





adopted, it might not function as intended, and any (Ø) tokens may not have functionality that is desirable or valuable. Also, technology is changing rapidly, so the EIP platform and the (Ø)tokens may become outdated.

### 3. SECURITY RISKS

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

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

3.3. Attacks on Token Smart Contract. The blockchain used for the token smart contract which creates the (Ø) tokens is susceptible to mining attacks, including double-spend attacks, majority mining power attacks, "selfish-mining" attacks, and race condition attacks. Any successful attacks present a risk to the token smart contract, expected proper execution and sequencing of the (Ø)token transactions, and expected proper execution and sequencing of contract computations.

3.4. Failure to Map a Public Key to Purchaser's Account. Failure of a purchaser of the (Ø) tokens to map a public key to such purchaser's account may result in third parties being unable to recognize purchaser's EMI token balance on the Ethereum blockchain when and if they configure the initial balances of a new blockchain based upon the EMI platform.

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

#### 4. RISKS RELATING TO PLATFORM DEVELOPMENT

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

4.2. Dependence of EIP Platform on Senior Management Team. Ability of the senior management team which is responsible for maintaining competitive position of the EIP platform is dependent to a large degree on the services of each member of that team. The loss or diminution in the services of members of respective senior management team or an inability to attract, retain and maintain additional senior management personnel could have a material adverse effect on the EIP platform. Competition for personnel with relevant expertise is intense due to the small number of qualified individuals, and this situation seriously affects the ability to retain its existing senior management and attract additional qualified senior management personnel, which could have a significant adverse impact on the EIP platform.

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

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

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

4.6. Risk Associated with Other Applications. The EIP platform may give rise to other, alternative projects, promoted by unaffiliated third parties, under which the EMI token will have no intrinsic value.

4.7. Risk of an Unfavorable Fluctuation of Cryptocurrency Value. The proceeds of the sale of the EMI tokens will be denominated in cryptocurrency, and may be converted into other cryptographic and fiat currencies. If the value of cryptocurrencies fluctuates unfavorably during or after the EMI token sale, the project management team may not be able to fund development, or may not be able to develop or maintain the EIP platform in the manner that it intended.

## 5. RISKS ARISING IN COURSE OF COMPANY PARTIES' BUSINESS

5.1. Risk of Conflicts of Interest. Company Parties may be engaged in transactions with related parties, including respective majority shareholder, companies controlled by him or in which he owns an interest, and other affiliates, and may continue to do so in the future. Conflicts of interest may arise between any Company Party's affiliates and respective Company Party, potentially resulting in the conclusion of transactions on terms not determined by market forces.

5.2. Risks Related to Invalidation of Company Parties Transactions. Company Parties have taken a variety of actions relating to their business that, if successfully challenged for not complying with applicable legal requirements, could be invalidated or could result in the imposition of liabilities on respective Company Party. Since applicable legislation may be subject to many different interpretations, respective Company Party may not be able to successfully defend any challenge brought against such transactions, and the invalidation of any such transactions or imposition of any such liability may, individually or in the aggregate, have a material adverse effect on the EIP platform.

5.3. Risk Arising from Emerging Markets. Company Parties or some of them may operate on emerging markets. Emerging markets are subject to greater risks than more developed markets, including significant legal, economic and political risks. Emerging economies are subject to rapid change and that the information set out in this White Paper may become outdated relatively quickly.

## 6. GOVERNMENTAL RISKS

6.1. Uncertain Regulatory Framework. The regulatory status of cryptographic tokens, digital assets and blockchain technology is unclear or unsettled in many jurisdictions. It is difficult to predict how or whether governmental authorities will regulate such technologies. It is likewise difficult to predict how or whether any

governmental authority may make changes to existing laws, regulations and/or rules that will affect cryptographic tokens, digital assets, blockchain technology and its applications. Such changes could negatively impact the tokens in various ways, including, for example, through a determination that the tokens are regulated financial instruments that require registration. Company may cease the distribution of the EMI tokens, the development of the EIP platform or cease operations in a jurisdiction in the event that governmental actions make it unlawful or commercially undesirable to continue to do so.

6.2. Failure to Obtain, Maintain or Renew Licenses and Permits. Although as of the date of starting of the EMI token sale there are no statutory requirements obliging Company to receive any licenses and permits necessary for carrying out of its activity, there is the risk that such statutory requirements may be adopted in the future and may relate to any of Company Parties. In this case, Company Parties' business will depend on the continuing validity of such licenses and permits and its compliance with their terms. Regulatory authorities will exercise considerable discretion in the timing of license issuance and renewal and the monitoring of licensees' compliance with license terms. Requirements which may be imposed by these authorities and which may require any of Company Party to comply with numerous standards, recruit qualified personnel, maintain necessary technical equipment and quality control systems, monitor our operations, maintain appropriate filings and, upon request, submit appropriate information to the licensing authorities, may be costly and time-consuming and may result in delays in the commencement or continuation of operation of the EIP platform. Further, private individuals and the public at large possess rights to comment on and otherwise engage in the licensing process, including through intervention in courts and political pressure. Accordingly, the licenses any Company Party may need may not be issued or renewed, or if issued or renewed, may not be issued or renewed in a timely fashion, or may involve requirements which restrict any Company Party's ability to conduct its operations or to do so profitably.

6.3. Risk of Government Action. The industry in which Company Parties operate is new, and may be subject to heightened oversight and scrutiny, including investigations or enforcement actions. There can be no assurance that governmental authorities will not examine the operations of Company Parties and/or pursue enforcement actions against them. All of this may subject Company Parties to judgments, settlements, fines or penalties, or cause Company Parties to restructure their operations and activities or to cease offering certain products or services, all of which could harm Company Parties' reputation or lead to higher operational costs, which may in turn have a material adverse effect on the EMI tokens and/or the development of the EIP platform.

6.4. Risk of Burdensomeness of Applicable Laws, Regulations and Standards. Failure to comply with existing laws and regulations or the findings of government inspections, or increased governmental regulation of Company Parties operations,

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

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