

Upthinity, Ltd.

Confidential Private Placement Offering Memorandum

Purchase Rights for Tokens pursuant to Membership Purchase Agreement

THE OFFERING PERIOD OF THE PLACEMENT WILL EXPIRE ON THE EARLIER TO OCCUR OF: (I) THE DATE ON WHICH THE MAXIMUM PLACEMENT AMOUNT HAS BEEN SUBSCRIBED FOR AND ACCEPTED BY THE COMPANY AND A FINAL CLOSING IS CONDUCTED OR (II) October 17th, 2018, UNLESS EXTENDED BY UP TO 90 DAYS IN THE DISCRETION OF THE COMPANY.

This Confidential Private Placement Offering Memorandum (this “**Memorandum**”) has been prepared by Upthinity, Ltd. for use by subscribers to whom Upthinity, Ltd. is offering (the “**Offering**”) the opportunity to become Upthinity members, which membership includes the right to acquire in UPZ tokens to be developed, produced and offered by Upthinity, Ltd. (“**UPZ**,” “**UPZ Tokens**” or the “**Tokens**”) in the future. Unless the context requires otherwise, in this Memorandum the terms “Upthinity,” “the Company,” “we,” “us” and “our” refer to Upthinity, Ltd. and its subsidiaries and all dollar (\$) amounts set forth herein refer to United States dollars.

This Memorandum has been prepared solely for use by the prospective purchasers of membership interests and the associated rights to acquire UPZ tokens pursuant to our Membership Purchase Agreement (the “**MPA**”) offered by Upthinity, Ltd. (“**Upthinity**” or the “**Company**”). This memorandum shall be maintained in strict confidence. Each recipient hereof acknowledges and agrees that (i) the contents of this Memorandum constitute proprietary and confidential information, (ii) Upthinity and its affiliates derive independent economic value from such confidential information not being generally known, and (iii) such confidential information is the subject of reasonable efforts to maintain its secrecy. The recipient further agrees that the contents of this Memorandum are a trade secret, the disclosure of which is likely to cause substantial and irreparable competitive harm to the Company. Any reproduction or distribution of this Memorandum, in whole or in part, or the disclosure of its contents, without the prior written consent of the Company, is prohibited. Each person who has received this Memorandum is deemed to agree to return this Memorandum to the Company upon request. The existence and nature of all conversations regarding the Company and this Offering must be kept confidential.

This Memorandum has been prepared in connection with a private offering to accredited investors (or the equivalent thereof) of the MPA and the underlying Tokens. Each investor will be required to execute an MPA (as amended, restated and/or otherwise modified from time to time) and an investor questionnaire to effect its future investment in the Tokens. This Memorandum contains a summary of the MPA, the Tokens and certain other documents referred to herein. However, the summaries in this Memorandum do not purport to be complete and are subject to and qualified in their entirety by reference to the actual text

of the relevant document, copies of which will be provided to each prospective investor upon request. Each prospective investor should review the MPA and such other documents for complete information

concerning the rights, privileges and obligations of Members. If any of the terms, conditions or other provisions of the MPA or such other documents are inconsistent with or contrary to the descriptions or terms in this Memorandum, the MPA or such other documents shall control. The Company reserves the right to modify the terms of the offering and the MPAs and the Tokens described in this Memorandum, which modifications will be described in a supplement to this Memorandum, and the MPAs are offered subject to the Company's ability to reject any commitment in whole or in part.

NOTICES TO INVESTORS

ONLY PERSONS OF ADEQUATE FINANCIAL MEANS WHO HAVE NO NEED FOR PRESENT LIQUIDITY WITH RESPECT TO THIS INVESTMENT SHOULD CONSIDER PURCHASING A MEMBERSHIP AND THE UNDERLYING TOKENS OFFERED HEREBY BECAUSE: (I) AN INVESTMENT IN THE COMPANY THROUGH EXECUTION OF AN MPA INVOLVES A NUMBER OF SIGNIFICANT RISKS (SEE "RISK FACTORS"); AND (II) THERE IS NO MARKET FOR THE MEMBERSHIP INTERESTS OR THE TOKENS, AND NONE IS LIKELY TO DEVELOP IN THE REASONABLY FORESEEABLE FUTURE. THIS OFFERING IS INTENDED TO BE A PRIVATE OFFERING THAT IS EXEMPT FROM REGISTRATION UNDER REGULATION S OF THE SECURITIES ACT AND APPLICABLE STATE SECURITIES LAWS.

IN THE EVENT OF A NETWORK LAUNCH FAILURE, THE COMPANY MAY WIND UP ITS OPERATIONS AND DISTRIBUTE ITS AVAILABLE ASSETS TO INVESTORS, INCLUDING HOLDERS OF MPAS, AS MORE FULLY SET FORTH IN THE MPA. AN INVESTOR WHO RECEIVES COMPANY ASSETS IN EXCHANGE FOR ITS RIGHTS UNDER THE MPA GENERALLY SHOULD RECOGNIZE TAXABLE GAIN OR LOSS IN AN AMOUNT EQUAL TO THE DIFFERENCE BETWEEN THE FAIR MARKET VALUE OF THE ASSETS THE INVESTOR RECEIVES AND ITS ADJUSTED TAX BASIS IN ITS MEMBERSHIP INTEREST (WHICH WILL GENERALLY EQUAL THE AMOUNT OF CASH IT ADVANCED UNDER THE MPA).

The MPAs and the Tokens have not been and will not be registered under the United States Securities Act of 1933, as amended (the "Securities Act"), or any United States state securities laws or the laws of any foreign jurisdiction. The MPAs and underlying Tokens will be offered and sold only to non-U.S. Persons who are not purchasing for the account or benefit of a U.S. Person as defined under Regulation S under the Securities Act, and other exemptions of similar import in the laws of the states and other jurisdictions where the offering will be made. The Company will not be registered as an investment company under the United States Investment Company Act of 1940, as amended (the "Investment Company Act"). Consequently, investors will not be afforded the protections of the Investment Company Act.

The MPAs and Tokens described in this Memorandum are subject to restrictions on transferability and resale and may not be transferred or resold. Investors should be aware that they will be required to bear the financial risks of this investment for an indefinite period of time.

An investment in the MPA and the Tokens involves a high degree of risk, volatility and illiquidity. A prospective purchaser should thoroughly review the confidential information contained herein and the terms of the MPA, and carefully consider whether an investment in the MPA is suitable to the investor's financial situation and goals.

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

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

This Memorandum does not constitute an offer to sell, or a solicitation of an offer to buy, any security in any jurisdiction in which it is unlawful to make such an offer or solicitation. Neither the United States Securities and Exchange Commission nor any other federal, state or foreign regulatory authority has approved an investment in the MPAs or Tokens. Furthermore, the foregoing authorities have not confirmed the accuracy or determined the adequacy of this Memorandum, nor is it intended that the foregoing authorities will do so. Any representation to the contrary is a criminal offense.

Investments in the MPA are denominated in United States dollars (\$) and Investors may tender US Dollars, Bitcoin, Ether, or Litecoin in exchange for the MPA. Such currencies are subject to any fluctuation in the rate of exchange and, in the case of digital assets, the exchange valuations. Such fluctuations may have an adverse effect on the value, price or income of an investor's investment.

NOTICE TO RESIDENTS OF THE UNITED KINGDOM

IN THE UNITED KINGDOM THIS DOCUMENT IS BEING DISTRIBUTED ONLY TO, AND IS DIRECTED ONLY AT (AND ANY INVESTMENT ACTIVITY TO WHICH IT RELATES WILL BE ENGAGED ONLY WITH): (i) INVESTMENT PROFESSIONALS (WITHIN THE MEANING OF ARTICLE 19(5) OF THE FINANCIAL SERVICES AND MARKETS ACT 2000 (FINANCIAL PROMOTION) ORDER 2005 AS AMENDED (THE "FPO")); (ii) PERSONS OR ENTITIES OF A KIND DESCRIBED IN ARTICLE 49 OF THE FPO; (iii) CERTIFIED SOPHISTICATED INVESTORS (WITHIN THE MEANING OF ARTICLE 50(1) OF THE FPO); AND (iv) OTHER PERSONS TO WHOM IT MAY OTHERWISE LAWFULLY BE COMMUNICATED (ALL SUCH PERSONS TOGETHER BEING REFERRED TO AS "RELEVANT PERSONS").

THIS DOCUMENT HAS NOT BEEN APPROVED BY AN AUTHORISED PERSON. ANY INVESTMENT TO WHICH THIS DOCUMENT RELATES IS AVAILABLE ONLY TO (AND ANY INVESTMENT ACTIVITY TO WHICH IT RELATES WILL BE ENGAGED ONLY WITH) RELEVANT PERSONS. THIS DOCUMENT IS DIRECTED ONLY AT RELEVANT PERSONS AND PERSONS WHO ARE NOT RELEVANT PERSONS SHOULD NOT TAKE ANY ACTION BASED UPON THIS DOCUMENT AND SHOULD NOT RELY ON IT. IT IS A CONDITION OF YOU RECEIVING AND RETAINING THIS DOCUMENT THAT YOU WARRANT TO THE COMPANY, ITS DIRECTORS, AND ITS OFFICERS THAT YOU ARE A RELEVANT PERSON.

NOTICE TO RESIDENTS OF CHINA

THE MPAS AND UPZ TOKENS ARE NOT BEING OFFERED OR SOLD AND MAY NOT BE OFFERED OR SOLD, DIRECTLY OR INDIRECTLY, WITHIN THE PEOPLE'S REPUBLIC OF

CHINA (FOR SUCH PURPOSES, NOT INCLUDING THE HONG KONG AND MACAU SPECIAL ADMINISTRATIVE REGIONS OR TAIWAN), EXCEPT AS PERMITTED BY THE SECURITIES AND OTHER LAWS AND REGULATIONS OF THE PEOPLE'S REPUBLIC OF CHINA.

Cautionary Statements Regarding Forward-Looking Statements

Certain statements in this Memorandum constitute forward-looking statements. When used in this Memorandum, the words “may,” “will,” “should,” “project,” “anticipate,” “believe,” “estimate,” “intend,” “expect,” “continue,” and similar expressions or the negatives thereof are generally intended to identify forward-looking statements. Such forward-looking statements, including the intended actions and performance objectives of the Company, involve known and unknown risks, uncertainties, and other important factors that could cause the actual results, performance, or achievements of the Company in its development of the Upthinity Network to differ materially from any future results, performance, or achievements expressed or implied by such forward-looking statements. No representation or warranty is made as to future performance or such forward-looking statements. All forward-looking statements in this Memorandum speak only as of the date hereof. The Company expressly disclaims any obligation or undertaking to disseminate any updates or revisions to any forward-looking statement contained herein to reflect any change in its expectation with regard thereto or any change in events, conditions, or circumstances on which any such statement is based.

Prospective investors are not to construe this Memorandum as investment, legal, tax, regulatory, financial, accounting or other advice, and this Memorandum is not intended to provide the sole basis for any evaluation of an investment in a MPAs or Tokens. Prior to acquiring a MPA, a prospective investor should consult with its own legal, investment, tax, accounting, and other advisors to determine the potential benefits, burdens, and other consequences of such investment.

Uptherim, Ltd.

CONFIDENTIAL PRIVATE OFFERING MEMORANDUM

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COMPANY OVERVIEW

Overview of the Upthinity Ecosystem

Uptherim, Ltd., is a BVI corporation. Our goal is to build protocols, systems, and tools to improve the crypto-users experience and available resources. Formed in 2017 by William Francis, we operate a research, development, and deployment platform for network protocols. Projects led by Upthinity include Ryze Alerts, UpthinityPay, MyTokenSwap.io, Joobra.com and UPZ token. Upthinity implements its protocols, systems, and tools based on open-source technologies and systems and generally publishes its works via white papers.

Summary of Upthinity

Upthinity is designed as a decentralized multi-service and resource network, powered by a blockchain and a protocol token (the “UPZ token”). The object of the Upthinity Network is to grow by adding more consumer value-ready resources that add value to everyday crypto-currency usage. For now, the hub is beginning with our starting network seed projects which support market trading alerts and great opportunities for active crypto users, using your cryptocurrency assets for E-commerce access to online stores like Amazon, Ebay, Etsy, etc., premium access to real-time trending curated News and Opinion that impacts you, and Instant AltCoin Swap, all backed and powered by our native digital token called UPZ when transactions are made on the platform. In addition to this Memorandum, we encourage you to read Upthinity’s White Paper, attached to this Memorandum as Exhibit A.

Why Upthinity?

- **Decluttering the blockchain space:** The blockchain space is complicated, oversaturated, and too dependent on bitcoin. By strategically positioning the Upthinity ecosystem hub through **branding** and **community engagements**, we can bring trusted services that promote a positive view and a way to integrate the use of blockchain technology and cryptocurrency into everyday life. In owning our own private and public blockchain technology, we are able to connect with other upcoming blockchain **projects/entrepreneurs**, integrating them onto the hub to help decrease the over-saturation of new projects that go it alone but fail. Our branding strategy should represent a standard, a golden seal of sorts that conveys a trusted service. This provides us the chance to be strong competitors and a reliable alternative in services that may be present but failing in meeting the community’s needs.
- **Focusing on increased reliability:** We understand the need for customer engagement to innovate our platform and tweak our platform to the true needs and pain-points of everyday users (not having different customer philosophies that provide different service experiences but an aligned philosophy that promotes an expected excellence throughout all services connected to Upthinity). We are legally sound and will stay in alignment with jurisdictional regulation, staying on top of the latest technology and programming capabilities to remain viable and competitive.
- **Lowering Transaction cost:** Upthinity products and services will have a low transaction cost with the capability to be adjusted with the market as needed, allowing us to remain economically competitive when using cryptocurrencies to make money transfers or pay for services and goods.
- **Revolutionizing Rewards Potential:** Most blockchain applications only have a single method of rewarding members, whether it’s just initial tokens of PoS/PoW. We are the only known hub that provides membership and a hybrid protocol reward cycle that allows members to earn rewards in

UPZ tokens for **proof of stake** and **proof of action**. In addition to earning UPZ tokens as a reward for **contributing/participation** on those user input platforms, we have applications in the hub such as Joobra.com an UpthinityPay for cashback rewards. This presents a multi-layered reward system.

Executive Summary

Upthinity is an integrated crypto hub that's beginning with five key applications. Each app is designed to smoothly work with the others to create a seamless user experience. To ensure cohesion, we will activate applications progressively as the user base grows and the platform evolves.

- **Joobra.com:** To make smart decisions, you need access to high-quality, relevant information from diverse perspectives. Staying connected to the vast world around you in an uncluttered balanced way is important to you. And that's something needed now. With Joobra, a blockchain based news and social platform that utilizes smart-contracts to keep information flow fast and accurate, you'll be able to quickly get the news, leading opinions, and key interest insights you need to make smart decisions and to stay connected.

Joobra is the first core platform and it will launch after we complete the Crowdfunding stage.

- **MyTokenSwap:** Fast and reliable when you need it most, MyTokenSwap.io is a multi-cryptocurrency coin exchange platform with low exchange rates and fees. Through it, you'll be able to swap your fiat currency for alt-coins like Litecoin, Bitcoin, and Ethereum and back again through one streamlined application.
- **UpthinityPay:** Can you imagine being able to shop at your favorite online stores and pay with crypto? With UpthinityPay, you'll be able to buy from major online retailers like Amazon and Ebay as well as local brick-and-mortar stores effortlessly. All without exhaustingly long waiting periods to convert your crypto coins or tokens.
- **Ryze Alerts:** Ryze Alerts is a multi-market trading hub specifically designed to support the active crypto-trader. You'll get up-to-date analysis, upcoming market opportunities that are forming, and hot trading alerts so you can make informed decisions fast and even gain insight to what the community is trading. Our AI technology scans the market for the best opportunities providing you an advantage, great for active traders and those wanting to learn to trade the crypto markets and more. And, you'll get access to the Upthinity Binary Options Market for easy yes or no trade opportunities driven by our online community.
- **Upthinity Native Token:** UPZ token, used for transactions in the ecosystem and low-cost Peer to Peer (P2P) transfers, powers the entire Upthinity ecosystem. It's designed with fast settlement times and low transaction fees in mind. Transferring money to friends, family and others has never been easier and cheaper no matter their location. After the launch, the UPZ token will be actively available to exchange on our platform.

The Upthinity Ecosystem

Upthinity's goal is to engage key Upthinity ecosystem (the "Ecosystem") stakeholders by offering certain benefits to clients, miners, partners and vendors. Subscribing members in this offering will have the right to receive Tokens upon launch of the Ecosystem, so that members can then use those Tokens to participate in the Ecosystem and its applications.

- Upthinity for Consumers. Upthinity envisions its broad ranging ecosystem products and crypto user resources to be a staple in each crypto user's arsenal of tools. From the various services offered, customers would be able to engage in media, financial transactions and active trading opportunities 24/7.
- Upthinity for Miners. Miners will be the core service providers of Upthinity. Upthinity's plan is for miners to stake their UPZ token holdings to validate transactions taking place within the ecosystem generating new blocks and minting new UPZ tokens. The Upthinity blockchain is designed to reward participants at multiple levels — from highly active/staking participants to more less active participants. Once the network launches, Upthinity's goal is for UPZ tokens to be actively transacted, allowing miners to retain tokens or exchange them for other currencies like ETH, BTC, LTC, and more.
- Upthinity for partners and entrepreneurs. The Upthinity ecosystem is constantly growing and new innovative technologies are emerging from changemakers and disrupters that having a blockchain will benefit. Upthinity will partner with entrepreneurs with viable services and business models to underwrite their launch on the Upthinity blockchain. New projects launched on the Upthinity network will utilize the UPZ token for transaction settlement. Additional tokens created for a specific project will be backed and only convertible by the UPZ token.

Upthinity will be Built on Top of a Custom Ethereum Fork

Upthinity is being programmed in Go and Solidity, built as a custom blockchain like no other. Upthinity is already positioned with an edge with a hybrid consensus protocol. As our blockchain is in development and is the secret sauce of our community, its source code will be available after the first test-net genesis block is created.

Members wishing to stake their tokens will be able to run a master node or miner online client to participate in the validation pool allowing the minting of new UPZ tokens and members to be rewarded.

Being ERC20 compatible, we will have a custom developed blockchain and smart contract that's scalable and rich with a variety of capabilities to meet public and private service needs.

Upthinity is partnered and being developed by S-PRO, a premier, highly experienced full stack blockchain development company, with Artem S. leading its development.

Upthinity’s Consensus Protocols

Upthinity blockchain is developed with two consensus protocols consisting of Proof of Stake (PoS) and Proof of Action (PoA). This structure helps to incentivize the network participation for greater adoption.

Proof of Stake (PoS): The Upthinity blockchain does allow members to earn by hashing a percentage of the transactional fee as a reward for validating transactions on the Upthinity blockchain. Different from PoW, Proof-of-stake mining (PoS) requires little computing resources. Staked UPZ tokens are used to purchase a voting (validation) permit on the network. In every block a certain number of permits from the validation live pool are chosen at random to vote on the validity of the previous block. Members earn rewards (a percentage of the transaction fee) by utilizing their computational power to validate transactions.

Proof of Action (PoA): Members are rewarded and unlock their Reserved UPZ tokens when action is taken through the Upthinity Dashboard. The consensus protocol will validate suggested actions individual members take via social media and suggested action profile actions taken through the Upthinity dashboard. With these suggested and validated actions taken, users are able to unlock the rewards/tokens reserved for them.

Additional information is available in the white paper published at www.Upthinity.io

Initial Launch of the Upthinity Ecosystem

At the time of the UPZ Tokens are released, Upthinity’s goal is for the Upthinity Ecosystem to have the following functionality (the “Minimum Viable Product”):

- Upthinity for Customers. Upthinity customers will be able to begin using Joobra.com as the first project released into the ecosystem. Customers will be able to contribute content on the Joobra.com platform and have the ability to share in an ad-revenue split. Full functionality of Joobra will be operable in both desktop and mobile versions.
- Upthinity for Miners. Miners will be able to begin staking their UPZ holdings to validate transactions on the network and completing specific actions on social media that allow reserved UPZ tokens to be released and fully exchangeable and usable.

Governance by Upthinity.

Upthinity is governed by its executive leadership team that will act as the long-term governance body for the Upthinity Ecosystem. As currently planned, Upthinity’s mandate will be to grow an open crypto resource rich ecosystem that’s decentralized, while giving developers an open and sustainable platform to build, enhance and monetize those approved services. From Upthinity’s executive leadership perspective, being established for governance, organization, and legal and financial support is considered a sound and established practice for open source projects.

Potential Future Competitive Landscape

The all-in-one blockchain-based multi-service market is growing, becoming more competitive, and subject to rapidly evolving technology, changing customer needs, as well as constant introductions of new products. Upthinity will face competition from a broad spectrum of technology providers, from large established vendors to smaller and more specialized companies. The basis of this competition may be based on a range of factors. Some of these competitors have already launched their underlying tokens, while others may develop and compete in the future. We believe the value proposition of the Upthinity ecosystem to its prospective consumers, miners and partners will enable it to be sufficiently differentiated from the competition. Upthinity believes its performance in the areas of technical innovation and ecosystem development, coupled with the automatic incentive structure of its underlying token, will enable it to compete effectively in the all-in-one blockchain-based multi-service market.

The Upthinity Team and Community

The Upthinity core team holds deep expertise in distributed systems, cryptography, networks, blockchains, security, fintech, economics, software engineering and open source. The team's experience includes the top computer science universities, top technology and finance companies, and top systems and blockchain projects.

Furthermore, based on Upthinity internal analysis, a growing number of individuals and institutions across the globe will seek to contribute to open source projects led by Upthinity. Upthinity will endeavor to foster this remarkable community daily.

Legal Proceedings

From time to time, Upthinity may be involved in legal proceedings. The results of such legal proceedings and claims cannot be predicted with certainty, and regardless of the outcome, legal proceedings could have an adverse impact on Upthinity's business or the development of the Upthinity Network because of defense and settlement costs, diversion of resources and other factors.

DIRECTORS AND MANAGEMENT

As is common practice in the open source software community, Upthinity maintains a flat organization with distributed leadership, with William Francis serving as Upthinity's Chief Executive Officer and sole director. Mr. Francis has served as the Company's Chief Executive Officer since he founded the Company in 2017. He is the inventor of Upthinity and other internet protocols. He holds a B.S. in Business Management from Stanford University, where his research focused on distributed computing systems and network protocols.

TERMS OF THE MPAS AND TOKENS

The summary below describes the principal terms of the MPAs and the rights to receive the underlying Tokens contained therein. Certain of the terms and conditions described below are subject to important limitations and exceptions. Prospective investors should review the entirety of the form of MPA, which is attached to the Memorandum as Exhibit B. The summary below is qualified in its entirety by reference to the actual text of the form of MPA.

Purchase of a membership is akin to a pre-order access, as that term is commonly used in the software development industry. The idea behind the pre-order business model is to allow individuals to pre-order services for automation or various processes. Similar to this model, membership in Upthinity is a means to “pre-order” the UPZ Tokens, which are necessary to use the software and applications that we are developing in the Ecosystem.

We find the UPZ Token’s functionality to be of a utility nature since UPZ is essentially a key to open access for using the Ecosystem. Further, active Proof of Stake (PoS) and Proof of Action (PoA) are required of Members in order to receive Tokens. This is a pure utility function as has no profit-sharing qualities with respect to the Company, and we find that this signals a low risk of UPZ Token being considered a security (however, please see “Risk Factors” for a more thorough analysis of UPZ Token versus securities on the basis of the most applicable securities regulations).

Company:	Upthinity, Ltd.
Membership Offering:	Right to acquire in the future UPZ Tokens of the Company (the “Token” or “UPZ”) pursuant to a Membership Purchase Agreement (each an “MPA” and together the “MPAs”) issued to investors (each, an “Investor”). Each Investor must be a non-U.S. Person who is not purchasing for the account or benefit of a U.S. Person as defined under Regulation S under the Securities Act.
Form of Payment for MPA:	U.S. dollars, Bitcoin, Ether and Litecoin. The MPAs shall be denominated in U.S. dollars, and payments in Bitcoin, Ether and Litecoin shall be valued in U.S. dollars at an exchange ratio equivalent to the volume-weighted average hourly price of Bitcoin, Ether and Litecoin across exchanges in the one hour preceding the entry into this MPA; provided, however, that in the event that such exchanges experience technical issues in such period that affect the accuracy of the volume-weighted average price, the Company will use its reasonable best efforts to determine the volume-weighted average price of Bitcoin, Ether and Litecoin for such period.

Use of Proceeds:	A significant portion of the proceeds of the Offering will be used by the Company to achieve the Minimum Viable Product and subsequently to buildout a decentralized storage network, powered by a blockchain and the Upthinity protocol token.
Automatic Conversion of MPAs to Tokens:	The bona fide public release of the Upthinity Genesis Block and a fully functioning and secure Upthinity blockchain running a client that conforms to the Upthinity Protocol as ratified by Upthinity Ltd.
Vesting and Discounts:	All Tokens issued upon conversion of the MPAs will then be subject to a six-month vesting period whereby the Investors will be unable to use any unvested Tokens on the Upthinity Network. The Tokens will begin to vest in equal portions as each block of Upthinity is mined following the Network Launch, such that all Tokens acquired pursuant to this Offering shall be fully vested at the end of the six-month period (as measured starting from the Network Launch).
Termination:	The MPA shall terminate upon the earlier of (i) the Network Launch; (ii) July 18, 2022, if the Network Launch has not occurred by such date, provided that, the Company shall have the right to extend by ninety (90) days, in its sole discretion, or (iii) the payment or setting aside of payment of amounts due to the Investor upon a Dissolution Event, which shall include (a) a voluntary termination of operations of the Company, (b) a general assignment for the benefit of the Company's creditors or (c) any other liquidation, dissolution or winding up of the Company, whether voluntary or involuntary.

Documentation:	Purchase and sale of the rights shall be on the terms and conditions set forth in the MPA, which shall be prepared by Company’s counsel, and which will contain certain representations, warranties and covenants of the Company and the Investors, closing conditions and other provisions.
Token Distribution:	<p>The Upthinity Token will be distributed to the 4 major participating groups. These groups are critical to the network’s creation, development, growth, and maintenance. This allocation is written into the protocol itself and the Upthinity blockchain’s Genesis block. Allocations are vested for multiple up to one year.</p> <ul style="list-style-type: none"> • 75% The Upthinity Community • 14% Founders and Team • 9% Partner Reserve • 2% Advisory Board

RISK FACTORS

An investment in the MPA and the underlying UPZ Tokens involves a high degree of risk. You should consider carefully the risks described below, together with all of the other information contained in this Memorandum and the MPA, before making an investment decision. The following risks entail circumstances under which, our business, financial condition, results of operations and prospects could suffer.

Risks associated with an investment in the MPA

Upthinity may not successfully develop, market and launch the Minimum Viable Product and Investors may not receive Tokens.

The Upthinity Network has not yet been developed by the Company and will require significant capital funding, expertise of the Company's management, time and effort in order to develop and successfully launch the Upthinity Network. The Company may have to make changes to the specifications of the Upthinity Network or Tokens for any number of legitimate reasons or the Company may be unable to develop the Upthinity Network in a way that realizes those specifications or any form of a functioning network. It is possible that the Tokens and the Upthinity Network may not ever be released and there may never be an operational Token or that the Network Launch will not occur. The Upthinity Network or Tokens, if successfully developed and maintained, may not meet investor expectations at the time of purchase. Furthermore, despite good faith efforts to develop and launch the Upthinity Network and subsequently to develop and maintain the Upthinity Network, it is still possible that the Upthinity Network will experience malfunctions or otherwise fail to be adequately developed or maintained, which may negatively impact the Upthinity Network and Tokens.

The Company will use the proceeds of this Offering to make significant investments to develop and launch a viable Upthinity Network and subsequently to build a fulsome network upon which users can realize utility and value. The Company may not have or may not be able to obtain the technical skills and expertise needed to successfully develop the Upthinity Network and progress it to a successful Network Launch. While the Company has sought to retain and continue to competitively recruit experts, there is a general scarcity of management, technical, scientific, research and marketing personnel with appropriate training to develop and maintain Upthinity and the Upthinity Network. If the Company is not successful in its efforts to demonstrate to users the utility and value of the Upthinity Network, there may not be sufficient demand for the Tokens for the Company to continue to operate the Ecosystem. As a result, or if the Network Launch does not occur, Investors may lose all of their investment. "Network Launch" means the release of software that allows buyers and sellers to exchange storage, using the technologies and market incentives described above in Company Overview.

Investments in startups including Upthinity involve a high degree of risk. Investments in token presales including the sale of Upthinity MPAs may involve an even higher degree of risk.

Financial and operating risks confronting startups are significant: Upthinity is not immune to these. The startup market in which Upthinity competes is highly competitive and the percentage of companies that survive and prosper is small. Startups often experience unexpected problems in the areas of product

development, marketing, financing, and general management, among others, which frequently cannot be solved. In addition, startups may require substantial amounts of financing, which may not be available through institutional private placements, the public markets or otherwise.

Upthinity may be forced to cease operations or take actions that result in a Dissolution Event.

It is possible that, due to any number of reasons, including, but not limited to, an unfavorable fluctuation in the value of cryptographic and fiat currencies, the inability by the Company to establish the Minimum Viable Product or the Tokens' utility, the failure of commercial relationships, or intellectual property ownership challenges, the Company may no longer be viable to operate and the Company may dissolve or take actions that result in a Dissolution Event.

The MPAs may not be transferred.

The terms of the MPA prohibit transfer of the MPA. As a result, Investors will be required to hold their MPA until the earlier of the Network Launch and the delivery of all of the Tokens, or the termination of the MPA pursuant to the provisions set forth therein. Consequently, Investors must be prepared to bear the risk of an investment in the MPA until the termination of the MPA pursuant to the terms set forth therein.

The tax treatment of the MPA, the rights to receive Tokens contained therein and the Token distribution is uncertain and there may be adverse tax consequences for Investors upon certain future events.

The tax characterization of the MPA and the Tokens is uncertain, and each Investor must seek its own tax advice in connection with an investment in the MPA. An investment pursuant to the MPA and the acquisition of Tokens pursuant thereto may result in adverse tax consequences to Investors, including withholding taxes, income taxes and tax reporting requirements. Each Investor should consult with and must rely upon the advice of its own professional tax advisors with respect to the tax treatment of an investment in the MPA and the Token acquisition rights contained therein, and the UPZ Tokens, in each case in the investor's appropriate taxing jurisdiction.

Risks associated with the Tokens and the Upthinity Network

The Upthinity Network may not be widely adopted and may have limited users.

It is possible that the Upthinity Network will not be used by a large number of individuals, companies and other entities or that there will be limited public interest in the creation and development of distributed ecosystems (such as the Upthinity Network) more generally or distributed applications to be used on the Upthinity Network. Such a lack of use or interest could negatively impact the development of the Upthinity Network and therefore the potential utility of Tokens.

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

It is possible that alternative networks could be established that utilize the same or similar open source code and protocol underlying the Upthinity Network and attempt to facilitate services that are materially similar to the Upthinity Network's services. The Upthinity Network may compete with these alternative networks, which could negatively impact the Upthinity Network and the Tokens.

The open-source structure of the Upthinity Network protocol means that the Upthinity Network may be susceptible to developments by users or contributors that could damage the Upthinity Network and Upthinity's reputation and could affect the utilization of the Upthinity Network and the Tokens.

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

The Upthinity Network may be the target of malicious cyberattacks or may contain exploitable flaws in its underlying code, which may result in security breaches and the loss or theft of Tokens. If the Upthinity Network's security is compromised or if the Upthinity Network is subjected to attacks that frustrate or thwart our users' ability to access the Upthinity Network, their Tokens or the Upthinity Network products and services, users may cut back on or stop using the Upthinity Network altogether, which could seriously curtail the utilization of the Tokens and cause a decline in the market price of the Tokens.

The Upthinity Network's structural foundation, the open-source protocol, the software application and other interfaces or applications built upon the Upthinity Network are still in an early development stage and are unproven, and there can be no assurances that the Upthinity Network and the creating, transfer or storage of the Tokens will be uninterrupted or fully secure which may result in a complete loss of users' Tokens or an unwillingness of users to access, adopt and utilize the Upthinity Network. Further, the Upthinity Network may also be the target of malicious attacks seeking to identify and exploit weaknesses in the software or the Upthinity Network which may result in the loss or theft of Tokens. For example, if Upthinity and the Upthinity Network are subject to unknown and known security attacks (such as double-spend attacks, 51% attacks, or other malicious attacks), this may materially and adversely affect the Upthinity Network. In any such event, if the Network Launch does not occur or if the Upthinity Network is not widely adopted, Investors may lose all of their investment.

Risks related to blockchain technologies and digital assets

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

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

As blockchain networks and blockchain assets have grown in popularity and in market size, regulatory agencies have begun to take interest in, and in some cases regulate, their use and operation. In the case of virtual currencies in the U.S., for example, state regulators like the New York Department of Financial Services have created new regulatory frameworks. Others, as in Texas, have published guidance on how their existing regulatory regimes apply to virtual currencies. Some states, like New Hampshire, North Carolina, and Washington, have amended their state's statutes to include virtual currencies into existing licensing regimes. Treatment of virtual currencies continues to evolve under federal law as well. The Department of the Treasury, the Securities Exchange Commission, and the Commodity Futures Trading Commission, for example, have published guidance on the treatment of virtual currencies. The IRS released guidance treating virtual currency as property that is not currency for US federal income tax purposes, although there is no indication yet whether other courts or federal or state regulators will follow this classification. Both federal and state agencies have instituted enforcement actions against those violating their interpretation of existing laws.

The regulation of non-currency use of blockchain assets is also uncertain. The CFTC in the U.S. has publicly taken the position that certain blockchain assets are commodities, and the SEC has issued a public report stating federal securities laws require treating some blockchain assets as securities. To the extent that a government or quasi-governmental agency exerts regulatory authority over a blockchain network or asset, the Upthinity Network and the Tokens may be materially and adversely affected.

Blockchain networks also face an uncertain regulatory landscape in many foreign jurisdictions such as the European Union, China and Russia. Various foreign jurisdictions may, in the near future, adopt laws, regulations or directives that affect the Upthinity Network. Such laws, regulations or directives may conflict with those of the United States or may directly and negatively impact our business. 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 Upthinity Network and the adoption and utility of the Tokens.

New or changing laws and regulations or interpretations of existing laws and regulations, in the United States and other jurisdictions, may materially and adversely impact the value of the currency in which the

Tokens may be exchanged, 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.

This Issuance of Upthinity May Constitute the Issuance of a “Security” Under U.S. Federal Securities Laws or the Laws of Other Jurisdictions

Upthinity is a utility token that has a specific consumptive use – i.e. it allows participants in the Upthinity Network to use our proprietary blockchain applications, on a distributed network with significant advantages over current applications available today. Due to the nature of Upthinity, we do not think it should be considered a “security” as that term is defined in the Act, although the United States Securities and Exchange Commission (the “Commission”) may disagree with this determination.

On July 25, 2017, the Commission issued a Report of Investigation under Section 21(a) of the Securities Exchange Act of 1934 (the “Exchange Act”) describing an SEC investigation of The DAO, a virtual organization, and its use of distributed ledger or blockchain technology to facilitate the offer and sale of DAO Tokens to raise capital. The Commission applied existing U.S. federal securities laws to this new paradigm, determining that DAO Tokens were securities. The Commission stressed that those who offer and sell securities in the U.S. are required to comply with federal securities laws, regardless of whether those securities are purchased with virtual currencies or distributed with blockchain technology. The Commission’s announcement, and the related Report, may be found here:

<https://www.sec.gov/news/press-release/2017-131>

After reviewing the Report, we believe that Upthinity is substantially different from DAO Tokens, and should not be considered a “security” under U.S. federal securities laws. Nevertheless, as noted by the Commission, the issuance of tokens represents a new paradigm and the application of the federal securities laws to this new paradigm is very fact specific. If Upthinity were deemed to be a security under U.S. federal securities laws then, prior to the issuance of the MPA and the Tokens pursuant to the MPA, we may be required to register such issuance under the Securities Act if we were to offer these securities in the United States. The registration of Upthinity under the Securities Act would result in significant delay in the issuance of Upthinity and would require us to incur substantial additional expense. Therefore, we are conducting this offering in accordance with Regulation S promulgated under the Securities Act, which prohibits sales to or for the benefit of U.S. Persons (as defined in Regulation S), and also prohibits directed selling efforts into the United States or to U.S. Persons. Investors will also be limited in their ability to transfer Tokens to U.S. Persons. The exclusion of the U.S. market may adversely impact our ability to sell all of the MPAs or raise sufficient funds to continue development of the Ecosystem.

THE TOKENS WHEN ISSUED WILL BE ISSUED IN A TRANSACTION EXEMPT FROM REGISTRATION UNDER THE SECURITIES ACT, AND MAY NOT BE TRANSFERRED IN THE UNITED STATES OR TO, OR FOR THE ACCOUNT OR BENEFIT OF, ANY U.S. PERSON (AS DEFINED IN REGULATION S UNDER THE SECURITIES ACT (“**REGULATION S**”)) EXCEPT PURSUANT TO AN AVAILABLE EXEMPTION FROM THE REGISTRATION REQUIREMENTS OF THE SECURITIES ACT AND ALL APPLICABLE STATE SECURITIES LAWS. EXCEPT AS SET FORTH BELOW, THE TOKENS SHALL NOT BE EXCHANGEABLE FOR TOKENS THAT ARE NOT SUBJECT TO A LEGEND CONTAINING RESTRICTIONS ON TRANSFER UNTIL THE EXPIRATION OF THE APPLICABLE ONE-YEAR “**DISTRIBUTION COMPLIANCE PERIOD**” (WITHIN THE MEANING OF REGULATION S) AND THEN ONLY UPON CERTIFICATION IN A FORM REASONABLY SATISFACTORY TO THE COMPANY AND ITS TRANSFER AGENT, IF ANY, THAT SUCH TOKENS ARE OWNED EITHER BY NON-U.S. PERSONS OR U.S. PERSONS WHO PURCHASED

SUCH INTERESTS IN A TRANSACTION THAT DID NOT REQUIRE REGISTRATION UNDER THE SECURITIES ACT.

THE HOLDER OF ANY TOKENS AGREES TO OFFER, SELL OR OTHERWISE TRANSFER SUCH TOKENS, PRIOR TO THE EXPIRATION OF THE APPLICABLE ONE-YEAR HOLDING PERIOD WITH RESPECT TO RESTRICTED SECURITIES SET FORTH IN RULE 144 UNDER THE SECURITIES ACT (THE “**RESALE RESTRICTION TERMINATION DATE**”), ONLY (A) TO THE COMPANY OR ANY OF THE COMPANY’S SUBSIDIARIES, (B) PURSUANT TO A COMPLIANT REGULATION S SALE, OR (C) IF IN THE UNITED STATES OR TO A U.S. PERSON, PURSUANT TO A REGISTRATION STATEMENT THAT HAS BEEN DECLARED EFFECTIVE UNDER THE SECURITIES ACT OR IN A TRANSACTION EXEMPT THEREFROM, SUBJECT, IN EACH OF THE FOREGOING CASES, TO ANY REQUIREMENT OF LAW THAT THE DISPOSITION OF ITS PROPERTY OR THE PROPERTY OF SUCH PURCHASER ACCOUNT OR ACCOUNTS BE AT ALL TIMES WITHIN ITS OR THEIR CONTROL AND, IN EACH CASE, IN COMPLIANCE WITH APPLICABLE SECURITIES LAWS OF ANY APPLICABLE JURISDICTION.

The Investors will have no control and the Company may only have limited control over the Upthinity Protocol once the Upthinity Protocol Launch occurs.

The Upthinity Protocol is comprised of open-source technologies that depend on a network of computers to run certain software programs to process transactions. Because of this less centralized model, the Company has limited control over the Upthinity Tokens and the Upthinity Protocol once launched. In addition, the Investors are not and will not be entitled to vote or receive dividends or be deemed the holder of capital stock of the Company for any purpose, nor will anything be construed to confer on the Investors any of the rights of a stockholder of the Company or any right to vote for the election of directors or upon any matter submitted to stockholders at any meeting thereof, or to give or withhold consent to any corporate action or to receive notice of meetings, or to receive subscription rights or otherwise.

There may be occasions when certain individuals involved in the development and launch of the Upthinity Protocol may encounter potential conflicts of interest in connection with the Upthinity Protocol Launch, such that said party may avoid a loss, or even realize a gain, when other Investors in this Offering or in Upthinity Tokens are suffering losses.

There may be occasions when certain individuals involved in the development and launch of the Upthinity Protocol or Upthinity Tokens may encounter potential conflicts of interest in connection with this Offering and the Upthinity Protocol Launch, such that said party may avoid a loss, or even realize a gain, when other Investors in this Offering and the Upthinity Tokens are suffering losses. Investors in MPAs may also have conflicting investment, tax, and other interests with respect to MPA investments, which may arise from the terms of the MPA, the Upthinity Protocol code, the Upthinity Protocol, the timing of the Upthinity Protocol Launch or other Upthinity Token grants, or other factors. Decisions made by the key employees of the Company on such matters may be more beneficial for some Investors than for others.

Investors may lack information for monitoring their investment.

After investment, investors may not be able to obtain all information they would want regarding the Company, Upthinity Tokens, or the Upthinity Protocol, on a timely basis or at all. It is possible that

investors may not be aware on a timely basis of material adverse changes that have occurred with respect to the Upthinity Protocol. While the Company has made efforts to use open-source development for the Upthinity Tokens, this information may be highly technical by nature. As a result of these difficulties, as well as other uncertainties, investors may not have accurate or accessible information about the Upthinity Protocol.

Upthinity Tokens have no history.

The Upthinity Token will be a newly formed token and has no history. Each MPA should be evaluated on the basis that the Company or any third party's assessment of the prospects of the Upthinity Protocol may not prove accurate, and that the Company will not achieve its investment objective. Past performance of the Company, or any similar token or MPA, is not predictive of future results.

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

There are a number of data protection, security, privacy and other government- and industry-specific requirements, including those that require companies to notify individuals of data security incidents involving certain types of personal data. Security compromises could harm Upthinity Protocol's reputation, erode user confidence in the effectiveness of its security measures, negatively impact its ability to attract new users, or cause existing users to stop using the Upthinity Protocol.

The further development and acceptance of blockchain networks, including the Upthinity Protocol, which are part of a new and rapidly changing industry, are subject to a variety of factors that are difficult to evaluate. The slowing or stopping of the development or acceptance of blockchain networks and blockchain assets would have a material adverse effect on the successful development and adoption of the Upthinity Protocol and the Upthinity Tokens.

The growth of the blockchain industry in general, as well as the blockchain networks with which the Upthinity Protocol will rely and interact, is subject to a high degree of uncertainty. The factors affecting the further development of the cryptocurrency industry, as well as blockchain networks, include, without limitation:

- Worldwide growth in the adoption and use of Bitcoin, and other blockchain technologies;
- Government and quasi-government regulation of Bitcoin, and other blockchain assets and their use, or restrictions on or regulation of access to and operation of blockchain networks or similar systems;
- The maintenance and development of the open-source software protocol of the Bitcoin networks;
- Changes in consumer demographics and public tastes and preferences;
- The availability and popularity of other forms or methods of buying and selling goods and services, or trading assets including new means of using fiat currencies or existing networks;
- General economic conditions and the regulatory environment relating to cryptocurrencies; or
- A decline in the popularity or acceptance of Bitcoin or other blockchain-based tokens would adversely affect our results of operations.

The slowing or stopping of the development, general acceptance and adoption and usage of blockchain networks and blockchain assets may deter or delay the acceptance and adoption of the Upthinity Protocol and the Upthinity Tokens.

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

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

- Global blockchain asset supply;
- Global blockchain asset demand, which can be influenced by the growth of retail merchants' and commercial businesses' acceptance of blockchain assets like cryptocurrencies as payment for goods and services, the security of online blockchain asset exchanges and digital wallets that hold blockchain assets, the perception that the use and holding of blockchain assets is safe and secure, and the regulatory restrictions on their use;
- Investors' expectations with respect to the rate of inflation;
- Changes in the software, software requirements or hardware requirements underlying the Upthinity Protocol;
- Changes in the rights, obligations, incentives, or rewards for the various participants in the Upthinity Protocol;
- Interest rates;
- Currency exchange rates, including the rates at which digital assets may be exchanged for fiat currencies;
- Fiat currency withdrawal and deposit policies of blockchain asset exchanges on which the Upthinity Tokens may be traded and liquidity on such exchanges;
- Interruptions in service from or failures of major blockchain asset exchanges on which the Upthinity Tokens may be traded;
- Investment and trading activities of large investors, including private and registered funds, that may directly or indirectly invest in the Upthinity Protocol or Upthinity Tokens or other blockchain assets;
- Monetary policies of governments, trade restrictions, currency devaluations and revaluations;
- Regulatory measures, if any, that affect the use of blockchain assets such as the Upthinity Tokens;
- The maintenance and development of the open-source software protocol of the Upthinity Protocol;
- Global or regional political, economic or financial events and situations; or
- Expectations among Upthinity Protocol or other blockchain assets participants that the value of the Upthinity Tokens or other blockchain assets will soon change.

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

USE OF PROCEEDS

Upthinity expects that a substantial amount of all of the proceeds of the Offering will be used by the Company to originate and subsequently to progress the development of the Upthinity Network and the Upthinity Ecosystem.

PLAN OF DISTRIBUTION

Only persons of adequate financial means who have no need for present liquidity with respect to this investment should consider purchasing the purchase rights set forth in the MPA offered hereby because:

- (i) an investment in the MPAs involves a number of significant risks (See “Risk Factors”); and
- (ii) no market exists for the MPAs or the underlying Tokens, and none is likely to develop in the reasonably foreseeable future. The Offering is intended to be a private offering that is exempt from registration in the United States pursuant to Regulation S under the Securities Act.

OTHER REQUIREMENTS

Although we are conducting this Offering outside of the United States only, we intend to implement an anti-money laundering compliance process that substantially complies with U.S. law, as a matter of best practices.

The USA PATRIOT Act	What is money laundering?	How big is the problem and why is it important?
<p>The USA PATRIOT Act is designed to detect, deter and punish terrorists in the United States and abroad. The Act imposes new anti-money laundering requirements on brokerage firms and financial institutions. Since April 24, 2002, all United States brokerage firms have been required to have comprehensive anti-money laundering programs in effect. To help you understand these efforts, the Company wants to provide you with some information about money laundering and the Company's efforts to help implement the USA PATRIOT Act.</p>	<p>Money laundering is the process of disguising illegally obtained money so that the funds appear to come from legitimate sources or activities.</p> <p>Money laundering occurs in connection with a wide variety of crimes, including illegal arms sales, drug trafficking, robbery, fraud, racketeering and terrorism.</p>	<p>The use of the United States financial system by criminals to facilitate terrorism or other crimes could taint our financial markets. According to the United States State Department, one recent estimate puts the amount of worldwide money laundering activity at US\$1 trillion a year.</p>

What the Company is required to do to help eliminate money laundering?	
<p>Under new rules required by the USA PATRIOT Act, must designate a special compliance officer, set up employee training, conduct independent audits and establish policies and procedures designed to detect and report suspicious transaction and ensure compliance with the new laws and rules.</p>	<p>As part of the Company's program, it may ask you to provide various identification documents or other information. Until you provide the information or documents that the Company needs, it may not be able to effect any transactions for you.</p>

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

programs administered by the **OFAC (the “OFAC Programs”)** prohibit dealing with individuals¹ or entities in certain countries, regardless of whether such individuals or entities appear on any OFAC list;

- (i) you represent and warrant that none of: (1) you; (2) any person controlling or controlled by you; (3) if you are a privately-held entity, any person having a beneficial interest in you; or (4) any person for whom you are acting as agent or nominee in connection with this investment is a country, territory, entity or individual named on an OFAC list, or a person or entity prohibited under the OFAC Programs. Please be advised that the Company may not accept any subscription amounts from a prospective investor if such investors cannot make the representation set forth in the preceding sentence. You agree to promptly notify the Company should you become aware of any change in the information set forth in any of these representations. You are advised that, by law, the Company may be obligated to “freeze the account” of any investor, either by prohibiting additional subscriptions from it, declining any redemption requests and/or segregating the assets in the account in compliance with governmental regulations, and that the Company may also be required to report such action and to disclose such investor’s identity to the OFAC;
- (ii) you represent and warrant that none of: (1) you; (2) any person controlling or controlled by you; (3) if you are a privately-held entity, any person having a beneficial interest in you; or (4) any person for whom you are acting as agent or nominee in connection with this investment is a senior foreign political figure², or any immediate family member³ or close associate⁴ of a senior foreign political figure, as such terms are defined in the footnotes below; and
- (iii) if you are affiliated with a non-U.S. banking institution (a “Foreign Bank”), or if you receive deposits from, make payments on behalf of, or handle other financial transactions related to a Foreign Bank, you represent and warrant to the Company that: (1) the Foreign Bank has a fixed address, and not solely an electronic address, in a country in which the Foreign Bank is authorized to conduct banking activities; (2) the Foreign Bank employs one or more individuals

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

². A “senior foreign political figure” is defined as a senior official in the executive, legislative, administrative, military or judicial branch of a foreign government (whether elected or not), a senior official of a major foreign political party, or a senior executive of a foreign government-owned corporation. In addition, a “senior foreign political figure” includes any corporation, business or other entity that has been formed by, or for the benefit of, a senior foreign political figure.

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

⁴ A “close associate” of a senior foreign political figure is a person who is widely and publicly known to maintain an unusually close relationship with such senior foreign political figure and includes a person who is in a position to conduct substantial domestic and international financial transactions on behalf of such senior foreign political figure. licensed the Foreign Bank to conduct its banking activities.

on a full-time basis; (3) the Foreign Bank maintains operating records related to its banking activities; (4) the Foreign Bank is subject to inspection by the banking authority that licensed the Foreign Bank to conduct banking activities; and (5) the Foreign Bank does not provide banking services to any other Foreign Bank that does not have a physical presence in any country and that is not a regulated affiliate.

The Company is entitled to rely upon the accuracy of your representations to it. The Company may, but under no circumstances shall it be obligated to, require additional evidence that a prospective Investor meets the standards set forth above at any time prior to its acceptance of a prospective Investor's subscription. You are not obligated to supply any information so requested by the Company, but the Company may reject a subscription from you or any person who fails to supply such information.

How to Subscribe

To invest in this Offering, Investors will need to first create an account and register on Upthinity.io. Additionally, Investors will need to provide investment entity information such as address and Identification Card and Selfie to pass a KYC (Know Your Customer) and AML (Anti Money Laundering) checks on the Upthinity.io platform.

KYC/AML submission steps will be performed, Investors will follow the remaining prompts at Upthinity.io to specify investment amount and see estimated Upthinity Token amount, confirm their investment, and make payment to finalize the transaction.

Notice to Prospective Investors in China

The MPAs are not being offered or sold and may not be offered or sold, directly or indirectly, within the People's Republic of China (for such purposes, not including the Hong Kong and Macau Special Administrative Regions or Taiwan), except as permitted by the securities and other laws and regulations of the People's Republic of China.

CERTAIN INCOME TAX CONSIDERATIONS

Persons considering the purchase of MPAs and the underlying Tokens described herein should consult their tax advisors as to the applicable tax laws in their taxing jurisdiction with respect to the purchase, ownership and disposal of MPAs and/or Tokens including, in particular, the application of such laws to their particular situations. No legal or tax advice is hereby given to any prospective Investor.

Set forth below is a discussion, in summary form, of certain U.S. federal income tax consequences relating to an investment in a MPA and the acquisition, ownership and disposition of Upthinity Tokens issued pursuant to a MPA. This summary is for descriptive purposes and by way of example only, and whether U.S. federal income tax laws apply to the non-U.S. Persons who will be permitted to invest in this Offering is unclear and dependent upon each Investor's individual situation. This summary does not attempt to present all aspects of the U.S. federal income tax laws or any state, local or foreign laws that may affect an investment in a MPA or in Upthinity Tokens for any particular Investor. This summary is general in nature and should not be construed as tax advice to any prospective Investor. No ruling has been or will be requested from the IRS and no assurance can be given that the IRS will agree with the tax consequences described in this summary. The following discussion assumes that each prospective Investor will acquire Upthinity Tokens as a capital asset (generally, property held for investment).

This description is based on the U.S. Internal Revenue Code of 1986, as amended, (the "Code"), existing, proposed and temporary U.S. Treasury Regulations and judicial and administrative interpretations thereof, in each case as available on the date hereof. As of the date hereof, significant reforms to U.S. federal income tax laws are under consideration. As a result, there may be future changes in U.S. federal income tax laws that may have adverse tax consequences on an investment in a MPA and the acquisition, ownership and disposition of Upthinity Tokens issued pursuant to a MPA, and may result in materially different tax consequences than as described herein. Thus, all of the foregoing is subject to change, which change could apply retroactively and could affect the tax consequences described below.

Transactions involving a MPA and similar instruments, as well as Initial Coin Offerings ("ICOs") and token transactions, are relatively new and it is more than likely that the IRS or other taxing authorities will issue guidance, possibly with retroactive effect, impacting the taxation of Investors in a MPA, participants in an ICO, and holders of tokens. Future tax guidance from the IRS or other taxing authorities (or guidance resulting from future judicial decisions) could negatively impact Investors in the MPA and holders of Upthinity Tokens.

∞ Tax Treatment of MPA

The Company intends to treat the execution of the MPA as the execution of a forward contract, i.e., a contract for the purchase of Upthinity Tokens, to be delivered to an Investor in the future upon Upthinity's Launch, as more fully described in the MPA. Accordingly, the Company intends to treat the MPA neither as an equity interest nor as a debt interest in the Company for tax purposes. Upon entering the MPA you agree to treat the MPA as a forward contract.

The tax treatment of a MPA is not entirely clear. It is possible that the a taxing authority may challenge the Company's intended treatment of the MPA as a forward contract, for example, treating amounts paid by an Investor upon entering into the MPA as a prepayment for services to be rendered, or treating the MPA as a form of equity interest in the assets of the Company, in which case the tax consequences to an Investor and the Company of the execution of a MPA could differ from those described herein.

∞ **Treatment of Upthinity Token Sale**

Upon Upthinity's launch, the Company shall issue Upthinity Tokens to each holder of an MPA pursuant to the terms of the applicable MPA. An Investor should not be taxed upon the acquisition of Upthinity Tokens pursuant to the MPA. An Investor generally should have a tax basis for income tax purposes in the Upthinity Tokens it acquires from the Company equal to the amount of money such Investor advanced under the MPA. The Investor's holding period in the Upthinity Tokens should begin on the day the Upthinity Tokens are issued to the Investor.

While a purchase of property, such as Upthinity Tokens, generally is not taxable to the buyer (in this case, the Investor) for income tax purposes, an Investor that uses ETH or Bitcoin as its form of payment for the MPA may have taxable gain or loss on such exchange to the extent the Investor's adjusted tax basis in ETH or Bitcoin used to purchase the MPA (expressed in U.S. dollars) is less than or greater than, respectively, the exchange ratio for ETH or Bitcoin (expressed in U.S. dollars) either upon execution of the MPA or upon the acquisition of Upthinity Tokens pursuant to the MPA. The tax treatment of ETH or Bitcoin and its use as currency is not entirely clear.

The tax treatment of Upthinity Tokens is not entirely clear. It is possible that a taxing authority may challenge the Company's intended treatment of the issuance of Upthinity Tokens under a MPA, in which case the tax consequences to an Investor and the Company of an issuance of Upthinity Tokens under a MPA could differ from those described above. The remainder of this summary assumes that the Company's intended treatment of the MPA and the Upthinity Tokens will be respected.

∞ **Disposition of Upthinity Tokens**

An Investor who sells, exchanges, or otherwise disposes of the Upthinity Tokens for cash or other property (including pursuant to an exchange of such Upthinity Tokens for other convertible virtual currency) should, pursuant to IRS Notice 2014-21, recognize capital gain or loss in an amount equal to the difference between the fair market value of the property received in exchange for such Upthinity Tokens and the Investor's adjusted tax basis in the Upthinity Tokens. This capital gain may be long term if the Investor has held its Upthinity Tokens for more than one year at the time of disposition.

∞ Treatment of Conversion of MPA upon failure of Upthinity Launch

In the event of a Upthinity Launch failure, the Company may wind up its operations and distribute its available assets to Investors, including holders of MPAs, as more fully set forth in the MPA. An Investor who receives Company assets in exchange for its rights under the MPA generally should recognize taxable gain or loss in an amount equal to the difference between the fair market value of the assets the Investor receives and its adjusted tax basis in its MPA (which will generally equal the amount of cash it advanced under the MPA).

EACH INVESTOR SHOULD SEEK, AND MUST DEPEND UPON, THE ADVICE OF HIS OR HER TAX ADVISOR WITH RESPECT TO THEIR INVESTMENT, AND EACH INVESTOR IS RESPONSIBLE FOR THE FEES OF SUCH ADVISOR. NOTHING IN THIS MEMORANDUM IS OR SHOULD BE CONSTRUED AS LEGAL OR TAX ADVICE TO AN INVESTOR. INVESTORS SHOULD BE AWARE THAT THE IRS MAY NOT AGREE WITH ALL TAX POSITIONS TAKEN BY THE COMPANY AND THAT CHANGES TO THE INTERNAL REVENUE CODE, THE TAX LAWS OF ANY FOREIGN JURISDICTION OR THE REGULATIONS OR RULINGS UNDER ANY OF THE FOREGOING, OR COURT DECISIONS AFTER THE DATE OF THIS MEMORANDUM MAY CHANGE THE ANTICIPATED TAX TREATMENT TO AN INVESTOR. THE COMPANY WILL NOT OBTAIN ANY RULING FROM THE IRS OR ANY OTHER TAXING AUTHORITY WITH REGARD TO THE TAX CONSEQUENCES OF AN INVESTMENT IN THE MPA OR UPTHINITY TOKENS.

PROSPECTIVE INVESTORS ARE HEREBY NOTIFIED THAT: (A) ANY DISCUSSION OF TAX ISSUES IN THIS MEMORANDUM IS NOT INTENDED OR WRITTEN TO BE RELIED UPON, AND CANNOT BE RELIED UPON, BY INVESTORS FOR THE PURPOSE OF AVOIDING PENALTIES THAT MAY BE IMPOSED ON SUCH INVESTORS UNDER LAWS OF ANY TAXING JURISDICTION; (B) SUCH DISCUSSION IS WRITTEN IN CONNECTION WITH THE PROMOTION OR MARKETING OF INVESTMENTS IN THE COMPANY; AND (C) PROSPECTIVE INVESTORS SHOULD SEEK ADVICE BASED ON THEIR PARTICULAR CIRCUMSTANCES FROM AN INDEPENDENT TAX ADVISOR.

THE TAX TREATMENT OF THE MPA, THE TOKEN ACQUISITION RIGHTS CONTAINED THEREIN AND THE UPTHINITY TOKEN DISTRIBUTION IS UNCERTAIN AND THERE MAY BE ADVERSE TAX CONSEQUENCES FOR INVESTORS UPON CERTAIN FUTURE EVENTS. AN INVESTMENT PURSUANT TO THE MPA AND THE PURCHASE OF UPTHINITY TOKENS PURSUANT THERETO MAY RESULT IN ADVERSE TAX CONSEQUENCES TO INVESTORS, INCLUDING WITHHOLDING TAXES, INCOME TAXES AND TAX REPORTING REQUIREMENTS. EACH INVESTOR SHOULD CONSULT WITH AND MUST RELY UPON THE ADVICE OF ITS OWN PROFESSIONAL TAX ADVISORS WITH RESPECT TO THE U.S. AND NON-U.S. TAX TREATMENT OF AN INVESTMENT IN THE MPA, THE RIGHTS CONTAINED THEREIN AND UPTHINITY TOKENS.

EXHIBIT A

Upthinity Whitepaper

EXHIBIT B

Form of Membership Purchase Agreement