

***Defending Manufacturers,
Distributors, Retailers, And
Consumers Against Counterfeits***



August 8, 2018

www.bonafi.io

A blockchain Digital Label (US Patent Pending)

Executive Summary

Bonafi, Inc. is a Delaware corporation (referred to in this White Paper as “Bonafi,” the “Company,” “we,” “our” or “us”) that plans to build a blockchain-based product authentication system (the “Platform”) that will help brands, big and small, and consumers defend against counterfeit products. The Platform will allow users to answer key questions about products, including:

“Who is the manufacturer?”

“Who is authorized to sell it?”

“When was it produced?”

“When did it arrive at this store?”

“Is it the real thing?”

The Platform will consist of four major components (U.S. Patent Pending, [6], [7], [8]), each of which is discussed in greater detail in the “How It Works” section of this White Paper.

1. Blockchain technology
2. Crypto-Tag™ - a cryptography enabled Near Field Communications Tag,
3. BONA Tokens
4. Mobile Application

Problem

Counterfeit goods make up about 2.5% of global imports according to Organization for Economic Co-operation and Development (OECD) [4]. In 2010, PricewaterhouseCoopers estimated that the counterfeit industry generated €1.6 trillion (\$1.9 trillion USD) in revenue, with pharmaceutical, electronic, and fashion goods making it into the top ten most counterfeited products [5]. This does not include collateral damage caused by counterfeit goods: legal battles between brands and consumers, additional cost to repair or replace counterfeit goods, medical problems caused by inferior materials used in counterfeit goods, and even death.

Solution

The Platform is designed to permit users, from a manufacturer to a retailer to a consumer, to verify genuine goods throughout the supply chain using Bonafi’s mobile application (the “App”) powered by BONA Tokens. We plan to make the App compatible with latest iOS and Android devices, and we expect to release a beta version of the Platform in Q1/2019.

Fundraising

Bonafi plans to raise funds for development of the Platform and other general working capital purposes by offering and selling securities in the United States and possibly in other countries. The securities sold may include BONA Tokens, shares of the Company’s capital stock and/or derivative securities such as a Simple Agreement for Future Tokens.

Restrictions on Transfer

All BONA Tokens sold in Bonafi’s initial coin offering (“ICO”) of BONA Tokens, or issued subject to and upon completion of the ICO, would be minted after successful closure of the ICO. If necessary to comply with restrictions on transfer pursuant to applicable securities law, tokens would be held in custody for the legally prescribed period by a token minting agent such as Securitize.io, Polymath.network or another third party minting and custodian authorized by Bonafi.

How It Works

The Platform is designed to permit users to verify genuine goods throughout the supply chain using the App powered by BONA Tokens. Bonafi plans to track goods through the supply chain using its proprietary Crypto-Tag™, which will be added to each product. The Crypto-Tag™ is expected to deliver relevant data to the Platform allowing the end-user to verify a product's authenticity using the App. The information we are planning to store in each Crypto-Tag™ includes a cryptographically encrypted data that points to a central server that contains the product supply information such as the original manufacturer of the product, when it was produced, where it was produced, when it arrived at an authorized reseller's store, and in some cases the current or past registered owners (with their permission, of course).



Shown in Figure 1 is a ukornq fkcitco ujgykpi how the Bonafi Platform is expected to work.

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C Et rvq/Vci W0U0 Rcvgpv Rgpfkpi+ ku godgffgf ykvjpk vjg rtqfwev yjkej yknn ugtxg cu vjg Et rvq/Gpikpg0 Vjg Et rvq/Vci ecp dg ocpkrwncvgf kpvq oquv ocvgtkcnu. ocmkpi qwt Et rvq/Vci xgtucvkng hqt oquv rtqfweuv qp vjg octmgv0

40 Uwrn Ejckp Cwvjgpkvckvqkq

Cu gcej kvgo oqxgu vjtwij vjg uwrn ejckp htqo fkutkdwvqtu. vq yjqngucngtu. vq tgvckngtu. cffkvkqpcn fvc yknn dg tgeqtfgf qpva vjg dnqemejckp xkc vjg Et rvq/Vci (gpvgrtkug crnkecvkqpu0 Vjku cwvjgpkvckvqkq rtqeguu yknn pqv qpn rtqvgev vjg dtcpf. dwv cnuq rtqvgev vjqug ugnnkpi vjg dtcpf0

50 Eqpuwogt Xgtxkhecvkqkq

Eqpuwogtu cpf vjktf/rctv ugnngtu yknn uecp rtqfwevu ykvj vjgkt oqdkng fgxkegu vq xgtxk vjg cwvjgpkvckv cpf cnuq tgikuvgt rwtejcugf iqqfu cffkpi vjg hkpcn nc gt qh cwvjgpkvckvqkq0

Figure 1 SREJM4PEJSVSMVOW

We plan to equip each Crypto-Tag™ with Near Field Communication (“NFC”) technology, flash memory storage, and a public key cryptographic engine that will allow the Crypto-Tag™ to store a pointer data that represents the product supply chain information to and from the Platform that will then be accessible through the App. We plan to use the flash storage to store the pointer data that points to such information as manufacturer’s data (i.e., the manufacturer’s ID, Cryptographic digital signatures, and other pertinent data from the manufacturer) on the Crypto-Tag™, encrypted by the manufacturer’s unique private key.

In Figure 2, a simplified view of the supply chain is shown - a product starts as a raw material, being transformed into a product by a manufacturer, ships to be sold at a store, and arrives at a consumer. We envision a system that each product equipped with a Crypto-Tag™ will be scanned at each point of the supply chain, such as upon departure from the manufacturer, upon arrival at and departure from the port of export/ import, and upon arrival at an authorized reseller’s store. Each time the Crypto-Tag™ is scanned, information will be transmitted to the Platform and create new data on the blockchain. The updated pointer data to the new information will be stored on the Crypto-Tag™.

If the Bonafi Platform is fully implemented according to our current plans, a consumer would be able to use the App to scan a product with a Crypto-Tag™ to confirm its authenticity. We plan to design the App so that it will check the data on the Crypto-Tag™ and on the Platform to verify that the product is genuine. The consumer would use the BONA Tokens to enable the App and authenticate the goods.

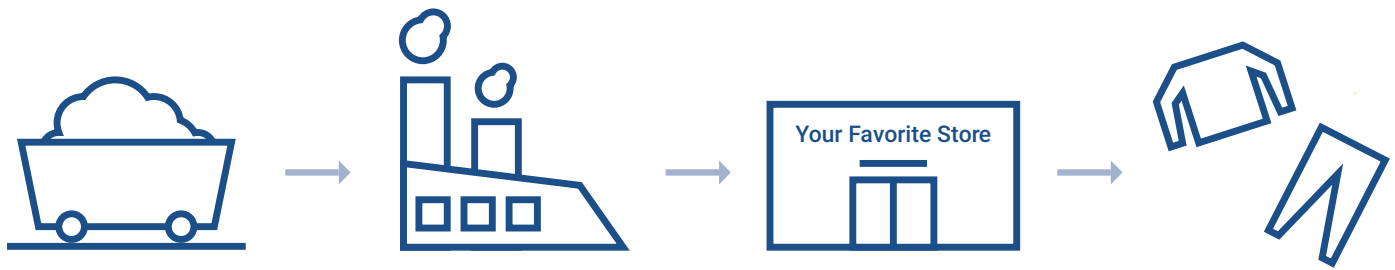


Figure 2 Product through the Supply Chain

Crypto-Tag™

We intend to make each Crypto-Tag™ function as an NFC chip, such as that shown in Figure 3, that could be scanned by an NFC mechanism built into mobile devices. When a user opens the App and places an NFC-enabled mobile device near the Crypto-Tag™, the device would wirelessly power the tag, enabling it to communicate with the device, perform the necessary Hash functions, execute the public cryptographic routines, and report its authenticity. We plan to design various types of Crypto-Tag™ so that a Crypto-Tag™ could be readily integrated into a logo, a paper label, a plastic wrapper, or inside the plastics of the product. We also plan to design the Crypto-Tag™ so that if it is detached or removed from the product it would be destroyed in the process or a tamper evident seal would show that it had been tampered with.

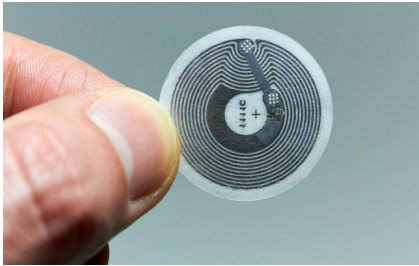


Figure 3 Crypto-Tag™ – NFC Based Cryptographic Digital Label (diameter = approximately 1 inch)

BONA Tokens

The BONA Tokens would give users of the Platform the ability to use the App to verify the authenticity of a product. If the product scanned is authentic, the BONA Token(s) used to activate the App would be spent and burned. If the product scanned is not authentic, then the user would retain the BONA Tokens. We expect that the amount of BONA Tokens required to verify the authenticity of each Product would be set by Bonafi in consultation with the manufacturer. For example, a pair of shoes might require 0.1 BONA Tokens to authenticate, while the App scan for a smart phone may require 1.0 BONA Token. We also intend to allow merchants to reward consumers with additional BONA Tokens for authenticating a product, adding their information to the product's registration data, and user reviews through the App.

The App

The final piece of the Bonafi authentication system is the App. Bonafi is designing the App to run on iOS™ and Android™ phone/tablet devices that support NFC technology, and intends to make the App available in the Apple App Store™ and Google PlayStore™. Currently a version of the App demonstrating its technology is available on Android devices. Bonafi plans that the iOS version would be ready in time for the beta release of the Platform in Q1/2019.

Bonafi intends that the App will read the data from the Crypto-Tag™, query the blockchain and notify the end user if a product is authentic. As discussed above, BONA Tokens would be required to use the App to receive authentication.

Figure 4 shows a planned iOS user interface for the App. The image on the left is a mockup of a screen shot showing a scan of an authentic item and the image on the right is a mockup of a screen shot showing a scan of a counterfeit item.

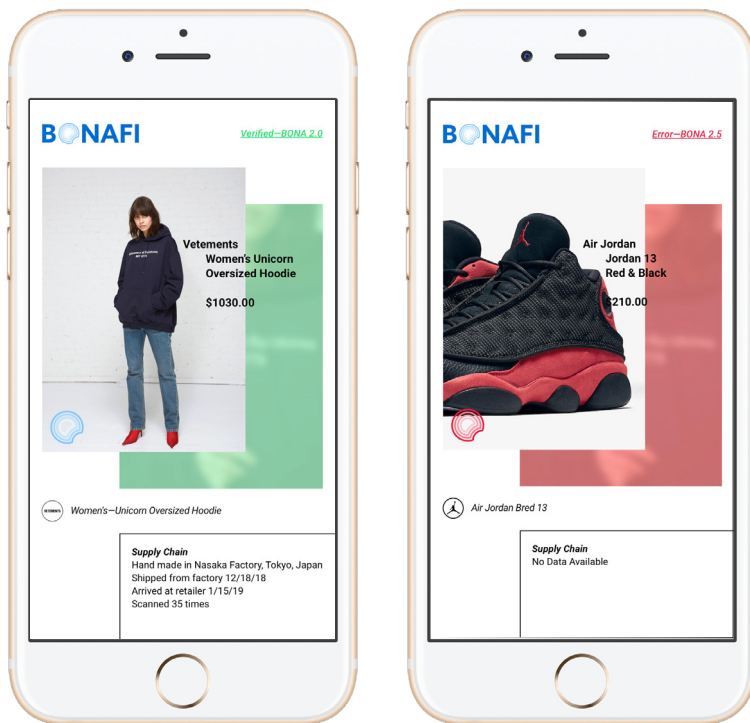


Figure 4 Mobile Phone App

The Supply Chain

We plan to sell Crypto-Tags™ directly to the manufacturer of the products to be tagged and expect that the manufacturer would place a tag on each product during production. Upon completion of the manufacturing, we expect the product's identity would be recorded on to the Platform as the product leaves the manufacturing site. Each Crypto-Tag™ may contain a unique data that is encrypted with the manufacturer's unique private key that points to product information such as serial number, product description, location, time, date, and other information. The actual details of the product information is at the full discretion of the manufacturer.

As the item moves from one location to the next through the supply chain, we expect that the benefit of authenticating the item would prompt users to scan the item using the App, and in doing so additional data would be added to the Platform for that specific item. If a non-authentic item were somehow to enter the supply chain and be recorded on the Platform, the Platform would allow the user to determine the entry point of the counterfeited item into the system.

In addition to helping to identify counterfeit products, the Platform would help brands determine if an authorized and licensed manufacturer produces a greater quantity of product than authorized. Because Bonafi would be able to show through the Platform the quantity of each product that is supposed to be manufactured, it would be able to produce records as a service, and notify the brand if any unauthorized quantities were produced.

We do not expect Bonafi will eliminate the production and sale of counterfeit goods. We understand counterfeit goods will continue to exist because there is a demand for them. Our hope is simply that Bonafi's Platform, when fully operational with participating manufacturers, will protect consumers who are looking to buy genuine goods, and we believe retailers and distributors who are serving these consumers will be incentivized to use the Bonafi Platform to ensure they only sell genuine goods.

Real World Example:

If Crypto-Tags™ purchased on the black market were affixed to an imitation sneaker, then when a retailer or consumer scans the Crypto-Tag™ with the App, the product would be revealed to be a counterfeit because only the actual brand or licensed manufacturer would show the correct Crypto-Tag™ with the proper credentials for each product.

We estimate that each Crypto-Tag™ would cost about \$0.20 at production quantities. We plan to eventually sell each Crypto-Tag™ at \$0.95 for a basic model. Initially, however, we expect to sell the Crypto-Tag™ at cost to certain manufacturing partners to conduct limited trials of the Platform. We expect that these trials may include manufacturers of pharmaceuticals, electronics, food, automobile parts, toys or fashion goods.

Rewards

Bonafi plans to implement a mechanism to reward users for registering a product, completing a product survey or completing other tasks at the request of the manufacturer. We believe such rewards would motivate consumers to continue to be engaged with the manufacturer. The manufacturers would, in turn, be motivated to engage with the consumers on a longer term basis, sending new product information and responding to questions. The consumers would continue to send user reviews and feedback information to the manufacturer. Ultimately we believe that use of the Bonafi Platform would help improve the bottom line for the manufacturer since it will encourage improvement of the corporate image and customer satisfaction.

Monetize the Big Data

As Bonafi's Platform gains a wide acceptance, it would have a large amount of data representing consumer's spending patterns, likes and dislikes, and preferences useful for advertisement of the future products. Bonafi plans to find ways to work with manufacturers and, with user approval, build a business model that monetizes the data sent back by the user on the App.

Bonafi for Online Purchases

While the tracking and authentication of physical products is the cornerstone of Bonafi's business, we also intend to develop a virtual version of the Crypto-Tag™ for products sold online, that may involve an extension technology for commonly used web browsers – including Microsoft Edge, Apple Safari, Google Chrome and Mozilla Firefox – that will be able to read the online Crypto-Tag™. Use of online Crypto-Tags™ would be subject to certain conditions to ensure only users of the Bonafi Platform are able to confirm the authenticity of a product.

Once the Bonafi online Crypto-Tag™ is available, we plan that the online buyers may be able to recognize the supply chain data to verify that the online retailer is one of the authorized resellers of the product, as well as the authenticity of the product themselves. It is emphasized that the online buyers are still required to exercise caution and exercise common sense to verify if the supply chain information provided by the online Crypto-Tag™ makes sense.

For example, if an orange is shown on the online retailer store and the product's online Crypto-Tag™ shows an apple, then it is expected that the online buyers are to exercise a common sense and that no online purchase is to be made.

It is possible that there could be attacks made by would-be counterfeiters who may present a product with a fake online Crypto-Tag™ as well. There may be no solution to eradicate counterfeits online. However, Bonafi plans to devote research and development efforts to enhance the performance of the online Crypto-Tag™.

The Big Picture

As shown in Figure 5, Bonafi plans to build a Platform that includes the Crypto-Tag™, the Bonafi mobile App, the Bona Tokens, the blockchain, the participating manufacturer and other data. The verification steps are as follows:

1. The verification process starts with the manufacturer adding the Crypto-Tag™ to a product with the cryptographically encoded data, creating a block of data on the Platform, and recording of the other data along the supply chain on blockchain.
2. Additional data is added to the Platform via Crypto-Tag™ and the App.
3. BONA Tokens are used to power the App and receive authentication data from the Platform.

With the power of blockchain technology and everyday mobile devices, Bonafi plans to discourage counterfeits from entering the market.

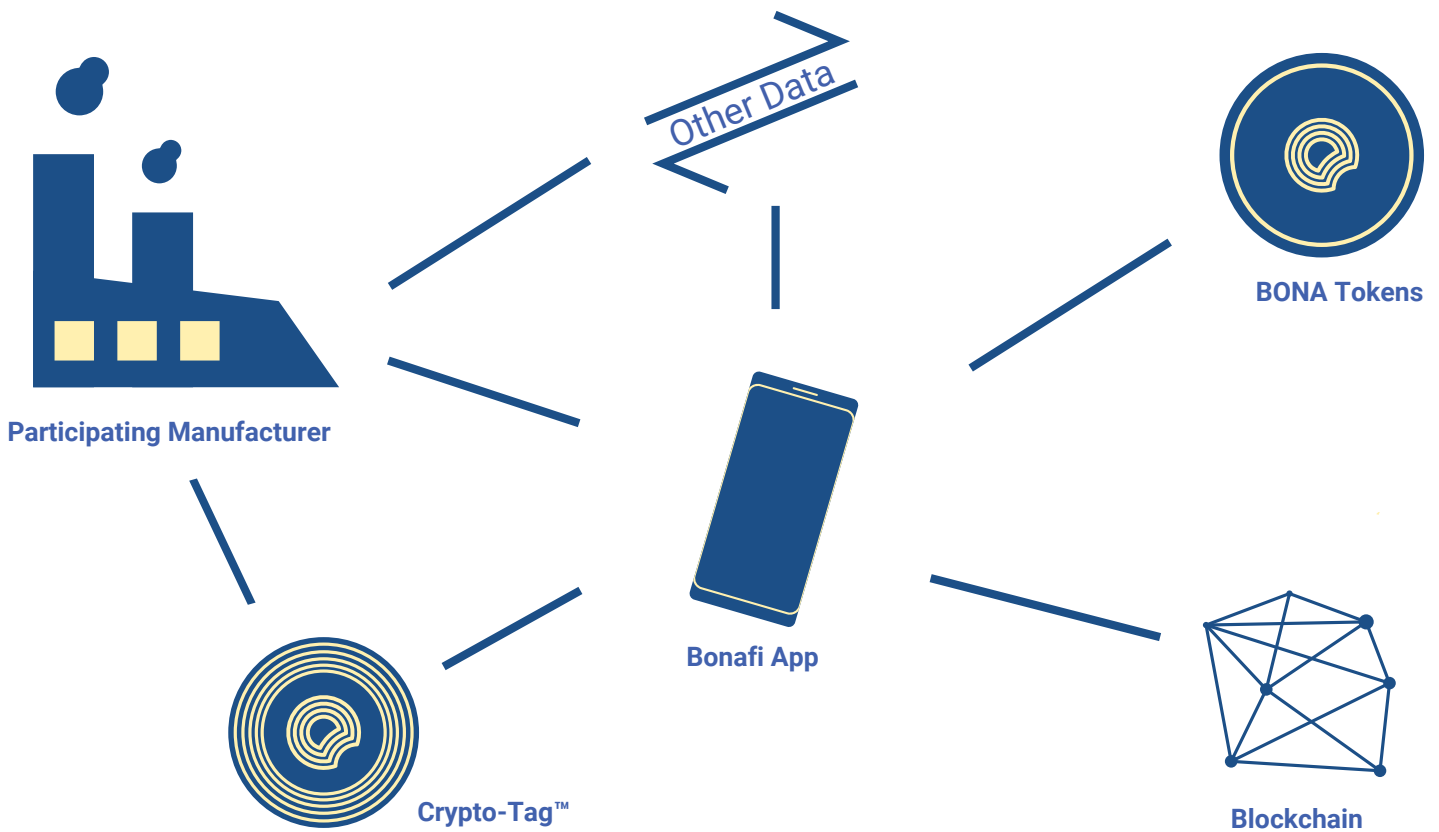


Figure 5, Bonafi's Authentication Platform, (US Patent Pending [6], [7], [8])

Roadmap



Q2-2018
Mobile App
Development & Demo



Q4-2018
Launch regular ICO
Social Media Marketing
Form Partnerships



Q1-2018
Build the Team
Crypto-Tag™
Development



Q3-2018
Release Alpha Version
Social Media Marketing
Form Partnerships
Launch pre-ICO



Q1-2019
Release Beta Version
Engage Customers
Form Partnerships

Team



Founder/CEO—Steve Kuh

20+ Years as Founder/CEO of Ktech Telecommunications, Inc - a digital television technology firm
BSEE, MSEE from University of Southern California
U.S. Patent Pending on a Blockchain Technology Digital Label

Steve is interested in providing solutions to combat counterfeit goods using blockchain technologies. He believes blockchain technology presents opportunities to solve issues such as counterfeits. With Bonafi, Steve hopes to take advantage of the blockchain based decentralized digital public ledger to change the world one product at a time.

With over 20 years of experience as founder and CEO of an IT firm, his specialty includes communications systems engineering, creation, and production of digital IT products.



Chief Technical Director/Korea – Dr. BM Lee

Dr. Byong Min Lee brings to Bonafi his 20+ years supply chain experience in automotive and electronics industry in Korea. Dr. Lee directs a technical team and develops the mobile App, produces the tags, and perform initial product trials in Korea.

Dr. Lee was the Founder and Chairman of Tinnos, inc, in Korea, which produces automotive parts such as Digital Clusters for large Korean automotive manufacturer and Chinese automotive manufacturers.



CMO—Abraham Kim

7 Years experience in digital marketing

Abraham spearheads Bonafi’s public relations and marketing campaigns. Working closely with advisors Simon Cocking. Abraham creates the necessary updates and engagements to keep current and potential investors in the loop while keeping the public in-the-know with current and future developments of Bonafi.

Abraham is an expert in digital marketing strategies – including Facebook, Google, Instagram, and influencer marketing campaigns – and delivering high-converting traffic for businesses in the e-commerce and B2B space. By integrating analytics from various advertisement and web platforms, Abraham leverages the online behavior of consumers to produce results.



Android App Director/Korea—Jae Jung Lee

JJ Lee has been an android software developer for a game company in Korea for the past 18 years. Mr. Lee develops Android App for Bonafi, works on blockchain interface to the Bonafi phone App with NetObjex, and the online version of the Crypto-Tag.



Radio Frequency (RF) Antenna Engineer/Korea—JS Lee

14 years as RF Antenna Engineer in consumer electronics and automotive products. JS Lee brings his RF expertise as Bonafi plans to build the NFC tags to work on variety of RF challenging products including metal and fabric goods.

As an engineer, Mr. Lee is also experienced in developing consumer and automotive electronics products.



Co-Founder/Creative Director—Daniel Kuh

As Bonafi’s Creative Director, Daniel plays a critical role in turning Bonafi’s creative visions into a reality. His expertise lies in UI/UX and he has previously held positions as lead designer and director of design at multiple startups. Daniel works closely with the App developers to create a seamless experience for the end user. He is also Bonafi’s in-house graphic designer for all of our graphic design needs.

Daniel is also a co-founder of the company.



Advisor—Simon Cocking

Simon has been an advisory board member for 22 companies that have completed successful initial coin offerings, helping them with marketing, media, and public relations strategy by leveraging his 115,000 followers on Twitter (31% in the US) and 22,000 on LinkedIn.

Simon is the Senior Editor at Irish Tech News and the Editor in Chief at CryptoCoinNews, and he freelances for the Sunday Business Post, Irish Times, Southern Star, IBM, G+D, and other publications. He has also been named on ten global Twitter influencer lists in the last 12 months.

Simon is an accomplished public speaker, and has spoken at events including TEDx, Web Summit and the Dublin Tech Summit.



Chief Financial Consultant—Craig Clayton

Craig has over 20 years of experience in strategic planning and business modeling for startups, including raising seed capital, obtaining lines of credit, forensic accounting, due diligence for mergers and acquisitions, small business financing, valuations, banking analysis and reconciliation, trust accounting and audits, and information technology strategic planning. He is currently the managing partner at Rochart Consulting.



Advisor/Supply Chain—Roberto Medrano

Mr. Medrano is an advisor to Bonafi in the area of supply chain management. He has been an executive with five public companies. He has extensive experience with information technology, including in the fields of cybersecurity, artificial intelligence, blockchain, and Internet of Things. He has worked with Fortune 100 companies on digital transformation initiatives using mobile, SaaS and on-premises or cloud hybrid products. As division General Manager for HewlettPackard, served a vital role as head of HP's key strategic emerging businesses that included cybersecurity, middleware, management, web services, CRM, and E-commerce.

Mr. Medrano has served on advisory boards for more than 20 companies, including: AAventail (acquired by SonicWall/Dell), Encenutate (acquired by IBM), Netscaler (acquired by Citrix), Bigfix (acquired by IBM), AirZip (acquired by Willow Tech), Confluent (acquired by Oblix/Oracle), PivX (IPO in 2004), Sand Hill IT Security (reverse IPO with EdgeWave), JackBe (acquired by SoftwareAG).

Ranked (2014) as #12 of top 250 CMOs in the world, "The 100 most influential Hispanics in the US", "The 100 Most Influential Latinos of Silicon Valley."

Token Sale Financing

Bonafi is currently planning to raise up to [\$_____] through a private placement of Bona Tokens conducted in accordance with Regulation D and Regulation S of the Securities Act of 1933 (the “Private Placement”). The Private Placement would be conducted through the Company’s website or through a third party platform and is expected to commence in Q3 2018 and last for no more than 180 days. Terms of the Private Placement will be described in a private placement memorandum (the “PPM”), which is hereby incorporated by reference.

Each prospective investor in the Private Placement (a “Subscriber”) will be required to provide Bonafi with all documents necessary to confirm, in Bonafi’s sole determination, that the Subscriber satisfies all of the conditions of the Private Placement. Among other things, each Subscriber will be required to attest and in some cases produce verification that, among other things, he, she or it:

- has received, read and understood the PPM;
- accepts and agrees to the terms of the BONA Tokens and the terms of the Private Placement;
- is applying to purchase the BONA Tokens for his, her or its own account for investment purposes only and not with a view to resale or distribution;
- is the owner of the public address for his, her or its digital wallet provided to Bonafi as the wallet for the BONA Tokens to be delivered following the closing of the Private Placement, and he, she or it is the sole owner of the private key to that address;
- is either:
 - an accredited investor for purposes of Regulation D of the Securities Act; or
 - a Non-U.S. Person for purposes of Regulation S of the Securities Act;
- is purchasing the BONA Tokens in compliance in all respects with laws applicable to him, her or it and, if the Subscriber is a corporate or other legal entity, that its investment in the BONA Tokens has been duly authorized; and
- is in compliance with the Uniting and Strengthening America by Providing Appropriate Tools Required to Intercept and Obstruct Terrorism Act of 2001, as amended, is not on any governmental authority watch list and will comply with any other legal, regulatory and compliance requirements and checks, including, but not limited to, anti-money laundering and sanctions compliance checks that may be imposed by Bonafi.

Subscriptions for BONA Tokens will be effective only when Bonafi accepts them. Bonafi reserves the right to reject any subscription, in whole or in part, in its sole discretion. Subscriptions need not be accepted in the order received and the BONA Tokens will be allocated among Subscribers in Bonafi’s sole discretion.

The minimum investment amount for the Private Placement is expected to be USD\$2,000 per investor. As shown in the table below, we expect to offer investors in the Private Placement a token bonus that will depend on the amount invested. Any investment amount in between the numbers would be linearly extrapolated. Actual schedule may change from time to time. Please refer to latest information on bonafi website, (www.bonafi.io).

Investment Amount USD –\$	% Bonus Token	Investment Amount USD –\$	% Bonus Token	Investment Amount USD –\$	% Bonus Token
		100,000	54%	1,100,000	94%
2,000	26%	200,000	58%	1,200,000	98%
3,000	28%	300,000	62%	1,300,000	102%
6,000	30%	400,000	66%	1,400,000	106%
8,000	32%	500,000	70%	1,500,000	110%
10,000	34%	600,000	74%	1,600,000	114%
20,000	38%	700,000	78%	1,700,000	118%
40,000	42%	800,000	82%	1,800,000	122%
60,000	46%	900,000	86%	1,900,000	126%
80,000	50%	1,000,000	90%	2,000,000	130%

Table 1 Expected Percentage Bonus Token Schedule for the Private Placement

Tokenomics

We currently plan to mint initially up to 1,000,000,000 BONA Tokens through a third party minting company at the conclusion of our ICO. The minting of the tokens would be performed by a third party entity such as Securitize.io, Polymath.network, or others as approved by Bonafi. As the number of BONA Tokens in circulation decreases as the tokens are used, but, and/or returned to Bonafi, we may issue additional BONA Tokens from time to time, provided that the number in circulation will never exceed 1,000,000,000.

Restrictions on Transfer

If necessary to comply with applicable law, BONA Tokens will be “locked up” so they cannot be transferred for a limited period prescribed by the laws. This will be most likely implemented as part of a smart contract of the tokens, locked away in a secure vault, held in custody by a third party such as Securitize.io, Polymath.network, or other methods as approved by Bonafi in compliance with the law.

Important Legal Notice

PLEASE READ THIS SECTION AND ALL THE FOLLOWING SECTIONS CAREFULLY. IF YOU ARE IN ANY DOUBT AS TO THE ACTION YOU SHOULD TAKE, YOU SHOULD CONSULT YOUR LEGAL, FINANCIAL, TAX OR OTHER PROFESSIONAL ADVISOR(S).

This White Paper does not constitute an invitation or inducement to engage in any investment activity nor form part of any advice to sell, or any solicitation of any offer, by Bonafi or any third party (as applicable, the “Distributor”) to purchase any BONA Tokens (collectively “Bonafi Securities”), nor shall it or any part of it, nor the fact of its presentation, form the basis of, or be relied upon in connection with, any contract or investment decision.

No person is bound to enter into any contract or binding legal commitment in relation to the sale and purchase of the Bonafi Securities, and no cryptocurrency or other form of payment is to be accepted, on the basis of this White Paper alone. Any agreement between the Distributor and you in relation to any sale and purchase of Bonafi Securities (as referred to in this White Paper) is to be governed only by separate documents, such as a token sale agreement and other applicable terms and conditions, setting out the terms and conditions of such agreement (the “Agreement”). In the event of any inconsistencies between the Agreement and this White Paper, the Agreement shall prevail.

Without prejudice to any other limitations set out in the Agreement, you are not eligible and you are not to purchase any Bonafi Securities if you are a citizen or resident (tax or otherwise) of any jurisdiction in which the offer and sale of the Bonafi Securities is prohibited.

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

This White Paper, any part thereof and any copy thereof must not be taken or transmitted to any country where distribution or dissemination of this White Paper is prohibited or restricted. No part of this White Paper is to be reproduced, distributed or disseminated without including this section.

COMPANY TOKENS

As of the date of publication of this paper, the BONA Tokens have no known potential uses outside of the Bonafi Platform, and are not permitted to be sold or otherwise traded on third-party exchanges. All proceeds received by Bonafi from the sale of Bonafi Securities may be spent freely by Bonafi absent any conditions, save as set out herein, and in the PPM.

CAUTIONARY NOTE ON FORWARD-LOOKING STATEMENTS

All statements contained in this White Paper, statements made in press releases or in any place accessible by the public and oral statements that may be made by Bonafi or its directors, executive officers, employees or agents acting on its behalf, 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 Bonafi’s financial position, business strategies, plans and prospects and the future prospects of the industry which Bonafi is in are forward-looking statements. These forward-looking statements, including but not limited to statements as to Bonafi’s revenue

and profitability, prospects, future plans, other expected industry trends and other matters discussed in this White Paper regarding Bonafi 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 cause the actual future results, performance or achievements of Bonafi to be materially different from any future results, performance or achievements expected, expressed or implied by such forward-looking statements. These factors include, amongst others:

- (a) changes in political, social, economic and stock or cryptocurrency market conditions, and the regulatory environment in the countries in which Bonafi conducts its respective businesses and operations;
- (b) the risk that Bonafi may be unable to execute or implement its business strategy and future plans;
- (c) changes in interest rates and exchange rates of fiat currencies and cryptocurrencies;
- (d) changes in the anticipated growth strategies and expected internal growth of Bonafi;
- (e) changes in the availability and fees payable to Bonafi in connection with its business and operations;
- (f) changes in the availability and salaries of employees who are required Bonafi to operate its business and operations;
- (g) changes in preferences of customers of Bonafi;
- (h) changes in competitive conditions under which Bonafi operate, and the ability of Bonafi to compete under such conditions;
- (i) changes in the future capital needs of Bonafi 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 Bonafi;
- (l) other factors beyond the control of Bonafi; and
- (m) any other risks and uncertainties associated with Bonafi and its business and operations, the Bonafi

Securities and the sale of Bonafi Securities, including those set forth in the PPM.

All forward-looking statements made by or attributable to Bonafi or persons acting on behalf of Bonafi are expressly qualified in their entirety by such factors. Given that risks and uncertainties that may cause the actual future results, performance or achievements of Bonafi to be materially different from that expected, expressed or implied by the forward-looking statements in this White Paper, undue reliance must not be placed on these statements. These forward-looking statements are applicable only as of the date of this White Paper.

Neither Bonafi nor any other person represents, warrants and/or undertakes that the actual future results, performance or achievements of Bonafi will be as discussed in those forward looking statements. The actual results, performance or achievements of Bonafi may differ materially from those anticipated in these forward-looking statements.

Nothing contained in this White Paper is or may be relied upon as a promise, representation or undertaking as to the future performance or policies of Bonafi.

Further, Bonafi 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.

RISKS AND UNCERTAINTIES

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