launch. In addition, the Purchasers are not and will not be entitled to vote or receive dividends or be deemed the holder of capital stock of the Company for any purpose, nor will anything be construed to confer on the Purchasers 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 stockholders 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.

There may be occasions when certain individuals involved in the development and launch of the Cere Network 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 Cere Network or the Company may encounter potential conflicts of interest in connection with the sale of Future Token Interests as 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 Cere Network and its code, the timing of Network Launch or other token pre-sales, 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 Cere Network 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. While the Foundation has made efforts to use open-source development for Cere Tokens and make information about the Cere Network generally available, there is no guarantee that such information will be made available in a timely manner, or in a way that is non-technical or easily comprehensible to you. 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 Cere Network.

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

There are a number of 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 Cere Network's 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 Cere Network.

The further development and acceptance of blockchain networks, including the Cere Network, 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 Cere Network, the Cere Tokens, and the Cere Tokens.

The growth and adoption of the blockchain industry, including the Cere Network, 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, and other blockchain technologies;

- Government and quasi-government regulation of Bitcoin, Ethereum, and other blockchain assets 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 and Ethereum 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 or other blockchain-based coins and Cere Tokens.

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 Cere Network, the Cere Tokens, and the Cere 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 Cere Tokens, the Cere Tokens and blockchain 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 Cere 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 Cere Tokens 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 Cere Tokens may also be highly volatile. Several factors may influence the market price of the Cere 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 Cere Network;
- Changes to the software, security, cost and adoption of the Cere Network;
- Changes in the rights, obligations, incentives, or rewards for the various participants in the Cere Network;
- 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 Cere Tokens may be traded and liquidity on such exchanges;
- Interruptions in service from or failures of any blockchain asset exchanges on which the Cere 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 invest in the Cere Network or purchase Cere 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 Cere Tokens;
- The maintenance and development of the Cere Network;
- New technologies and competing products and services;
- Global or regional political, economic or financial events and situations; and
- Expectations among Cere Network or other blockchain asset participants that the value of the Cere 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 Cere Tokens. For example, a security breach that affects purchaser or user confidence in Bitcoin or Ethereum may affect the industry as a whole and may also cause the price of the Cere Tokens and other blockchain assets to fluctuate.

Risks relating to the Cere Network

The Cere Network has limited operating history.

The Cere Network has not launched and has limited operating history. Because of its infancy, issues may arise from time to time in the Cere Network that affects its security, speed, storage, scalability, security, operations or cost. Also, the price and supply of Cere Tokens may in the future experience sharp fluctuations. If any real or perceived problems or vulnerabilities are identified, or if such volatility continues, the Cere Network may be materially and adversely affected, which may have a further adverse effect on the willingness of parties to utilize the Cere Network and transact using Cere Tokens.

Modifications may be made to the Cere Network, White Paper or the Cere Tokens features and rights.

Prior to Network Launch, the Company and the Foundation reserve the right to modify the White Paper, located at <https://Cere.network>, and modify the codebase of the Cere Network from time to time in the Company's and the Foundation's sole and absolute discretion. Any such changes will be binding on the Purchasers. Following Network Launch, any changes to the Cere Network will be determined by an organic decision-making process among members of the community and any changes must be adopted by a significant number of validators, which neither the Company nor the Foundation controls. Any such modifications whether before or after TGE could materially and adversely impact the value of the Future Token Interests and the Cere Tokens and you could lose all or part of your purchase price.

A disruption of the Internet or the Cere Network would affect the ability to transfer Cere Tokens.

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

Litigation and third-party claims may adversely affect the operation of the Cere Network.

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

Future Token Interests or Cere Tokens may be sold at a lower price or with less restrictive lockup restrictions in future offerings.

Following this Offering, the Company and the Foundation may distribute additional Future Token Interests, Cere Tokens in future offerings, including via bounty programs, partnerships, airdrops and/or additional sales. The price per Token or Cere 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 Foundation or the Company may sell or grant additional Cere Tokens for community incentive and developer programs with a less restrictive lockup than yours. Any such distribution of Future Token Interests, Cere Tokens at a lower price could materially and adversely impact the value of the Future Token Interests, the Cere Tokens and you could lose all or part of your Total Purchase Price

Additional sales or distributions of Future Token Interests or Cere Tokens could cause the price of Cere Tokens to drop significantly.

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

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 of the Purchaser's Cere Tokens.

The Token and Cere Token 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 keys, or a combination of private keys, is necessary to control and use Cere 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 Cere Tokens will result in the loss of the Purchaser's Cere Tokens. Neither the Company nor the Foundation will ever 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 Cere Tokens. The Company and the Foundation have no control over such attacks and cannot stop hackers from stealing private keys of users. The Company and the Foundation 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 Cere Tokens 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 specific 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 Cere Network . 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 Cere Tokens, including making grants to third parties to develop the Cere Protocol, 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 Cere Tokens, a portion of the proceeds will be used to procure various service providers for the provision of engineering, operational, and administrative services for the Foundation and the Company. We also intend to use a portion of the proceeds to work with the Cere community and various groups around the world to facilitate the organic growth of the Cere Network. Some of these service providers include Cerebellum Network Ltd. and Cerebellum Network Inc. We also intend to use a portion of the proceeds to work with the Cere community and various groups around the world to facilitate the organic growth of the Cere Network. 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.

THE COMPANY

Interdata Network Inc. is a British Virgin Islands exempt company. The Company's goal is to develop public, decentralized data and finance cloud for enterprises. The Cere Protocol shall be initiated by the decentralized network of community validators at Network Launch, and Cere Tokens, the units of value on such protocol shall be established in accordance with the White Paper by the Foundation, and no person or entity may otherwise issue units of value on such protocol. We or the Foundation have contracted with certain third-party individuals and entities, for the development of the Cere Network. These teams hold deep expertise in distributed computing, cryptography, networks, blockchain technology, security, software engineering, technology, and operations.

Board of Directors

Diana Munoz is the sole current member of the Company's board of directors. The Company anticipates that certain other individuals may be added as directors of the Company from time to time. The Company is a wholly-owned subsidiary of the Foundation.

Each board member serves until the appointment of their successor, or upon their death or resignation. There are no family relationships between any of the board members. There is also no arrangement or understanding pursuant to which any of our board members was selected as such. Each board member receives an annual fee for their services on the board.

Financial Information

The Company does not hold any material assets or liabilities. The Company has no operating history or operating results.

DILUTION

A total supply of 10,000,000,000 Cere Tokens will be created in the genesis block of the Cere Protocol. The release of Cere Tokens shall be made in accordance with the Release Schedule described above.

DESCRIPTION OF CERE TOKENS

The Company is offering Future Token Interests in this Offering at different options described under “—Terms of the Offering” above, which entitles the holders thereof to receive Cere Tokens at a fulfillment price at ranging between \$0.02 to \$0.024 per Token. The Future Token Interests and Cere Tokens are subject to transfer restrictions until the date of Network Launch, and will be subject to additional transfer restrictions as set forth in the Offering Documents thereafter.

Both the Future Token Interests, the Cere Tokens, and the Cere Tokens carry no voting rights with respect to the Company, the Foundation nor the Cere Network. The Purchaser is not entitled, as a holder of Future Token Interests or Cere Tokens, to vote or receive dividends or be deemed the holder of equity of the Company or the Foundation 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 the Foundation, 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 or foundation 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 10,000,000,000 Cere Tokens will be created in the genesis block of the Cere Network. Such Cere Tokens will be distributed to major participating groups in the Cere Network 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 Cere Network. Subject to potential modification, these groups are described in the section “Overview—Token Distribution” above.

PLAN OF DISTRIBUTION

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.

Purchaser Qualifications

Only persons of adequate financial means who have no need for present liquidity with respect to this purchase should consider purchasing the Future Token Interests offered hereby because: (i) a purchase of the Future Token Interests involves a number of significant risks (See "Risk Factors"); and (ii) no market for the Future Token Interests, Cere, Cere Tokens, or the Cere Tokens currently exists. It is uncertain whether a robust public market will ever develop for the Cere Tokens. The sale of Future Token Interests 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 Regulation D under the Securities Act, meaning only those persons or entities coming within any one or more of the following categories:

- (i) Any bank, as defined in Section 3(a)(2) of the Securities Act, or any savings and loan association or other institution defined in Section 3(a)(5)(A) of the Securities Act, whether acting in its individual or fiduciary capacity; any broker-dealer registered pursuant to Section 15 of the Exchange Act; any insurance company, as defined in Section 2(13) of the Securities 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 United States 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; and 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, that is either a bank, savings and loan association, insurance company or registered investment advisor, 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 person(s) that are accredited investor(s);
- (ii) Any private business development company as defined in Section 202(a)(22) of the Investment Advisors Act of 1940;
- (iii) Any organization described in Section 501(c)(3) of the Internal Revenue Code of 1986, as amended, any corporation, Massachusetts or similar business trust, or company, not formed for the specific purpose of acquiring the Common Stock, with total assets in excess of \$5,000,000;
- (iv) Any director or executive officer of the Company;
- (v) Any natural person whose individual net worth, or joint net worth with that person's spouse, exclusive of the value of the person's primary residence net of any mortgage debt and other liens, at the time of his or her purchase exceeds \$1,000,000;
- (vi) Any natural person who had an individual income in excess of \$200,000, or joint income with that person's spouse in excess of \$300,000, in each of the two most recent years and who reasonably expects to reach the same income level in the current year;
- (vii) Any trust with total assets in excess of \$5,000,000, not formed for the specific purpose of acquiring the Common Stock, whose purchase is directed by a sophisticated person as described in Rule 506(b)(2)(ii) of Regulation D;
- (viii) Any natural person holding at least one of the following professional licenses in good standing: a Series 7, Series 65 or Series 82 license;

- (ix) Any natural person who is a family client (as defined in Rule 202(a)(11)(G)–1 under the Advisers Act) whose investments are directed by a qualifying family office (defined below);
- (x) Any entity that is a family office (as defined in Rule 202(a)(11)(G)–1 under the Advisers Act) and you were not formed for the specific purpose of acquiring the securities offered, (1) you own investments in excess of \$5 million, and (2) your investment is directed by a person with 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 (a “*qualifying family office*”);
- (xi) Any entity you that is family client whose investments are directed by a qualifying family office; or
- (xii) Any entity all of whose equity owners are accredited investors.

You should check the Office of Foreign Assets Control (the “OFAC”) website at [http:// www.treas.gov/ofac](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 Future Token Interests 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 individuals¹ 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 figure², or any immediate family³ member or close associate⁴ of a senior foreign political figure, as such terms are defined in the footnotes below; and
- (iii) if you are affiliated with a non-U.S. 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.

¹ These individuals include specially designated nationals, specially designated narcotics traffickers and other parties subject to OFAC sanctions and embargo programs.

² 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.

³ “Immediate family” of a senior foreign political figure typically includes such figure’s parents, siblings, spouse, children and in-laws.

⁴ 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.

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 Cere Tokens 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 Cere Tokens after Listing and reporting the transaction(s) to the relevant governmental authorities.

Insider Participation

No board member or officer intends to participate in the offering.

CERTAIN UNITED STATES FEDERAL INCOME TAX CONSIDERATIONS

Set forth below is a discussion, in summary form, of certain United States federal income tax consequences relating to purchases of the Future Token Interests and the acquisition, ownership and disposition of Tokens issued thereunder. 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 affect a purchase of Future Token Interests or Tokens. In particular, this summary does not discuss U.S. federal income tax considerations that may be applicable to purchasers based on their particular circumstances, including but not limited to purchasers who are not “United States persons” within the meaning of the U.S. Internal Revenue Code of 1986, as amended, (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 U.S. 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 Tokens or Future Token Interests as a position in a hedging transaction, persons that own the Tokens or Future Token Interests as part of a “straddle,” “conversion” or other integrated transaction for tax purposes, and holders that are partnerships or other pass-through entities for U.S. tax purposes. Purchasers should consult with their own professional tax advisors regarding a prospective purchase of the Future Token Interests. This summary is by nature general in nature and should not be construed as tax advice to any prospective purchaser.

This description is based on the Code, existing, proposed and temporary U.S. Treasury Regulations and judicial and administrative interpretations thereof, in each case as available on the date hereof. All of 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).

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 U.S. federal income tax purposes or a partner in such partnership should consult its own tax advisor regarding the U.S. federal income tax consequences applicable to it and its partners of the acquisition, ownership and disposition of the Notes or Future Token Interests.

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 Future Token Interests or Tokens. No formal or legal tax advice is hereby given to any prospective Purchaser. In addition, Transactions involving Future Token Interests and similar instruments, as well as Initial Coin Offerings (“ICOs”) and other coin 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 purchaser of Future Token Interests, participants in an ICO, and holders of Tokens. Future tax guidance from the IRS (or guidance resulting from future judicial decisions) could negatively impact purchasers of Future Token Interests and holders of Tokens.

Tax Characterization of the Tokens and Future Token Interest

There are no regulations, published rulings or judicial decisions involving the characterization for U.S. federal income tax purposes of instruments with substantially the same terms as either the Tokens or the Future Token Interests. Thus, the characterization of these instruments is uncertain. It should be expected that the IRS or a court would determine this characterization based on a consideration and weighing of the characteristics of these instruments. As discussed below, the Company intends to treat the Tokens as interests in property, and not as equity or debt instruments of the Company, and to treat the Future Token Interests as a prepaid forward contract arrangement to purchase the Tokens on the terms provided. Other characterizations of each of the Tokens and Future Token Interests are possible, which may have less favorable US federal income tax consequences for investors. Potential purchasers are strongly advised to consult their own tax advisors as to the US federal income tax characterization of the Tokens and Future Token Interests and the consequences to them of potential alternative characterizations.

The following is a description of the US federal income consequences of holders that would obtain if the Company’s characterization of the Tokens as property and the Future Token Interests as prepaid forward contracts prevails.

Tax Treatment of Future Token Interests

The Company intends to treat the execution of the TPA as the execution of a contract for the purchase of Tokens, to be delivered to a Purchaser upon Network Launch, as more fully described in the TPA. Accordingly, the Company intends to

treat the Future Token Interest as a prepaid forward contract that is characterized as an open transaction for U.S. federal income tax purposes.

Under this treatment, a U.S. holder would initially have no tax consequences on entry into the contract to purchase the Tokens. Upon receipt of the Tokens, the US Holder would be treated as purchasing the Tokens for its original purchase price for the Future Token Interests plus the price paid for the Tokens, and the holder's initial tax basis in the Tokens would be the sum of these amounts. The purchaser's holding period in the Tokens should begin on the day of the Network Launch, which is the day the Tokens are issued to the purchaser.

In the event no Tokens are issued, it is not clear whether a US Holder would be able to claim a loss with respect to its investment in the Future Token Interests, unless the Company redeems the Future Token Interests or the US Holder otherwise disposes of them.

Sale, Exchange or Other Disposition of Tokens and Future Token Interests:

A purchaser who sells, exchanges, or otherwise disposes of the Tokens or Future Token Interests for cash or other property (including pursuant to an exchange of such Tokens or Future Token Interests for other convertible virtual currency) should, pursuant to Internal Revenue Service Notice 2014-21, recognize capital gain or loss in an amount equal to the difference between the fair market value of the property received in exchange for such Tokens or Future Token Interests and the purchaser's adjusted tax basis in the Tokens or Future Token Interests. This capital gain will be long-term capital gain if the purchaser has held its Tokens or Future Token Interests for more than one year prior to disposition. As noted above, a purchaser's holding period for the Tokens will not include the period for which the purchaser held the Future Token Interests.

EACH PURCHASER SHOULD SEEK, AND MUST DEPEND UPON, THE ADVICE OF HIS OR HER 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 FUTURE TOKEN INTERESTS.

THE TAX TREATMENT OF THE TPA, THE FUTURE TOKEN INTERESTS AND THE TOKEN DISTRIBUTION IS UNCERTAIN AND THERE MAY BE ADVERSE TAX CONSEQUENCES FOR PURCHASERS UPON CERTAIN FUTURE EVENTS. PURCHASES OF THE FUTURE TOKEN INTERESTS AND THE TOKENS DELIVERABLE PURSUANT THERETO MAY RESULT IN ADVERSE TAX CONSEQUENCES TO PURCHASERS, INCLUDING WITHHOLDING TAXES, INCOME TAXES AND TAX REPORTING REQUIREMENTS. EACH PURCHASER SHOULD CONSULT WITH AND MUST RELY UPON THE ADVICE OF ITS OWN PROFESSIONAL TAX ADVISORS WITH RESPECT TO THE UNITED STATES AND NON-TAX TREATMENT OF A PURCHASE OF THE FUTURE TOKEN INTERESTS AND THE TOKENS DELIVERABLE PURSUANT THERETO.