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1. you are not an Excluded Person;
2. you have read the entirety of this Whitepaper and understand the risks entailed in your purchase of Hedget Tokens;
3. you agree to be bound by the limitations and restrictions described herein; and
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Hedget Protocol

Building a Decentralized Options Trading Platform

September 1st, 2020

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Abstract

Hedget is a decentralised protocol for options trading. By putting up collateral, users can create and trade different option series on chain. Decentralised option products allow users to hedge price fluctuation and also the risk in their collateralised lending positions. The protocol also adds in support on Layer 2 to existing blockchains such as Ethereum to enable faster, cheaper, and more complex transactions. Hedget believes that risk mitigating DeFi protocols like decentralised options are necessary building blocks as the decentralized finance sector grows and matures. Hedget Foundation issues HGET token as the native token on the platform for governance and other utility purposes.

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1 Background

Decentralized financial (DeFi) applications have been growing exponentially in terms of users and volume as the cryptocurrency market further grows in capitalization. As of July 2020, the total value of assets stored in DeFi has surpassed US 1.5 billion and has grown 140% since the beginning of the calendar year.[1]. With the proliferation of DeFi protocols, users of cryptocurrencies are being offered greater flexibility in how they deploy their crypto capital. Users can now earn interest on their crypto deposits, borrow assets with crypto collateral and also trade derivatives -- all accomplished in a decentralized way.

However, the price of cryptocurrencies (apart from stablecoins) is always fluctuating on the secondary market. Ethereum (ETH), as the second largest cryptocurrency by market capitalization, almost halved in price within one day on March 12th[2]. Since most of the DeFi protocols are built on top of Ethereum and support ETH as a collateral, many positions held by DeFi users were liquidated because of the sudden price drop. Risks such as these are mitigated in traditional finance by using options and other derivative products. We believe there should be similar infrastructure in place for DeFi protocols to protect user positions against price fluctuations in the cryptocurrency market.

2 Introducing Hedget

Hedget is a decentralised platform for options trading. Users can buy and sell options products on the platform by providing collateral in the form of cryptocurrency (both stablecoins and traditional cryptocurrencies). It also allows users to hedge the risk for their crypto holdings as well as their debt positions on other lending protocols such as Compound[3] and Aave.

2.1 Options

By design, options give users the right (but not obligation) to buy and sell an asset at a future date at a specific price[4]. An option product consists of a type (call or put), a strike price, and an expiry date. In the case of a call option, holders have the right to buy the asset at the strike price at a future date; and vice versa for put options. Options are also considered a special type of derivative product because the price of options are derived from both the price and fluctuation of the underlying assets.

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[1] Data is based on DeFi Pulse: https://defipulse.com/

[2] https://coinmarketcap.com/currencies/ethereum/

[3] https://compound.finance/

[4] https://www.investopedia.com/options-basics-tutorial-4583012

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Initially, the protocol will support European style options, which means that the option can only be settled at time of expiry. Holders of European options cannot exercise the option even if the price of the underlying assets moves towards a favorable direction. For example, if a user believes that ETH price is going to increase to $400 in the next few months, he could purchase a call option expired in a quarter to buy ETH at a price (say $300) that is lower than the expected price. The user will pay a price for the option (say $50); as ETH price fluctuates, the option price also varies. At the time when the option expires, the user could register profit or loss based on the actual ETH price at the end of the quarter versus the strike price of the call option (if the actual ETH price is $450 at the end of the quarter, the user's profit would be $450-$300-$50 = $100).

2.2 Overview of Options in Hedget

Hedget allows users to create and trade options on the platform. Each time option products are created, the system will mint a token to represent the option. Key elements for creating options include：

The underlying asset being tracked:

The first version will focus on ETH as an underlying asset, and later will be expanded to support ERC-20 tokens and tokens on other blockchains.

Option type (call or put):

When using a call option, the user is reserving the right to buy at the strike price when the option expires.

When using a put option, the user is reserving the right to sell at the strike price when the option expires.

There will be new option series added when the current trading price is above the highest or below the lowest strike prices available.

Maturity Dates

The time when options could be exercised. In the first version of Hedget, the maturity dates for the options are every Friday at 8:00 UTC+5.

2.3 Further Details regarding Hedget Option Mechanics

Collateral Requirement

Users will be required to put up collateral as they create different option products in order to guarantee the possibility of exercising the option. In the first version, 100% collateral is required. For example, if a user

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writes a call option for 5 ETH, he needs to put 5 ETH as a collateral. If he writes a put option, he would need to put USDC as collateral.

Settlement: Cash Settlement and Physical Settlement

In case of a physical settlement, if the options holder chooses to exercise his options at the maturity date, counterparties exchange the underlying asset for a cash asset. For example, when ETH call options are exercised, the writer will swap his ETH for the holder's USDC. Cash settlement is available as a more efficient alternative: in this case, the writer will simply transfer the calculated profit amount to the holder. Since cash settlement can be performed internally, it might be more beneficial in terms of fees.

For example, users could create an option product representing an ETH call option at price $250 that expires on 7th August, 2020. Options are categorized into distinct tokens as they differ in any of the above parameters. These tokens can be traded on a decentralized exchange at the price selected by traders.

The platform would allow only specific combinations of maturity dates and strike prices to ensure optimal liquidity of options.

The platform will provide a decentralized exchange component for trading tokens which represent options. Options will be priced in stablecoins such as USDC, DAI, BUSD.

2.4 Fee Structure

Taker fee 0.04% of underlying (matches Deribit[5], less than on FTX exchange[6])

Maker fee -0.02% of underlying (unique offer on the market, rebate fee part of liquidity mining)

0.02% difference between Taker and Maker fees will go to special Reserve locked for two years and governed by DAO

Settlement fee 0.02% + ETH fees (if settled on Ethereum) paid by option buyer

In the first 3-4 years 0.02% settlement fee will be paid by the system from liquidity mining pool, thus rewarding option writers, and reducing total fees for option buyers.

3 Use Cases

[5] https://www.deribit.com/pages/information/fees

[6] https://help.ftx.com/hc/en-us/articles/360038094432-Options-Explainer

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Hedget could be used in both to-consumer and to-business settings to increase capital efficiency, hedge price risks and lending risks. Users can trade options directly on the platform; the option products could also be offered as a security feature for various decentralised lending and trading protocols to protect users' collateral.

3.1 As a decentralised price hedge

For users, the option products offer a decentralized price hedge against their current crypto holdings. As ETH price fluctuates, buying a protective put option allows users to be able to sell at a certain price. Compared to selling ETH for stablecoins, buying a put option gives holders the right to protect against downward price movement but also enjoy ETH appreciation because they could choose not to exercise the option.

3.2 As protection against liquidation for lending protocols

Hedget could also be offered to other lending protocols as a security feature against user position liquidation.

As mentioned earlier, there is significant risk for users using ETH as collateral for their lending positions. DeFi lending protocols currently adopt over-collateralized lending mostly. For instance, on Maker DAO, users need to put up 150% ETH collateral in order to mint DAI stablecoin. There is a liquidation ratio, which means that if the ETH collateral is worth less than the DAI value, the ETH will be liquidated and auctioned to recover the DAI position. This design ensures that DAI price is stable, but this is achieved at relatively low capital efficiency and risk of collateral liquidation. It is disadvantageous in the face of drastic market fluctuation as seen on March 12th, 2020. In Maker alone, more than 5 million dollars worth of loans was liquidated to recover the DAI positions even though ETH price bounced back to pre-crisis level shortly thereafter[7]. Users rather than the protocols are the ones that bear the cost.

This could be solved through using Hedget. Lending protocols could add a feature for users to select at the time that loans are generated to pay a premium to ensure that their positions would never be liquidated during the terms of the loan. This premium is priced by choosing the option product that matches the loan terms and price on Hedget. For example, if a user created a CDP position on Maker, to borrow DAI with ETH as collateral at the time when ETH price is $200, he could pay a premium which is used to purchase a put option for ETH at the price of $200 to guarantee that the price could always match the price when the CDP is generated. Hedget is interacting not directly with users but the lending protocols to sell options

[7] https://www.coindesk.com/5-million-in-makerdao-loans-have-been-liquidated-but-help-is-on-the-way

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available in the protocol. Since the users are only protecting their debt positions rather than actually trading the option product, profit of the option (if any) will not be distributed to the users but registered in the protocol itself and used for token buy back and burn.

3.3 Leveraged Trading

Hedget protocol allows users to trade on leverage with greater capital efficiency. The price that users need to pay to acquire the options are much lower than to hold actual positions. If a user believes that ETH price is going to increase to $500 from the current price of $300, instead of using $300 to buy one ETH, he could pay the option price to buy a call option to buy ETH at $300 after a quarter. If the price increases to $500, it is essentially the same for the user for holding the call option and holding one physical ETH; but the cost of the call option is lower than ETH price. If the user is a more aggressive trader, he could even exchange the current ETH positions into options holding in anticipation of a price growth. Hypothetically, if the price of the previous call option is $30, the user could buy 10 call options using one ETH and also 10x the revenue at the expiry of the call option compared to holding 1 ETH.

4 Technical Design

First, we should note that Hedget protocol will evolve over time, continuously adding features that are aligned with the goal of providing risk mitigating protocols for decentralised finance. The description here is centered on the first version, which would offer trustless trade of physically-settled options settled on Ethereum blockchain. Possible expansions of the protocol are discussed in a separate section.

4.1 Architecture Overview

There are three main components:

ESC: Ethereum smart contract which handles ETH and ERC-20 token deposits and withdraws and implements physical settlement.

CTD: Chromia-based blockchain (dApp) which handles trades, track ownership of contracts and facilitates communication necessary to perform settlement through Ethereum smart contracts.

CSW: Client-side wallet and trading user interface, which takes commands from user and carries them out using Ethereum smart contract and Chromia dApp.

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4.2 Protocol Features

The goal of the protocol is to remove the need for trusted third parties. Thus, it has following design constraints:

Token storage is non-custodial, which means that only a user can withdraw his or her funds.

Money is moved between users' accounts only when they trade or exercise the option contracts.

The protocol is free from counterparty risk. Since it is impossible to algorithmically assess credit-worthiness, we require full collateralization for option sellers.

Since we want to give users the highest degree of assurance, constraints which control users' funds are implemented directly on Ethereum smart contracts.

We aim to offer maximal flexibility and convenience within these constraints. Purchased options can be resold at any time.

4.3 Option life-cycle

To get a better understanding of protocol workflow, let us consider a life-cycle of an options contract from beginning to execution.

1. Alice wants to sell a put option for 1 ETH. To do that, she needs to deposit 1 ETH into the smart contract (ESC), as Hedget requires an option writer to have enough collateral to let a buyer exercise the contract later. If she deposits only 0.1 ETH, then the protocol will not let her sell a put for 1 ETH as the protocol cannot know if Alice would supply 0.9 ETH more at time when a contract might be exercised.

2. Once deposited, her funds are locked. She can withdraw them back to her normal wallet only after the system confirms that she has no pending obligations encumbering the funds.

3. Alice can sell an option: her wallet (CSW) will take a proof of deposit from ESC and send to the dApp (CTD) together with specification of the contract (strike price, option price, maturity date). This will create a sell order in the orderbook within CTD. Signed specification of the contract is also recorded in CTD.

4. Bob might see this order in the order book and buy the call option e.g. for 10 USDT. Information about the trade is recorded in CTD.

5. Later, Bob sells the contract to Claire. Information about the trade is recorded in CTD.

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6. At the maturity date, Claire wants to exercise the option (suppose, the strike price was 200 USDT and current price of 1 ETH is 300 USDT). She needs 200 USDT deposited into the ESC contract before she can do that. To exercise the contract, her wallet will first send an exercise request to CTD. Then once request transaction is confirmed, it is combined with Alice's contract specification and sent to ESC. ESC can verify that the trade is valid (Alice's signature on contract specification, Claire's signature on exercise request, maturity date, confirmation) and transfer money between accounts: 1 ETH goes from Alice to Claire, 200 USDT go from Claire to Alice.

7. Alice can now withdraw 210 USDT. To do that, CSW will first send a withdraw request to CTD, which confirms only when Alice has no pending obligations. After that, CSW will direct withdraw request to ESC, which will process it upon verification of CTD confirmation.

5 Hedget Tokens (HGET)

Hedget protocol introduces a native token for the governance and utility in the network. Users need to stake a small amount of HGET tokens in order to create and trade option products; they could also earn HGET tokens in the process proportional to the size of the trade. It is also used in the governance process if users would need to propose updates to the protocol.

5.1 Token Utility

The HGET token is a native utility and governance token of the Hedget platform. It will be issued on the Ethereum network as an ERC-20 contract and will have representation on a Chromia sidechain.

Effective immediately upon launch, HGET will serve as the governance token of the HGET platform. In the preliminary stages, the token holders can vote on adding new assets, default options parameters and UI improvements.

Before the platform is launched with real assets there will be a Testnet platform (hosted on both Chromia and Ethereum testnets) to participate on which users need to stake HGET to access. Users will trade funds that have little to no real value, but the best performing traders will be rewarded automatically by Hedget protocol with HGET tokens upon mainnet release.

When the platform migrates to Mainnet, HGET will be used to prevent spamming of orders which can lead to API overloads and order book manipulation. HGET tokens will need to be staked to interact with the platform. Staking requirements will increase as the monetary value and frequency of a user's interactions increase.

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As the platform is further developed, a DAO will be established and HGET tokens will be used to determine transaction fees, reserve requirements, and general functions and features of the platform.

Lastly, the HGET token will be used as a security measure and reputation engine in the future when margined options are implemented. Options writers who wish to offer options without providing 1:1 collateral will need to stake HGET tokens which will be used to purchase fully collateralized options as a hedge in case of Capital insufficiency risk. This mechanism ensures end users cannot be adversely affected by the insolvency of an options writer.

5.2 Token Distribution

There will be 10M HGET tokens minted at the launch of the network. The protocol has a fixed token supply. 10% of the tokens will be reserved for team and advisors, the tokens will be unlocked on a monthly basis during 2 years; 9.77% of the tokens will be distributed through private sale via SAFT; 4.23% of the tokens will be distributed to users and investors through public sale; 50% of the tokens will be locked for liquidity mining, tokens will be minted on a daily basis and distributed to users who participate in writing options (0.02% of underlying of each option settled and additional for native Hedget MM); 7% of the tokens will be used for DEXes liquidity and trading (such as Uniswap), trading competitions, drops and other activities to kickstart the usage of Hedget protocol; 19% of the tokens will be locked in reserve fund until 2 years after the platform is live and the usage of these tokens will be determined by Hedget DAO.

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The Hedget Tokens are proprietary cryptographic tokens issued by the Hedget Token Vendor to function as the native utility token used in the Hedget Platform as the means of allow holders of Tokens ("**Tokenholders**") who are Users to participate in decision-making relating to features on the Hedget Platform and to be used as deposits or "stake" in relation to transactions on the Hedget Platform.

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(a) you agree and acknowledge that the Hedget Tokens do not constitute shares or securities of any form, units in a business trust, units in a collective investment activity scheme or any other form of regulated product or investment product in any jurisdiction;

(b) you are not:

(i) a U.S. Person (as defined in Regulation S under the U.S. Securities Act of 1993, as amended);

(ii) if you are an individual, a person who is a citizen of, domiciled in, resident of, or physically present / located in a jurisdiction stipulated in Annex 1 hereto ("**Hedget Token Distribution Excluded Jurisdiction**");

(iii) if you are a body corporate, a body corporate:

(aa) which is incorporated or organized in, or operates out of, a Hedget Token Distribution Excluded Jurisdiction; or

(bb) which is under the control of one or more individuals who is/are citizen(s) of, domiciled in, residents of, or physically present / located in, a Hedget Token Distribution Excluded Jurisdiction; and/or

(iv) an individual or body corporate which is otherwise prohibited or ineligible in any way, whether in full or in part, from participating in any part of the transactions contemplated in the Hedget Token Distribution Terms,

(collectively, "**Excluded Persons**");

(c) you are fully aware of and understand that you are not eligible and you are not to purchase any Hedget Tokens if you are an Excluded Person;

(d) you agree and acknowledge that the Project Documents do not constitute prospectuses or offer documents of any sort and are not intended to constitute an offer of shares or securities of any form, units in a business trust, units in a collective investment scheme or any other form of regulated investment or investment product in any jurisdiction, or a solicitation for any form of regulated product or investment product, and you are not bound to enter into any contract or binding legal commitment and no digital asset other than those provided for in the Project Documents or other form of payment is to be accepted on the basis of the Project Documents;

(e) you agree and acknowledge that no Hedget Token should be construed, interpreted, classified or treated as enabling, or according any opportunity to, Hedget Token holders to participate in or receive profits, income, or other payments or returns arising from or in connection with Hedget Token Vendor, the Project Group, the Hedget Tokens or the proceeds of the Hedget Token Distribution, or to receive sums paid out of such profits, income, or other payments or returns;

(f) you agree and acknowledge that no regulatory authority has examined or approved any of the information set out in the Project Documents, no action has been or will be taken by the Hedget

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(h) the distribution or dissemination of the Project Documents, 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 liability to the Hedget Token Vendor;

(i) you agree and acknowledge that in the case where you wish to purchase any Hedget Tokens, Hedget Tokens are not to be construed, interpreted, classified or treated as:

(i) any kind of currency other than cryptocurrency;

(ii) debentures, stocks or shares issued by the Hedget Token Vendor, the Project Group, or any other person or entity;

(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) securities;

(vi) units or derivatives of units in a business trust;

(vii) units in a collective investment scheme; or

(viii) any form of regulated investment or investment product;

(j) you are legally permitted to participate in the Hedget Token Distribution and all actions contemplated or associated with such purchase, including the holding and use of Hedget Tokens;

(k) the amounts that you use to purchase Hedget Tokens were not and are not directly or indirectly derived from any activities that contravene the laws and regulations of any jurisdiction, including anti-money laundering laws and regulations;

(l) if you are a natural person, you are of sufficient age and capacity under the applicable laws of the jurisdiction in which you reside and the jurisdiction of which you are a citizen to participate in the Hedget Token Distribution;

(m) you are not obtaining or using Hedget Tokens for any illegal purpose;

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(n) none of:

(i) you;

(ii) any person controlling or controlled by you;

(iii) if you are a privately-held entity, any person having a beneficial interest in you; or

(v) any person for whom you are acting as agent or nominee in connection with this Hedget Token Distribution,

is a senior foreign political figure, or any immediate family member or close associate of a senior foreign political figure.

A "**senior foreign political figure**" is defined as a senior official in the executive, legislative, administrative, military or judicial branch of a government (whether elected or not), a senior official of a major political party, or a senior executive of a foreign government-owned corporation, and includes any corporation, business or other entity that has been formed by, or for the benefit of, a senior foreign political figure.

An "**immediate family**" of a senior foreign political figure typically includes such figure's parents, siblings, spouse, children and in-laws.

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;

(o) if you are affiliated with a non-U.S. banking institution ("**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 Hedget Token Vendor that:

(i) 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;

(ii) the Foreign Bank maintains operating records related to its banking activities;

(iii) the Foreign Bank is subject to inspection by the banking authority that licensed the Foreign Bank to conduct its banking activities; and

(iv) 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;

(p) you have such knowledge and 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 so as to be able to evaluate the risks and merits of the Project, the Hedget Tokens, and the Hedget Platform, and correspondingly any purchase of the Hedget Tokens;

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(q) you are fully aware and understand that in the case where you wish to purchase any Hedget Tokens, there are risks associated with the Hedget Token Vendor, the Project Group, the Project, the Hedget Tokens, the Hedget Platform and the Hedget Token Distribution;

(r) you bear the sole responsibility to determine what tax implications purchasing Hedget Tokens may have for you and you agree not to hold the Hedget Token Vendor or any other person involved in the Hedget Token Distribution liable for any tax liability associated with or arising therefrom;

(s) you agree and acknowledge that neither the Hedget Token Vendor nor the Project Group is 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, and loss of use or data), arising out of or in connection with any acceptance of or reliance on the Project Documents or any part thereof by you;

(t) you waive the right to participate in a class action lawsuit or a class wide arbitration against the Hedget Token Vendor and/or any person involved in the Hedget Token Distribution and/or with the creation and distribution of Hedget Tokens or the Hedget Platform; and

(u) all of the above representations and warranties are true, complete, accurate and non-misleading from the time of your access to and/or acceptance of possession the Project Documents or such part thereof (as the case may be).

Cautionary Note on Forward-Looking Statements

All statements contained in the Project Documents, statements made in press releases or in any place accessible by the public and oral statements that may be made by the Hedget Token Vendor, the Project Group, or their respective directors, executive officers or employees acting on behalf of the Hedget Token Vendor or the Project Group (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 Hedget Token Vendor, the Project Group, and/or the future outlook of the industry which the Hedget Token Vendor and the Project Group are in are forward- looking statements. These forward-looking statements, including but not limited to statements as to the Hedget Token Vendor, the Project Group and other matters discussed in the Project Documents regarding the Hedget Token Vendor and the Project Group are matters that are not historic facts, but only predictions.

These forward-looking statements involve known and unknown risks, uncertainties and other factors that may have an impact or adversely affect the Hedget Token Vendor and/or the Project Group, the Project, the Hedget Platform, or the use of the Hedget Tokens. These factors include, amongst others:

(a) changes in political, social, economic and stock or cryptocurrency market conditions, and the regulatory environment in the countries in which the Project Group conducts its business and operations;

(b) the risk that the Project Group may be unable to execute or implement the Project;

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(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 Project Group and the Project;

(e) changes in fees payable to the Project Group in connection with its businesses and operations or on the Project;

(f) changes in the availability and salaries of employees who are required by the Project Group to operate its business and operations;

(g) changes in preferences of Users;

(h) changes in competitive conditions under which the Project Group operates, and the ability of the Project Group to compete under such conditions;

(i) changes in the future capital needs of the Project Group and the availability of financing and capital to fund such needs;

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

(k) occurrences of catastrophic events, natural disasters and acts of God that affect the businesses and/or operations of the Project Group;

(l) other factors beyond the control of the Hedget Token Vendor and/or the Project Group; and

(m) any risks and uncertainties associated with the Hedget Token Vendor, the Project Group, the Project, the Hedget Tokens, the Hedget Platform and the Hedget Token Distribution.

All forward-looking statements made by or attributable to the Hedget Token Vendor, the Project Group, or persons acting on behalf of the Hedget Token Vendor and/or the Project Group, or relating to the Hedget Platform are expressly qualified in their entirety by such factors. Given the risks and uncertainties that may cause the eventual outcome to be materially different from that expected, expressed or implied by the forward-looking statements in the Project Documents, undue reliance must not be placed on these statements. These forward-looking statements are applicable only as of the date of the Project Documents.

The Hedget Token Vendor, the Project Group, and/or any other person do not represent, warrant, and/or undertake the contents in those forward-looking statements, and the eventual outcome may differ materially from those anticipated in these forward-looking statements.

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Nothing contained in the Project Documents is or may be relied upon as a promise, representation or undertaking relating to the Hedget Token Vendor and/or the Project Group, or the Hedget Platform.

Further, the Hedget Token Vendor and the Project Group each 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.

Third Party Information and No Consent of Other Persons

The Project Documents include information obtained from various third party sources ("**Third Party Information**"). The consent of the publishers of the Third Party Information has not been sought for the inclusion of the Third Party Information in the Project Documents and such publishers are therefore not liable for the Third Party Information. While the Hedget Token Vendor and the Project Group have taken reasonable action to ensure that the Third Party Information have been included in their proper form and context, the Hedget Token Vendor, the Project Group, and/or their respective directors, executive officers, and employees acting on its behalf, have not independently verified the accuracy, reliability, completeness of the contents, or ascertained any applicable underlying assumption, of the relevant Third Party Information. Consequently, the Hedget Token Vendor, the Project Group, and/or their respective directors, executive officers, and employees acting on their behalf do not make any representation or warranty as to the accuracy, reliability or completeness of such information and shall not be obliged to provide any updates on the same.

Terms used

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

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

No Advice

No information in the Project Documents should be considered to be business, legal, financial or tax advice regarding the Hedget Token Vendor, the Project Group, the Project, the Hedget Tokens, the Hedget Platform, or the Hedget Token Distribution. You should consult your own legal, financial, tax or other professional advisor regarding the Hedget Token Vendor, the Project Group,

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the Project, the Hedget Tokens, the Hedget Platform, and the Hedget Token Distribution. You should be aware that you may be required to bear all risks of any purchase of Hedget Tokens for an indefinite period of time.

None of the advisors engaged by the Hedget Token Vendor and/or the Project Group has made or purports to make any statement in the Project Documents or any statement upon which a statement in the Project Documents is based and each of them makes no representation regarding any statement in the Project Documents and to the maximum extent permitted by law, expressly disclaims and takes no responsibility for any liability to any person which is based on, or arises out of, any statement, information or opinions in, or omission from, the Project Documents.

No Further Information or Update

No person has been or is authorized to give any information or representation not contained in the Project Documents in connection with the Hedget Token Vendor, the Project Group, the Project, the Hedget Tokens, the Hedget Platform, or the Hedget Token Distribution and, if given, such information or representation must not be relied upon as having been authorized by or on behalf of the Hedget Token Vendor and/or the Project Group. The Hedget Token Distribution shall not, under any circumstances, constitute a continuing representation or create any suggestion or implication that there has been no change, or development reasonably likely to involve a material change in the affairs, conditions and prospects of the Hedget Token Vendor and/or the Project Group or in any statement of fact or information contained in the Project Documents since the date hereof.

Restrictions on Distribution and Dissemination

The distribution or dissemination of the Project Documents or any part thereof may be prohibited or restricted by the laws, regulatory requirements and rules of any jurisdiction. In the case where any restriction applies, you are to inform yourself about, and to observe, any restrictions which are applicable to your possession of the Project Documents or such part thereof (as the case may be) at your own expense and without liability to the Hedget Token Vendor and/or the Project Group.

Persons to whom copies of the Project Documents have been distributed, disseminated, or provided access to or who otherwise have the Project Documents in their possession, shall not circulate it to any other persons, reproduce or otherwise distribute the Project Documents or any information contained herein for any purpose whatsoever nor permit or cause the same to occur.

No Offer of Investment or Registration

Hedget Tokens are not intended to be and should not be construed to constitute shares or securities of any form, units in a business trust, units in a collective investment scheme or any other form of regulated investment or investment product in any jurisdiction. The Project

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Documents do not constitute prospectuses or offer documents of any sort and are not intended to and should not be construed to constitute an offer of shares or securities of any form, units in a business trust, units in a collective investment scheme or any other form of investment, or a solicitation for any form of investment in any jurisdiction. No person is bound to enter into any contract or binding legal commitment in relation to the distribution and purchase of the Hedget Tokens and no cryptocurrency (other than those provided for in the Project Documents) or other form of payment is to be accepted on the basis of the Project Documents.

THE HEDGET TOKEN DISTRIBUTION (AS REFERRED TO IN THE PROJECT DOCUMENTS) IS INTENDED FOR, MADE TO OR DIRECTED AT ONLY PERSONS WHO ARE NOT EXCLUDED PERSONS. ACCORDINGLY, YOU ARE NOT ELIGIBLE AND YOU ARE NOT TO PURCHASE ANY HEDGET TOKENS IN THE HEDGET TOKEN DISTRIBUTION IF YOU ARE AN EXCLUDED PERSON.

No regulatory authority has examined or approved of any of the information set out in the Project Documents. 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 Project Documents does not imply that the applicable laws, regulatory requirements or rules have been complied with.

Risks and Uncertainties

Prospective Purchasers should carefully consider and evaluate all risks and uncertainties associated with the Hedget Token Vendor, the Project Group, the Hedget Tokens, the Project, the Hedget Platform, and the Hedget Token Distribution, and all information set out in the Project Documents and the Hedget Token Distribution Terms prior to any purchase of the Hedget Tokens. If any of such risks and uncertainties develop into actual events, the business, financial condition, results of operations and prospects of the Project, the Hedget Platform, the Hedget Token Vendor and/or the Project Group could be materially and adversely affected. In such cases, the value or the trading price of the Hedget Tokens may be indirectly impacted.

Please refer to the risks and warnings set out in Annex B below and such other risk factors as highlighted in the Hedget Token Distribution Terms before deciding to purchase Hedget Tokens. It should be noted the aforementioned list of risks and warnings is not exhaustive. Accordingly, prospective Purchasers should not place undue reliance on these statements.

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Annex 1

HEDGET TOKEN DISTRIBUTION EXCLUDED JURISDICTIONS*

1. Albania#
2. Bahamas#
3. Barbados#
4. Botswana#
5. Cambodia#
6. Democratic People's Republic of Korea#^
7. Democratic Republic of Congo
8. Ghana#
9. Iceland#
10. Iran#^
11. Jamaica#
12. Mauritius#
13. Mongolia#
14. Myanmar#
15. Nicaragua#
16. Pakistan#
17. Panama#
18. People's Republic of China, which for the purposes of this Agreement shall exclude the Hong Kong Special Administrative Region of the PRC, the Macau Special Administrative Region of the PRC and Taiwan, Republic of China
19. Somalia
20. South Sudan
21. Sudan
22. Syria#^
23. Uganda#
24. United States of America
25. Yemen#^

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26. Zimbabwe#

27. Any jurisdiction in which the Hedget Token Distribution is (a) prohibited, restricted or unauthorized in any form or manner whether in full or in part under the laws, regulatory requirements or rules in such jurisdiction, or (b) subject of regulation so as to attract licensing or prospectus filing obligations on an issuer of digital assets under the laws, regulatory requirements or rules in such jurisdiction unless otherwise determined by the Hedget Token Vendor in its sole and absolute discretion to be a jurisdiction included in the Hedget Token Distribution.

Jurisdictions with strategic anti-money laundering / counter-financing of terrorism deficiencies most recently identified by the Financial Action Task Force for increased monitoring at <http://www.fatf-gafi.org/countries/#high-risk> (last accessed on 1 September 2020)

^ *Jurisdictions in which designated individuals and entities are identified by the MAS for the purposes of regulations promulgated under the Monetary Authority of Singapore Act (Chapter 186) of Singapore, the United Nations Act (Chapter 339) of Singapore or the Terrorism (Suppression of Financing) Act (Chapter 325) of Singapore*

* *The Hedget Token Distribution Excluded Jurisdictions stipulated hereto are indicative for the purpose of this Whitepaper, and is subject always to and superseded by the full and final list of Hedget Token Distribution Excluded Jurisdictions as stipulated in the Hedget Token Distribution Terms. Please refer to the Hedget Token Distribution Terms to determine your eligibility to participate in the Hedget Token Distribution.*

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Annex B

RISK FACTORS

(1) **RISKS RELATING TO PARTICIPATION IN THE TOKEN DISTRIBUTION EVENT (AS DEFINED BELOW)**

Purchase of products, including but not limited to cryptocurrencies / cryptographic tokens, from start-ups such as the Hedget Token Vendor and the Project Group involve a high degree of risk

Financial and operating risks confronting start-ups are significant and the Hedget Token Vendor and the Project Group are not immune to these. Start-ups often experience unexpected problems in the areas of product development, marketing, financing, and general management, among others, which frequently cannot be solved.

The Hedget Token Vendor and/or the Project Group may be forced to cease operations

It is possible that, due to any number of reasons, including, but not limited to, an unfavourable fluctuation in the value of cryptographic and fiat currencies, the inability of the Hedget Token Vendor and/or the Project Group to establish the Project or the Tokens' utility, the failure of commercial relationships, or intellectual property ownership challenges, the Hedget Token Vendor and/or the Project Group may no longer be viable to operate and the Hedget Token Vendor and/or the Project Group may dissolve or take actions that result in a dissolution of the Hedget Token Vendor and/or the Project Group.

The tax treatment in relation to Tokens are uncertain and there may be adverse tax consequences for a Purchaser upon certain future events

The tax characterisation of Tokens are uncertain, and a Purchaser should seek independent tax advice in connection with a purchase of Tokens. A purchase of Tokens may result in adverse tax consequences to the Purchaser, including withholding taxes, income taxes, and tax reporting requirements. The Purchaser should consult with and must rely upon the advice of its own professional tax advisors with respect to tax treatment of a purchase of Tokens.

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There is no prior market for the Tokens and the Token Distribution Event may not result in an active or liquid market for the Tokens

Prior to a Token Distribution event ("**Token Distribution Event**"), there has been no public market for the Tokens and the Tokens are not traded, whether on any cryptocurrency exchange or otherwise. In the event that the Tokens are traded on a cryptocurrency exchange, there is no assurance that an active or liquid trading market for the Tokens will develop or if developed, be sustained after the Tokens have been made available for trading on such cryptocurrency exchange. There is also no assurance that the market price of the Tokens will not decline below the purchase consideration at which the Purchaser acquired the Tokens. Such purchase consideration may not be indicative of the market price of the Tokens after they have been made available for trading on a cryptocurrency exchange.

A Token is not a currency issued by any central bank or national, supra-national or quasi-national organisation, nor is it backed by any hard assets or other credit. The Hedget Token Vendor and/or the Project Group is/are not responsible for nor does it / do they pursue the circulation and trading of Tokens on the market. Trading of Tokens merely depends on the consensus on its value between the relevant market participants, and no one is obliged to purchase any Token from any holder of the Token, including the purchasers, nor does anyone guarantee the liquidity or market price of Tokens to any extent at any time. Accordingly, the Hedget Token Vendor and/or the Project Group cannot ensure that there will be any demand or market for Tokens, or that the purchase consideration at the relevant time is indicative of the market price of Tokens after they have been made available for trading on a cryptocurrency exchange.

Future sales of the Tokens could materially and adversely affect the market price of Tokens

Any future sale of the Tokens (which were not available for sale in the Token Distribution Event) would increase the supply of Tokens in the market and this may result in a downward price pressure on the Tokens. The sale or distribution of a significant number of Tokens outside of the Token Distribution Event, or the perception that such further sales or issuance may occur, could adversely affect the trading price of the Tokens.

Negative publicity may materially and adversely affect the price of the Tokens

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Negative publicity involving the Hedget Token Vendor, the Project Group, the Project, the Tokens and/or any of the key personnel of the Hedget Token Vendor and/or the Project Group may materially and adversely affect the market perception or market price of the Tokens, whether or not such negative publicity is justified.

There is no assurance of any success of the Project

The value of, and demand for, the Tokens hinges heavily on the performance of the Project. There is no assurance that the Project will gain traction after its launch and achieve any commercial success.

The Project has not been fully developed, finalised, and integrated and is subject to further changes, updates, and adjustments prior to its launch. Such changes may result in unexpected and unforeseen effects on its projected appeal to users, and hence impact its success.

While the Hedget Token Vendor has made every effort to provide a realistic estimate, there is also no assurance that the proceeds raised in the Token Distribution Event will be sufficient for the development and integration of the Project. For the foregoing or any other reason, the development and integration of the Project may not be completed and there is no assurance that it will be launched at all. As such, distributed Tokens may hold little worth or value, and this would impact its trading price.

If and when the Project is fully developed, there is no assurance that its systems, protocols, or products will be widely adopted or utilised by its target users.

The trading price of the Tokens may fluctuate following the Token Distribution Event

The prices of digital tokens in general tend to be relatively volatile, and can fluctuate significantly over short periods of time. The demand for, and correspondingly the 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 Hedget Token Vendor and/or the Project Group:

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(a) new technical innovations;

(b) analysts' speculations, recommendations, perceptions or estimates of the Token's market price or the financial and business performance of the Hedget Token Vendor and/or the Project Group;

(c) changes in market valuations and token prices of entities with operations similar to that of the Hedget Token Vendor and/or the Project Group that may be made available for sale and purchase on the same cryptocurrency exchanges as the Tokens;

(d) announcements by the Hedget Token Vendor and/or the Project 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;

(f) additions or departures of key personnel of the Hedget Token Vendor and/or the Project Group;

(g) success or failure of the management of the Hedget Token Vendor and/or the Project Group in implementing business and growth strategies; and

(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 Distribution Event are exposed to risks of theft

The Hedget Token Vendor will make every effort to ensure that the funds received from the Token Distribution Event will be securely held at such addresses as directed by the Hedget Token Vendor ("**Receiving Addresses**"). Further, upon receipt of the funds, the Hedget Token Vendor will make every effort to ensure that the funds received 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, mining attacks (including but not limited to double-spend attacks, majority mining power attacks, and "selfish-mining" attacks), sophisticated cyber-attacks, distributed denials of service or errors, vulnerabilities or defects on the Receiving Addresses, the applicable blockchain(s), or any other blockchain, or otherwise. Such events may include, for example, flaws in programming or source code leading to exploitation or abuse thereof. In such event, even if the Token Distribution Event is completed, the Hedget Token Vendor may not be able to receive the cryptocurrencies raised and the Hedget Token Vendor may not be able to utilise such funds for the development of the Project, and the launch of the Project might be temporarily or

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permanently curtailed. As such, the issued Tokens may hold little worth or value, and this would impact their trading price. The Tokens are uninsured, unless the Purchaser specifically obtains private insurance to insure them. In the event of any loss or loss of value of the Tokens, the Purchaser may have no recourse.

(2) **RISKS RELATING TO THE RECEIVING ADDRESSES AND WALLETS**

The Receiving Addresses may be compromised and the cryptocurrencies may not be able to be disbursed

The Receiving Addresses are designed to be secure. However, in the event that the Receiving Addresses are, for any reason compromised (including but not limited to scenarios of the loss of keys to such Receiving Addresses), the funds held by the Receiving Addresses may not be able to be retrieved and disbursed, and may be permanently unrecoverable. In such event, even if the Token Distribution Event is successful, the Hedget Token Vendor and/or the Project Group will not be able to receive the funds raised and the Hedget Token Vendor and/or the Project Group will not be able to utilise such funds for the development of the Project, and the implementation of the Project might be temporarily or permanently curtailed. As such, distributed Tokens may hold little worth or value, and this would impact their trading price.

The loss or compromise of information relating to the Purchaser's wallet may affect the Purchaser's access and possession of the Tokens

The Purchaser's access to the Tokens in a cryptocurrency wallet ("**Wallet**") depends on, among other things, the safeguards to the information to such Wallet, including but not limited to the user account information, address, private key, and password. In the event that any of the foregoing is lost or compromised, the Purchaser's access to the Wallet may be curtailed and thereby adversely affecting the Purchaser's access and possession to the Tokens, including such Tokens being unrecoverable and permanently lost.

The Wallet or Wallet service provider may not be technically compatible with the Tokens

The Wallet or Wallet service provider may not be technically compatible with the Tokens which may result in the delivery of Tokens being unsuccessful or affect the Purchaser's access to such Tokens.

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(3) **RISKS RELATING TO THE HEDGET TOKEN VENDOR AND THE PROJECT GROUP**

The Project is initiated by the Hedget Token Vendor and the Project Group. Any events or circumstances which adversely affect the Hedget Token Vendor and/or the Project Group may have a corresponding adverse effect on the Project if such events or circumstances affect the Hedget Token Vendor's and/or the Project Group's ability to launch the Project. This would correspondingly have an impact on the trading price of the Tokens.

There may be weaknesses, vulnerabilities or bugs in the protocols, systems, and smart contracts in connection with the Project

As blockchain and smart contract technology is still relatively in its early stage of development and its application of experimental nature carries significant operation, technological, financial, regulatory and reputational risks, there are inherent risks that such protocols, systems and/or smart contracts could contain weaknesses, vulnerabilities or bugs.

Purchasers of Tokens should understand and accept that there are no warranties that Tokens are fit for a particular purpose or do not contain any weaknesses, vulnerabilities or bugs which would cause loss in their worth or value. In the event that any of the aforementioned risks materialises, the business strategies, results of operations and outlook of the Hedget Token Vendor and/or the Project Group may also be adversely affected.

The Hedget Token Vendor and/or the Project Group may experience system failures, unplanned interruptions in their network or services, hardware or software defects, security breaches or other causes that could adversely affect the infrastructure network of the Hedget Token Vendor and/or the Project Group, and/or the Project

The Hedget Token Vendor and/or the Project Group is/are unable to anticipate when there would be occurrences of hacks, cyber-attacks, mining attacks (including but not limited to double-spend attacks, majority mining power attacks, and "selfish-mining" attacks), distributed denials of service or errors, vulnerabilities or defects in the Project, the Tokens, the Receiving Addresses, the Wallet or any technology (including but not limited to smart contract technology) on which the Project Group, the Project, the Tokens, the Receiving Addresses, and the Wallet rely or on the applicable blockchain(s). Such events may include, for example, flaws in programming or source code leading to exploitation or abuse

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thereof. The Hedget Token Vendor and/or the Project Group may not be able to detect such hacks, mining attacks (including but not limited to double-spend attacks, majority mining power attacks, and "selfish-mining" attacks), 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 network or services of the Hedget Token Vendor and/or the Project Group, which would include the Project, could be disrupted by numerous events, including natural disasters, equipment breakdown, network connectivity downtime, power losses, or even intentional disruptions of their services, such as disruptions caused by software viruses or attacks by unauthorised users, some of which are beyond the control of the Hedget Token Vendor and/or the Project Group. Although the Hedget Token Vendor and the Project Group will be taking steps against malicious attacks on their appliances or infrastructure, which are critical for the initiation and maintenance of the Project and its other services, there can be no assurance that cyber-attacks, such as distributed denials of service, will not be attempted in the future, and that any of the enhanced security measures of the Hedget Token Vendor and/or the Project Group will be effective. The Hedget Token Vendor and/or the Project Group may be prone to attacks on their infrastructure intended to steal information about its technology, financial data or user information or take other actions that would be damaging to the Hedget Token Vendor, the Project Group, and/or users of the Project. Any significant breach of the security measures of the Hedget Token Vendor and/or the Project Group or other disruptions resulting in a compromise of the usability, stability and security of the network or services of the Hedget Token Vendor and/or the Project Group (including the Project) may adversely affect the trading price of the Tokens.

The Hedget Token Vendor and/or the Project Group are dependent in part on the location and data centre facilities of third parties

The infrastructure network of the Hedget Token Vendor and/or the Project Group is in part established through servers which they own and house at the location facilities of third parties, and servers that they rent at data centre facilities of third parties. If the Hedget Token Vendor and/or the Project Group is/are unable to renew its data facility lease on commercially reasonable terms or at all, the Hedget Token Vendor and/or the Project Group may be required to transfer their servers to a new data centre 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

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may obtain unauthorised access to the data in such servers. As techniques used to obtain unauthorised access to, or to sabotage systems change frequently and generally are not recognised until launched against a target, the Hedget Token Vendor, the Project Group, and/or the providers of such facilities may be unable to anticipate these techniques or to implement adequate preventive measures. Any such security breaches or damages which occur that impact upon the infrastructure network of the Hedget Token Vendor and/or the Project Group, and/or the Project may adversely impact the price of the Tokens.

General global market and economic conditions may have an adverse impact on the operating performance, results of operations and cash flows of the Hedget Token Vendor and/or the Project Group

The Hedget Token Vendor and/or the Project Group have/has been and 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 technology industry at large. Weakness in the economy could have a negative effect on the business, operations and financial condition of the Hedget Token Vendor and/or the Project Group, including decreases in revenue and operating cash flows. Additionally, in a down-cycle economic environment, the Hedget Token Vendor and/or the Project Group may experience the negative effects of increased competitive pricing pressure and a slowdown in commerce and usage of the Project. Suppliers on which the Hedget Token Vendor and/or the Project Group rely 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 operations or expenses of the Hedget Token Vendor and/or the Project Group. 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 business, financial condition and results of operations of the Hedget Token Vendor and/or the Project Group, and hence the Project, which may indirectly impact the trading price of the Tokens.

The Hedget Token Vendor, the Project Group, the Tokens and/or the Project may be affected by newly implemented regulations

The Hedget Token Vendor, the Project Group, the Project, and/or the Tokens may be affected by newly implemented regulations relating to cryptocurrencies or digital tokens markets, 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 Project. This may impact the appeal of the Project for users and result in decreased usage of the Project. Further, should the costs (financial or otherwise) of complying with

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such newly implemented regulations exceed a certain threshold, launching the Project may no longer be commercially viable and the Hedget Token Vendor and/or the Project Group may opt to discontinue the Project 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 Project and the Tokens. The Hedget Token Vendor and/or the Project 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 trading price of Tokens will be adversely affected or Tokens may cease to be traded.

The regulatory regime governing blockchain technologies, cryptocurrencies, tokens, and token offerings such as the Token Distribution Event, the Project, and the Tokens is uncertain, and regulations or policies may materially adversely affect the development of the Project and the utility of the Tokens

Regulation of tokens (including the Tokens) and token offerings (such as the Token Distribution Event), cryptocurrencies, blockchain technologies, and cryptocurrency exchanges is 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 relevant jurisdictions may in the future adopt laws, regulations, guidance, or other actions, which may severely impact the development and growth of the Project, the adoption and utility of the Tokens or the issue, offer, and sale of the Tokens by the Hedget Token Vendor. Failure by the Hedget Token Vendor and/or the Project Group or users of the Project 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.

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Blockchain networks also face an uncertain regulatory landscape in many foreign jurisdictions and may, in the near future, adopt laws, regulations or directives that affect the Project. Such laws, regulations or directives may directly and negatively impact the business of the Hedget Token Vendor and/or the Project Group. 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 Project and the adoption and utility of the Tokens.

New or changing laws and regulations or interpretations of existing laws and regulations may materially and adversely impact the value of the currency in which the Tokens may be sold, the liquidity of the Tokens, the ability to access marketplaces or exchanges on which to trade the Tokens, and the structure, rights and transferability of Tokens.

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Token holders will have no control over the Hedget Token Vendor and/or the Project Group

The holders of Tokens are not and will not be entitled to vote or receive dividends or distributions and are not and will not be treated as the holder of shares in the Hedget Token Vendor and/or the Project Group for any purpose, nor will anything be construed to confer on the Purchaser any of the rights of a member of the Hedget Token Vendor and/or the Project Group or any right to vote for the election of directors or upon any matter submitted to members at any meeting thereof, or to give or withhold consent to any corporate action or to receive notice of meetings, or to receive subscription rights or otherwise.

The Purchaser may lack information in respect of the Hedget Token Vendor, the Project Group, the Tokens, and/or the Project

The Purchaser may not be able to obtain all the information it would want regarding the Hedget Token Vendor, the Project Group, the Tokens, and/or the Project, 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. Information in relation to the development of Tokens may also be highly technical by nature. As a result of these difficulties, as well as other uncertainties, the Purchaser may not have accurate or accessible information about the Hedget Token Vendor, the Project Group, the Tokens, and/or the Project.

There may be risks relating to acts of God, natural disasters, wars, terrorist attacks, riots, civil commotions widespread communicable diseases and other force majeure events beyond the control of the Hedget Token Vendor and/or the Project Group

The Token Distribution Event and the performance of the activities of the Hedget Token Vendor, the Project Group, and/or the Project may be interrupted, suspended or delayed due to acts of God, natural disasters, wars, terrorist attacks, riots, civil commotions, widespread communicable diseases and other force majeure events beyond the control of the Hedget Token Vendor and/or the Project Group. Such events could also lead to uncertainty in the economic outlook of global markets and there is no assurance that such markets will not be affected, or that recovery from the global financial crisis would continue. In such events, the business strategies, results of operations and outlook of the Hedget Token Vendor and/or the Project Group may be materially and adversely affected. Further,

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if an outbreak of such infectious or communicable diseases occurs in any of the countries in which the Hedget Token Vendor, the Project Group, the developers, data providers and/or data consumers have operations in the future, market sentiment could be adversely affected and this may have a negative impact on the Project and community.

There may be unanticipated risks arising from the Tokens

Cryptographic tokens such as the Tokens are a relatively new and dynamic technology. In addition to the risks included herein, there are other risks associated with the Purchaser's purchase, holding and use of the Tokens, including those that the Hedget Token Vendor and/or the Project Group cannot anticipate. Such risks may further materialise as unanticipated variations or combinations of the risks discussed herein.

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