

## **LEGAL DISCLAIMER AND RISK FACTORS**

This White Paper is for information purposes only and may be subject to change. We cannot guarantee the accuracy of the statements made or conclusions reached in this White Paper and we expressly disclaim all representations and warranties (whether express or implied by statute or otherwise) whatsoever, including but not limited to:

- any representations or warranties relating to merchantability, fitness for a particular purpose, suitability, title or non-infringement;
- that the contents of this document are accurate and free from any errors; and
- that such contents do not infringe any third party rights.

You may lose all monies that you spend purchasing SBX Tokens. In the event that you purchase Tokens, your purchase cannot be refunded or exchanged.

There is no guarantee that the utility of the SBX Tokens or the project described in this white paper will be delivered.

We shall have no liability for losses or damages (whether direct, indirect, consequential or any other kind of loss or damage) arising out of the use, reference to or reliance on the contents of this whitepaper, even if advised of the possibility of damages arising.

By agreeing to the terms and conditions set forth in the White Paper and in this Legal Disclaimer and Risk Factors and by participating in the SBX token sale you agree to waive any no recourse, claim, action, judgement or remedy against Showbox Group if the utility of the SBX Tokens or if the project described in this white paper is not delivered or realized.

If you are uncertain as to anything in this white paper or you are not prepared to lose all monies that you spend purchasing SBX Tokens, we strongly urge you fo not purchase any SBX Tokens.

We recommend that you consult legal, financial, tax and other professional advisors or experts for further guidance before participating in the SBX token sale outlined in this white paper. You are strongly advised to take independent legal advice in respect of the legality in your jurisdiction of your participation in the token sale.

SBX Tokens are not shares or securities of any type. They do not entitle you to any ownership or other interest in Showbox Group. They are merely a means by which you may be able to use services and products on a platform that is yet to be developed. There is no guarantee that the platform will actually be developed.

**CITIZEN AND RESIDENTS OF THE UNITED STATES MAY NOT PARTICIPATE IN THE SBX TOKEN OFFERING UNLESS THEY ARE ACCREDITED INVESTORS UNDER REGULATION D OF THE SECURITIES ACT OF 1933 (THE "SECURITIES ACT").**

Please read the entirety of this "Legal Disclaimer and Risk Factors" section carefully before deciding to participate in the SBX token sale.

You must read the following "Legal Disclaimer and Risk Factors" section in full before: (i) making use of this White Paper and any and all information available on the website(s) of **Showbox Ltd. and its affiliates** (the "**Group**") located at [sbx.showbox.com](http://sbx.showbox.com) (the "**Website**"); and (ii) participating in the Group's SBX token sale (the "**Token Sale**") outlined

in the White Paper (the “**White Paper**”). This “Legal Disclaimer and Risk Factors” section applies to the White Paper and any and all information available on the Website. The contents of this “Legal Disclaimer and Risk Factors” section outlines the terms and conditions applicable to (i) any use of the White Paper and of any and all information available on the Website; and (ii) the participation in the Token Sale, in each case, in addition to any other terms and conditions that we may publish from time to time relating to the White Paper, the Website and the Token Sale (the “**Terms**”). This “Legal Disclaimer and Risk Factors” section may be updated from time to time and will be published as part of the latest version of the White Paper, which shall be available on the Website. You shall be obliged to approve that you read in full the latest available version of the White Paper available on the Website prior to participating in the Token Sale.

The information set forth in this “Legal Disclaimer and Risk Factors” section may not be exhaustive, does not imply any elements of a contractual relationship and under no circumstances shall such information constitute professional advice. While we take reasonable care to ensure that the information contained in the White Paper and available on the Website (the “**Available Information**”) is accurate and up to date, individuals intending to participate in the Token Sale should seek independent professional advice prior to acting on any of the Available Information.

## 1. LEGAL CONSIDERATIONS

The Group has used reasonable efforts to approach the Token Sale in a responsible and sensible manner. Given the legal uncertainty concerning distributed ledger technologies, businesses and activities as well as cryptocurrencies and cryptocurrency-related businesses and activities in a number of jurisdictions, the Group has spent time and resources to consider its business approach and where it proposes to operate now and in the future. The Group has **NOT** taken legal advice in any jurisdictions other than Israel. As such, it is possible that the Group’s SBX tokens described in the White Paper and which are the subject of the Token Sale (the “**Tokens**”) may comprise a security in your jurisdiction or the offer for sale by the Group of the Tokens in your jurisdiction may be a regulated or prohibited activity. The Group accepts no responsibility or liability to you in these or any other circumstances. **YOU ARE STRONGLY ADVISED TO TAKE INDEPENDENT LEGAL ADVICE IN RESPECT OF THE LEGALITY IN YOUR JURISDICTION OF YOUR PARTICIPATION IN THE TOKEN SALE AND PURCHASE OF TOKENS.**

The Group will use reasonable commercial efforts to comply with all UK regulations and, to the extent reasonably practicable with the regulations of such other jurisdictions that it is able to, however, due to the current uncertain state of regulation relating to distributed ledger technology and token sales across the world, the Group cannot guarantee the legality of the Token Sale, the availability of the future Showbox Platform to be developed as described in the Available Information, or the Group’s ability to develop, structure and license any future Token functionality in any jurisdiction.

The Tokens are functional utility tokens designed for use only on the Group’s Showbox Platform, which is currently under development. The Group is not currently actively taking any steps during the Token Sale to make the Tokens tradable on any regulated or unregulated or primary or secondary market or . In the event that you purchase Tokens, your purchase cannot be refunded or exchanged. The Group does not support purchasing Tokens for speculative investment purposes. Tokens do not entitle you to any equity, governance, voting or similar right or entitlement in the Group or in any of its affiliated companies. The Group does not recommend that you purchase Tokens unless you have prior experience with cryptographic tokens, blockchain-based software and distributed ledger technology, in any event only after you received independent professional legal and tax advice.

The Group may choose to make the Available Information accessible in a number of different languages. In the event of any conflict between the English version of the Available Information and any foreign language version, the English language version will prevail.

## 2. REGIONAL RESTRICTIONS

Citizens, nationals, residents (tax or otherwise), green card holders and/or Restricted Persons of any Restricted Jurisdiction are not permitted to participate and are expressly prohibited from participating in the Token Sale.

The term “**Restricted Jurisdiction**” means and includes: (i) the United States of America; (ii) the People’s Republic of China; (iii) South Korea; (iv) North Korea; (v) Libya; (vi) Syria; (vii) Lebanon; (viii) Iran; (ix) Pakistan; (x) Canada; (xi) Bangladesh; (xii) Bolivia, (xiii) Ecuador, (xiv) Kyrgyzstan; (xv) Morocco, (xvi) Nepal (xvii) Israel, or (xviii) any other jurisdiction that prohibits or requires any supervision, oversight, licensing, regulatory compliance, legal compliance, or prior approval from any regulatory (or similar) authority or body or from any monetary or securities body or authority for:

- (a) the possession, dissemination or communication of the Available Information; or
- (b) the participation in the Token Sale and/or the purchase of Tokens and/or the offer for sale of the Tokens or any similar activity or product.

The term “**Restricted Persons**” refers to any firm, company, partnership, trust, corporation, entity, government, state or agency of a state or any other incorporated or unincorporated body or association, association or partnership (whether or not having separate legal personality) that is established and/or lawfully existing under the laws of a Restricted Jurisdiction (including in the case of United States of America, under the federal laws of the United States of America or under the laws of any of its States).

Notwithstanding the foregoing and subject to the provisions of the Securities Act, U.S. ‘accredited investors’ may participate in the Token Sale if they comply with applicable regulations. We advise that you received professional advice to determine if you qualify as an ‘accredited Investor’ under the Securities Act.

The Tokens are not intended to constitute, and shall not constitute, equities or securities (of any nature whatsoever) in any jurisdiction. The White Paper does not constitute a prospectus or offer document of any sort and the Available Information is not intended to constitute an offer of securities or a solicitation for investment in securities in any jurisdiction. The Group does not provide any opinion or any advice to purchase, sell, or otherwise transact with Tokens and the presentation, publication or communication of all or any part of the Available Information shall not form the basis of, or be relied upon in connection with, any contract or investment decision.

## 3. NO ADVICE

No part of the Available Information should be considered to be business, legal, financial or tax advice regarding the Group, the Tokens, the Token Sale, the Showbox Platform or any of the matters to which all or any part of the Available Information relates. You should consult your own legal, financial, tax or other professional advisor regarding the Available Information. You should be aware that you are required to bear the financial risk of any purchase of Tokens for an indefinite period of time.

#### 4. LIMITATION OF LIABILITY

In no event shall the Group or any current or former employees, officers, directors, partners, trustees, representative, agents, advisors, contractors, or volunteers of the Group (hereinafter the “**Group Representatives**”) be responsible or accountable or liable in any way whatsoever to any purchaser of Tokens for any loss of profits or otherwise or for any lost savings or for any incidental direct indirect special or consequential damages in each case arising out of or from or in connection with:

- (i) any failure by the Group or any of its affiliated companies to deliver or realize all or any part of the project or the Showbox Platform or the Token features described in or described by the Available Information;
- (ii) your use or inability to use at any time the services or the products or the platform or Tokens offered by the Group;
- (iii) the breach of any of these Terms by the Group or by a Group Representatives or by you or by any third party;
- (iv) any security risk or security breach or security threat or security attack or any theft or loss of data including but not limited to hacker attacks, losses of password, losses of private keys, or anything similar;
- (v) mistakes or errors in code, text, or images involved in the Token Sale or in any of the Available Information; or
- (vi) any information contained in or omitted from the Available Information;
- (vii) any expectation promise representation or warranty arising (or purportedly arising) from the Available Information;
- (viii) the volatility in pricing of Tokens in any countries or on any exchange or market (regulated, unregulated, primary, secondary or otherwise), if and when the Tokens will be traded in such countries or on any exchange or market;
- (ix) the purchase, use, sale, resale, redemption or otherwise of the Tokens; or
- (x) your failure to properly secure any private key to a wallet containing Tokens, (collectively, the “**Excluded Liability Matters**”).

The Available Information and the Tokens are provided on an “as is” basis and without any representations or warranties of any kind, either express or implied. You assume all responsibility and risk with respect to your use of the Available Information and purchasing of any amount of Tokens and their use. If applicable law does not allow all or any part of the above limitation of liability to apply to you, the limitations will apply to you only to the maximum extent permitted by applicable law.

To the maximum extent permitted by applicable law, you hereby irrevocably and unconditionally waive: (i) all and any claims (whether actual or contingent and whether as an employee, office holder, trustee, agent, principal or in any other capacity whatsoever or howsoever arising) including, without limitation, claims for or relating to the Excluded Liability Matters, any payment or repayment of monies, indemnity or otherwise that you may have against the Group or against any of the Group Representatives; and (ii) release and discharge the Group and all of the Group Representatives from any and all liability (of whatsoever nature or howsoever arising) it or they may have to you. If for any reason you hereafter bring or commence any action or legal

proceeding in respect of any claim purported to be released and discharged pursuant to this paragraph or these Terms, or otherwise attempt to pursue any such claim against the Group or any Group Representative then you hereby irrevocably and unconditionally undertake to indemnify, and keep indemnified the Group and all Group Representatives fully on demand from and against:

- (a) all liabilities or losses suffered by the Group or any Group Representative; and
- (b) all reasonable costs, charges and reasonable expenses (including without limitation reasonable legal costs and expenses) reasonably and properly incurred by the Group or any Group Representative,

in each of (a) and (b) by reason of or in connection with the bringing or commencement of such action or pursuit of such claim by you.

If any provision or part-provision of this “Legal Disclaimer and Risk Factors” section is or becomes invalid, illegal or unenforceable, it shall be deemed modified to the minimum extent necessary to make it valid, legal and enforceable. If such modification is not possible, the relevant provision or part-provision shall be deemed deleted. Any modification to or deletion of a provision or part-provision under this “Legal Disclaimer and Risk Factors” section shall not affect the validity and enforceability of the rest of this “Legal Disclaimer and Risk Factors” section.

## **5. NO REPRESENTATION & WARRANTIES**

Notwithstanding any other provision of this “Legal Disclaimer and Risk Factors” or any statement made expressly or impliedly in the Available Information, the Group does not make or purport to make, and hereby disclaims, any representation warranty undertaking or covenant in any form whatsoever to any entity or person, including any representation warranty undertaking or covenant in relation to the truth, accuracy and completeness of any of the information set out in the Available Information.

## **6. REPRESENTATION & WARRANTIES BY YOU**

By accessing and/or accepting possession or communication of all or any part of the Available Information, you represent and warrant (and you shall be deemed to represent and warrant) to the Group on the date of such access or on the latest date on which you retain possession of all or any part of the Available Information as follows:

- (a) you are over 18 (eighteen) years of age;
- (b) you agree and acknowledge that the Tokens do not constitute shares or equities or securities or financial instruments or investments in any form in any jurisdiction and you do not purchase any of Tokens other for their use as a utility;
- (c) you agree and acknowledge that the Available Information does not constitute a prospectus, registration statement or offer document of any sort under any jurisdiction and is not intended to constitute an offer of securities in any jurisdiction or a solicitation for investment in securities;
- (d) you acknowledge that you are not bound to enter into any contract or binding legal commitment and no cryptocurrency or other form of payment is to be accepted by you on the basis of the Available Information;
- (e) you agree and acknowledge that no regulatory authority has examined or approved of the Available Information, no action has been or will be taken under the laws,

regulatory requirements or rules of any jurisdiction and the publication, distribution or dissemination of all or any part of the Available Information to you does not imply that the applicable laws, regulatory requirements or rules have been complied with;

- (f) you agree and acknowledge that the Available Information, the undertaking and/or the completion of the Token Sale, or future trading of the Tokens on any exchange or market (regulated, unregulated, primary, secondary or otherwise), shall not be construed, interpreted or deemed by you as an indication of the merits of the Group, the Tokens, the Token Sale or the Available Information;
- (g) the distribution or dissemination of the Available Information any part thereof or any copy thereof, or acceptance of the same by you, is not prohibited or restricted by the applicable laws, regulations or rules in your jurisdiction, and where any restrictions in relation to possession are applicable, you have observed and complied with all such restrictions at your own expense and without any claim to or liability of the Group;
- (h) you agree and acknowledge that if you wish to purchase any Tokens, the Tokens are not to be construed, interpreted, classified or treated as:
  - (i) any kind of currency or commodity;
  - (ii) debentures, stocks or shares issued by any person or entity (whether the Group or otherwise);
  - (iii) rights, options or derivatives in respect of such debentures, stocks or shares;
  - (iv) rights under a contract for differences or under any other contract the purpose or pretended purpose of which is to secure a profit or avoid a loss;
  - (v) units in a collective investment scheme;
  - (vi) units in a business trust;
  - (vii) derivatives of units in a business trust;
  - (viii) any other security or class of securities; or
  - (ix) any type of investment as such term might be construed under legislation in any other jurisdiction in the world);
- (i) you are fully aware of and understand that you are not eligible to purchase any Tokens or access the Available Information if you are a citizen, national, resident (tax or otherwise) and/or green card holder of a Restricted Jurisdiction or if you are a Restricted Person, subject to certain limitations applicable to accredit investors under the Securities Act;
- (j) you have a basic degree of understanding of the operation, functionality, usage, storage, transmission mechanisms and other material characteristics of cryptocurrencies, blockchain-based software systems, cryptocurrency wallets or other related token storage mechanisms, blockchain technology and smart contract technology and you agree to bare any risk related with the use of such technology;
- (k) you are fully aware and understand that in the case where you wish to purchase any Tokens, there are risks associated with: (A) the Group and its business and operations; (B) the Tokens; (C) the Token Sale; and (D) relying or acting on all or any

part of the Available Information;

- (l) you agree and acknowledge that the Group is not liable for any direct indirect special incidental consequential or other losses of any kind in tort contract or otherwise (including but not limited to loss of revenue income or profits or loss of use or data or loss of reputation or loss of any economic or other opportunity of whatsoever nature or howsoever arising) arising out of or in connection with any acceptance of or reliance on the Available Information or any part thereof by you; and
- (m) all of the above representations and warranties are true, complete, accurate and not misleading from the time of your last access to and/or possession of (as the case may be) the Available Information.

### **CAUTIONARY NOTE ON FORWARD-LOOKING STATEMENTS**

All statements contained in the Available Information, statements made in any press releases or in any place accessible by the public and oral statements that may be made by the Group or the Group Representatives (as the case may be), that are not statements of historical fact, constitute “forward looking statements”. Some of these statements can be identified by forward-looking terms such as “aim”, “target”, “anticipate”, “believe”, “could”, “estimate”, “expect”, “if”, “intend”, “may”, “plan”, “possible”, “probable”, “project”, “should”, “would”, “will” or other similar terms. However, these terms are not the exclusive means of identifying forward-looking statements. All statements regarding the Group’s financial position, business strategies, plans and prospects and the future prospects of the Group’s industry, are forward-looking statements. These forward-looking statements, including but not limited to statements as to the Group’s revenue profitability and growth, expected revenue profitability and growth, prospects, future plans, other expected industry trends and other matters discussed in the Available Information regarding the Group are matters that are not historic facts, but only estimations and predictions. The Group makes no representation or warranty on having made any predictions or estimates or expectations on the basis of any formula, any mathematical or scientific modelling or forecast, or having made any due and proper enquiries or having undertaken any independent research or studies or otherwise. These forward-looking statements involve known and unknown risks, uncertainties and other factors that may cause the actual future results, performance or achievements of the Group to be materially different from any future results, performance or achievements expected, expressed or implied by such forward-looking statements. These factors include, amongst others:

- (a) changes in legal political social economic and stock or cryptocurrency market conditions and the regulatory environment in the countries in which the Group is or will conduct its Token Sale, business and/or, operations, including the Showbox platform;
- (b) the risk that the Group may be unable or execute or implement its business strategies and future plans;
- (c) changes in interest rates and exchange rates of fiat currencies and cryptocurrencies;
- (d) changes in the anticipated growth strategies and expected internal growth of the Group;
- (e) changes in the availability and fees payable to the Group in connection with its business and operations;
- (f) changes in the availability and salaries of employees who are required by the Group to operate its business and operations;

- (g) changes in preferences of customers of the Group;
- (a) The Group's ability to complete the development of the Showbox platform, build a community of contributors and costumers that will adopt or use the Showbox platform;
- (b) changes in competitive conditions under which the Group operates, and the ability of the Group to compete under such conditions;
- (c) changes in the future capital needs of the Group and the availability of financing and capital to fund such needs;
- (d) war or acts of international or domestic terrorism;
- (e) occurrences of catastrophic events, natural disasters and acts of God that affect the businesses and/or operations of the Group;
- (f) other factors beyond the control of the Group; and
- (g) any risk and uncertainties associated with the Group and its business and operations, the Tokens, the Token Sale and reliance on all or any part of the Available Information.

All forward-looking statements made by or attributable to the Group or Group Representatives are expressly qualified in their entirety by such factors. Given that risks and uncertainties that may cause the actual future results, performance or achievements of the Group to be materially different from that expected, expressed or implied by the forward-looking statements in the Available Information, undue reliance must not be placed on these statements.

Nothing contained in the Available Information is or may be relied upon as a promise, representation or undertaking as to the future performance or policies of the Group. Further, the Group disclaims any responsibility to update any of those forward-looking statements or publicly announce any revisions to those forward-looking statements to reflect future developments, events or circumstances, even if new information becomes available or other events occur in the future.

These forward-looking statements are applicable only as of the later of the date of publication of the White Paper and the latest date that the Website has been updated. Neither the Group nor the Group Representatives nor any other person represents, warrants and/or undertakes that the actual future results, performance or achievements of the Group will be as discussed in those forward-looking statements. The actual results, performance or achievements of the Group may differ materially from those anticipated in these forward-looking statements. You should review carefully the risks and uncertainties described under the heading "Risk Factors" in this "Legal Disclaimer and Risk Factors" for a discussion of these and other risks that relate to our business and participating in the Token sale.

## **RISK FACTORS**

You should carefully consider and evaluate each of the following risk factors and all other information contained in these Terms before deciding to participate in the Token Sale. To the best of the Group's knowledge and belief, all risk factors which are material to you in making an informed judgment to participate in the Token Sale have been set out below. If any of the following considerations, uncertainties or material risks develops into actual events, the business, financial position and/or results of operations of the Group and the maintenance and level of usage of the Tokens could be materially and adversely affected. In such cases,



the value of Tokens (in the case where they are listed on an exchange or market (regulated, unregulated, primary, secondary or otherwise)) could decline due to any of these considerations, uncertainties or material risks, and you may lose all or part of your Tokens or the economic value thereof.

#### RISKS RELATING TO PARTICIPATION IN THE TOKEN SALE

##### ***There is no prior market for Tokens and the Token Sale may not result in an active or liquid market for the Tokens***

Prior to the Token Sale, there has been no public market for the Tokens. In the event that the Group ever decides to seek the approval for availability of the Tokens for trading on a cryptocurrency exchange or market, there is no assurance that such approval will be obtained. Furthermore, even if such approval is granted by a cryptocurrency exchange, there is no assurance that an active or liquid trading market for the Tokens will develop, or if developed, will be sustained after the Tokens have been made available for trading on such market. There is also no assurance that the market price of the Tokens will not decline below the original or issue purchase price (the "**Purchase Price**"). The Purchase Price may not be indicative of the market price of the Tokens after they have been made available for trading on a market.

A Token is not a currency issued by any central bank or national, supra-national or quasi-national organization, nor is it backed by any hard assets or other credit nor is it a commodity in the traditional sense of that word. The Group is not responsible for, nor does it pursue, the circulation and trading of Tokens on any market. Trading of Tokens will merely depend on the consensus on its value between the relevant market participants. The Group may choose in the future to introduce a cash in cash out mechanism that will serve as the entry and exit point from the platform, as further described in the White Paper. There is no guarantee that such mechanism will be introduced or that if introduced, that there will be sufficient funds at any given time or that the reserves will be balanced to allow sufficient liquidity.

No one is obliged to purchase any Token from any holder of a Token, including the purchasers, nor does anyone guarantee the liquidity or market price of Tokens to any extent at any time. Furthermore, Tokens may not be resold to purchasers who are citizens, nationals, residents (tax or otherwise) and/or green card holders of Restricted Jurisdictions or to Restricted Persons or to purchasers in any other jurisdiction where the purchase of Tokens may be in violation of applicable laws, unless they comply with the applicable securities exemptions in such jurisdictions. Accordingly, the Group cannot ensure that there will be any demand or market for Tokens, or that the Purchase Price is indicative of the market price of Tokens after and if they have been made available for trading on any cryptocurrency exchange or market.

##### ***Future sales or issuance of the Tokens could materially and adversely affect the market price of the Tokens***

Any future sale or issuance of the Tokens would increase the supply of Tokens in the market and this may result in a downward price pressure on the Token. The sale or distribution of a significant number of Tokens outside of the Token Sale (including but not limited to the sales of Tokens undertaken after the completion of a crowdsale, future issuance of Tokens to persons other than purchasers for purposes of community initiatives, business development, academic research, education and market expansion, issuance of Tokens as part of the token reserve pool balancing mechanism and issuance of Tokens as a reward to users of the Group's Showbox Platform that is yet to be developed or otherwise), or the perception that such further sales or issuance may occur, could adversely affect the value of the Tokens.

##### ***Negative publicity may materially and adversely affect the value of the Tokens.***

Negative publicity involving the Group, the Group's Platform that is yet to be developed, the Tokens or any of the key personnel of the Group and/or regulation of distributed ledger technologies, cryptocurrencies and/or crowdsales of tokens in any jurisdiction, may materially and adversely affect the market perception or value of the Tokens, whether or not justified.

***There is no assurance of any success of the Group's Token Sale or Showbox Platform that is yet to be fully developed as described by the Available Information.***

The value of, and demand for, the Tokens depends on the performance of the Group's Token Sale and Showbox platform that is yet to be developed in full and the continuous active engagement of its users and success of its contemplated business lines. There is no assurance that the Group's Token Sale will be successful or that its Showbox Platform that is yet to be developed will gain or continue to gain traction. While the Group has made efforts to provide a realistic estimate, there is no assurance that the SBXs sold in the Token Sale will be sufficient for the development of the Group's Showbox platform. For the foregoing or any other reason, the development of the Group's Showbox platform and launch of the anticipated Token functionality may not be completed and there is no assurance that it will be launched at all. As such, distributed Tokens may hold little or no worth or value and this would impact any value price and/or use of the Tokens.

***The value of the Tokens may fluctuate following the Token Sale.***

The value of cryptographic tokens in general tend to be relatively volatile, and can fluctuate significantly over short periods of time. The demand for, and the corresponding market price of, the Tokens may fluctuate significantly and rapidly in response to, among others, the following factors, some of which are beyond the control of the Group:

- (a) new technical innovations;
- (b) analysts' speculations, recommendations, perceptions or estimates of the Token's value or the Group's financial and business performance;
- (c) changes in market valuations and token prices of entities with businesses similar to that of the Group that may be listed on the same cryptocurrency exchanges or markets as the Tokens;
- (d) announcements by the Group of significant events, for example partnerships, sponsorships or new product developments;
- (e) fluctuations in market prices and trading volume of cryptocurrencies on cryptocurrency exchanges or markets;
- (f) additions or departures of key personnel of the Group;
- (g) success or failure of the Group's management in implementing business and growth strategies; and/or
- (h) changes in conditions affecting the blockchain or financial technology industry, the general economic conditions or market sentiments, or other events or factors.

***The funds raised in the Token Sale are exposed to risks of theft.***

The Group will make efforts to ensure that the funds received from the Token Sale will be securely held in a multi-signature wallet, which is a multi-signature address with access thereto by private keys held by reputable and trusted parties. Further, the Group may make effort to

ensure that the funds received by it from Token Sale and the Tokens in the reserve pool and the community pool will be securely held through the implementation of security measures. Notwithstanding such security measures, there is no assurance that there will be no theft of the cryptocurrencies as a result of hacks, sophisticated cyber-attacks, distributed denials of service or errors, vulnerabilities or defects on the Token Sale website, in the smart contract(s) on which the multi-signature wallet and the Token Sale relies, on the Ethereum blockchain or any other blockchain to be used in the future by the Group, or otherwise. Such events may include, for example, flaws in programming or source code leading to exploitation or abuse thereof. In such event, even if the Token Sale is completed, the Group may not be able to receive the cryptocurrencies raised and the Group may not be able to use such funds for the development of the Group's Showbox Platform. In such case, the launch of the Group's Showbox Platform might be temporarily or permanently curtailed. As such, distributed Tokens may hold little worth or value and this would impact their trading price.

In addition, cryptocurrency holdings are inherently exposed to various risks related to cyber-attacks, theft, fraud and scams. You are highly encouraged to implement independent security measures and judgment with respect to the holding and protection of your Tokens.

***The exchange fiat to Tokens rate may fluctuate significantly***

The exchange rate between cryptocurrencies and tokens to fiat has been highly volatile and is likely to remain highly volatile in the future. The exchange rate price of our Token to fiat may fluctuate significantly due to a variety of factors, including:

- the positive or negative reviews and adoption rate of the platform by contributors;
- sufficient reserves and balancing in the entry and exit point to the platform;
- technological innovations or commercial product introductions by us or our competitors;
- changes in government regulations;
- developments concerning proprietary rights, including patents and litigation matters;
- general market conditions in the cryptocurrencies industry or in the economy as a whole;  
or
- other events and factors, many of which are beyond our control.

These and other market and industry factors may cause the Token fiat exchange rate to fluctuate substantially, which may limit or prevent the platform adoption rate by contributors and consumers, negatively affecting the Tokens liquidity.

**RISKS RELATING TO THE COMPANY**

***The Group's Showbox Platform is yet to be fully developed.***

Any events or circumstances which adversely affect the Group or any of its successor or affiliated operating entities may have a corresponding adverse effect on the Group's Showbox Platform that is yet to be fully developed, including but not limited to the development, structuring and launch of the Group's Showbox Platform. Such adverse effects would correspondingly have an impact on the utility, liquidity, and the trading price of the Tokens.

***The Group may be materially and adversely affected if it fails to effectively manage its operations as its business develops and evolves, which would have a direct impact on***

***its ability to develop, maintain or operate the Group's Showbox Platform and/or develop, structure and/or license any Token functionality.***

The technology and cryptocurrency industries in which the Group competes have grown rapidly over the past few years and continue to evolve in response to new technological advances, changing business models, shifting regulations and other factors. As a result of this constantly changing environment, the Group may face operational difficulties in adjusting to the changes, and the sustainability of the Group will depend on its ability to manage its operations, ensure that it hires qualified and competent employees, and provides proper training for its personnel. As its business evolves, the Group must also expand and adapt its operational infrastructure. The Group's business will in part rely on its blockchain-based software systems, cryptocurrency wallets or other related token storage mechanisms, blockchain technology and smart contract technology. All of these systems, tools, and skill sets represent complex, costly, and rapidly changing technical infrastructure. In order to demonstrate continued ability to effectively manage technical support infrastructure for the Group's Showbox Platform that is yet to be developed and the future functionality of the Tokens, the Group will need to continue to upgrade and improve its data systems and other operational systems, procedures, and controls. These upgrades and improvements will require a dedication of resources and are likely to be complex and increasingly rely on hosted computer services from third parties that the Group does not or will not control. If the Group is unable to adapt its systems and organization in a timely, efficient, and cost-effective manner to accommodate changing circumstances, its business, financial condition and/or results of operations may be adversely affected. If the third parties whom the Group relies on are subject to a security breach or otherwise suffer disruptions that impact the services the Group uses, the integrity and availability of its internal information could be compromised, which may consequently cause the loss of confidential or proprietary information and/or economic loss. The loss of financial, labor or other resources, and any other adverse effect on the Group's business, financial condition and/or operations, would have a direct adverse effect on the Group's ability to develop maintain or operate the Group's Showbox Platform and/or to develop, structure and/or license the anticipated Token functionality. Any adverse effects affecting the Group business or technology are likely to also adversely impact the utility, liquidity, and trading price of the Tokens.

***The Group may experience system failures, unplanned interruptions in its network or services, hardware or software defects, security breaches or other causes that could adversely affect the Group's infrastructure network, and/or the Group's Showbox Platform that is yet to be developed.***

The Group is not able to anticipate when there would be occurrences of hacks, cyber-attacks, distributed denials of service or errors, vulnerabilities or defects in: the Group's Showbox Platform that is yet to be developed, in the smart contracts on which the Group or the Group's Showbox Platform relies, or on the Ethereum or any other blockchain. Such events may include, for example, flaws in programming or source code leading to exploitation or abuse thereof. The Group may not be able to detect such hacks, cyber-attacks, distributed denials of service errors vulnerabilities or defects in a timely manner, and may not have sufficient resources to efficiently cope with multiple service incidents happening simultaneously or in rapid succession.

The Group's network or services, which would include the Group's Showbox Platform that is yet to be developed and, if successfully structured, developed, licensed and launched, the Token functionality, could be disrupted by numerous events, including natural disasters, equipment breakdown, network connectivity downtime, power losses, or even intentional disruptions of its services, such as disruptions caused by software viruses or attacks by unauthorized users, some of which are beyond the Group's control. There can be no assurance that cyber-attacks, such as distributed denials of service, will not be attempted in the future or that the Group's security measures will be effective. The Group may be prone to attacks on its infrastructure intended to steal information about its technology, financial data or user

information or take other actions that would be damaging to the Group and/or holders of the Tokens. Any significant breach of the Group's security measures or other disruptions resulting in a compromise of the usability, stability, and security of the Group's Showbox Platform that is yet to be fully developed may adversely affect the utility, liquidity and/or trading price of the Tokens.

***The Group may in the future be dependent in part on the location and data center facilities of third parties.***

The Group's future infrastructure network may be established in whole or in part through servers which it owns and/or houses at the location facilities of third parties, and/or servers that it rents at data center facilities of third parties. If the Group is unable to renew its data facility leases on commercially reasonable terms or at all, the Group may be required to transfer its servers to a new data center facility, and may incur significant costs and possible service interruption in connection with the relocation. These facilities are also vulnerable to damage or interruption from, among others, natural disasters, arson, terrorist attacks, power losses, and telecommunication failures.

Additionally, the third-party providers of such facilities may suffer a breach of security as a result of third-party action, employee error, malfeasance or otherwise, and a third party may obtain unauthorized access to the data in such servers. The Group and the providers of such facilities may be unable to anticipate these techniques or to implement adequate preventive measures.

***General global market and economic conditions may have an adverse impact on the Group's operating performance, results of operations and/or cash flows.***

The Group could continue to be affected by general global economic and market conditions. Challenging economic conditions worldwide have from time to time, contributed, and may continue to contribute, to slowdowns in the information, video creating, or technology industry at large. Weakness in the economy could have a negative effect on the Group's business, operations and financial condition, including decreases in revenue and operating cash flows, and inability to attract future equity and/or debt financing on commercially reasonable terms. Additionally, in a down-cycle economic environment, the Group may experience the negative effects of a slowdown in trading and usage of the Group's Showbox Platform that is yet to be fully developed and may delay or cancel the development, structuring, licensing and/or launch of the anticipated Token functionality.

Suppliers on which the Group relies for servers, bandwidth, location and other services could also be negatively impacted by economic conditions that, in turn, could have a negative impact on the Group's operations or expenses. There can be no assurance, therefore, that current economic conditions or worsening economic conditions or a prolonged or recurring recession will not have a significant, adverse impact on the Group's business, financial condition and results of operations, and hence, the Group's Showbox Platform that is yet to be developed and/or the ability to develop, structure, license and/or launch any Token functionality. Any such circumstances would then correspondingly negatively impact the utility, liquidity, and/or trading price of the Tokens.

***The Group or the Tokens may be affected by newly implemented regulations.***

Distributed ledger technologies, businesses and activities as well as cryptocurrencies and cryptocurrency-related businesses and activities are generally unregulated worldwide, but numerous regulatory authorities across jurisdictions have been outspoken about considering the implementation of regulatory regimes which govern distributed ledger technologies, businesses and activities as well as cryptocurrencies and cryptocurrency-related businesses and activities. The Group or the Tokens may be affected by newly implemented regulations

relating to distributed ledger technologies, businesses and activities as well as cryptocurrencies and cryptocurrency-related businesses and activities, including having to take measures to comply with such regulations, or having to deal with queries, notices, requests or enforcement actions by regulatory authorities, which may come at a substantial cost and may also require substantial modifications to the Group's Showbox Platform that is yet to be developed and/or the anticipated Token functionality. This may impact the appeal or practicality or functionality of the Group's Showbox Platform that is yet to be developed and/or the anticipated Token functionality for users and result in decreased usage of and demand for the Group's Showbox Platform and the Tokens. Further, should the costs (financial or otherwise) of complying with such newly implemented regulations exceed a certain threshold, maintaining the Group's Showbox Platform that is yet to be developed and/or developing, structuring, licensing and/or launching the Token functionality may no longer be commercially viable, and the Group may opt to discontinue the Group's Showbox Platform that is yet to be developed and/or the anticipated Token functionality, and/or the Tokens. Further, it is difficult to predict how or whether governments or regulatory authorities may implement any changes to laws and regulations affecting distributed ledger technology and its applications, including the Group's Showbox Platform that is yet to be developed and/or the anticipated Token functionality, and/or the Tokens.

The Group may also have to cease operations in a jurisdiction that makes it illegal to operate in such jurisdiction, or make it commercially unviable or undesirable to obtain the necessary regulatory approval(s) to operate in such jurisdiction. In scenarios such as the foregoing, the utility, liquidity, and/or trading price of Tokens will be adversely affected and/or Tokens may cease to be traded.

***There Group's Showbox Platform may not be adopted by creators and consumers***

There can be no assurance that consumers and creators, on which the Group relies to use the Showbox Platform, will adopt and use the Showbox Platform, which would negatively impact the utility, liquidity, and/or trading price of the Tokens.

***There may be unanticipated risks arising from the Tokens.***

Cryptographic utility tokens such as the Tokens are a relatively new and dynamic technology. In addition to the risks included in the above discussion of risk factors, there are other risks associated with the purchase, holding, and use of the Tokens, including those that the Group cannot anticipate. Such risks may further appear as unanticipated variations or combinations of the risks discussed above.

## **7. PRIVACY POLICY<sup>1</sup>**

By purchasing Tokens, you agree to your personal data, (i.e., your e-mail address, name, address) being processed by the Group for its business purposes or the purposes of building, promoting, and communicating (about) the Group's Showbox Platform that is yet to be developed and the Tokens. The Group agrees to keep your email address and other personal data private and not share it with the public (e.g., by including it on any external lists or selling to any third parties).

## **8. DISCLAIMER**

The White Paper may contain references to third party data and industry publications. As far as we are aware, the information reproduced in this White Paper is accurate and that the estimates and assumptions contained herein are reasonable. However, we offer no assurances as to the

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<sup>1</sup> NTD: To be finalize once GDPR process is implemented to the platform.

accuracy or completeness of this data. Although information and data reproduced in the White Paper are believed to have been obtained from reliable sources, we have not independently verified any of the information or data from third party sources referred to in the White Paper or ascertained the underlying assumptions relied upon by such sources.

The presentation of the Available Information is solely for informational purposes. Anyone interested in purchasing Tokens and participating in the Token Sale should consider the various risks, including the risk factors described elsewhere in this Legal Disclaimer and Risk Factors prior to making any kind of decision in respect of the Token Sale. The Available Information does not comprise any advice by the Group or by the Group Representatives, or any recommendation to any recipient of the Available Information, by the virtue of any participation in the Token Sale or otherwise. The Available Information does not necessarily identify, or claim to identify, all the risk factors connected with the Group, the Group's Showbox Platform that is yet to be developed, the Tokens, the Token Sale, any future Token functionality or the Available Information. All the participants must make their own independent evaluation, after making such investigations as they consider essential, of the merits of participating in the Token Sale and after taking their own independent professional advice. Any participant in the Token Sale should check with and rely upon their own investment, accounting, legal and tax representatives and consultants in respect of such matters concerning the Group, the Group's Showbox Platform that is yet to be developed, the Tokens, the Token Sale, any future Token functionality and the Available Information and to assess separately the financial risks, consequences and appropriateness of the purchase of Tokens, or if in any doubt about the facts set out in the Available Information in his jurisdiction. **A PURCHASE OF TOKENS COMPRISES CONSIDERABLE RISK AND MIGHT INVOLVE EXTRAORDINARY RISKS THAT MAY LEAD TO A LOSS OF ALL OR A SIGNIFICANT PORTION OF MONIES OR MONETARY VALUE UTILIZED TO ACQUIRE TOKENS.** Participants in the Token Sale are urged to completely understand, be aware of and accept the characteristics of the Group, the Group's Showbox Platform that is yet to be developed, the Tokens, the Token Sale, any future Token functionality and the Available Information.

**IF YOU ARE NOT PREPARED TO ACCEPT ANY OR ALL OF THESE TERMS OR THE RISKS SET OUT IN THESE TERMS THEN YOU ARE ADVISED NOT TO PARTICIPATE IN THE TOKEN SALE. NO GUARANTEE OR ASSURANCE IS GIVEN BY THE GROUP OR BY THE GROUP REPRESENTATIVES THAT THE GROUP'S PROPOSALS, OBJECTIVES AND/OR OUTCOMES SET OUT IN THE AVAILABLE INFORMATION WILL BE ACHIEVED IN WHOLE OR IN PART. YOU ARE URGED TO CONSIDER WHETHER PARTICIPATION IN THE TOKEN SALE IS SUITABLE FOR YOU HAVING REGARD TO YOUR PERSONAL AND FINANCIAL CIRCUMSTANCES AND YOUR FINANCIAL RESOURCES.**

**9. RESTRICTIONS ON DISTRIBUTION AND DISSEMINATION OF THE AVAILABLE INFORMATION**

The distribution of all or any part of the Available Information may be prohibited or restricted by the laws, regulatory requirements and rules of certain jurisdictions. In the case where any such restriction applies, you are responsible for informing yourself in respect of the same and for observing any such restrictions which are applicable to your possession and/or dissemination of all or any part of the Available Information at your own expense and without liability to the Group.

Persons to whom a copy of all or any part of the Available Information has been distributed or disseminated, provided access to or who otherwise have all or any part of the Available Information in their possession shall not circulate it to any other persons, reproduce or otherwise distribute any information contained herein for any purpose whatsoever nor permit or cause the same to occur.

**10. NO OFFER OF SECURITIES OR REGISTRATION**

The White Paper does not constitute a prospectus or offer document of any sort and is not intended to constitute an offer of securities or a solicitation for investment in securities in any jurisdiction. No person is bound to enter into any contract or binding legal commitment and no cryptocurrency or other form of payment is to be accepted on the basis of all or any part of the Available Information. Any agreement in relation to any sale and purchase of Tokens is to be governed by the terms and conditions of such agreement and no other document. In the event of any inconsistencies between the terms and conditions of that agreement and the Available Information, those terms and conditions shall prevail.

You are not eligible to purchase any Tokens in the Token Sale if you are a citizen, resident (tax or otherwise) or green card holder of a Restricted Jurisdiction or you are a Restricted Person. No regulatory authority has examined or approved of any of the Available Information. No such action has been or will be taken under the laws, regulatory requirements or rules of any jurisdiction. The publication, distribution or dissemination of the Available Information does not imply that the applicable laws, regulatory requirements or rules have been complied with.

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