



Profila GmbH
Michiel van Roey
Shawn Jensen
Mättliweg 10
6353 Weggis
Switzerland

10 November 2021

Confirmation of the legal and regulatory status of the Zero Knowledge Token issued by Profila GmbH

Dear Michiel and Shawn

Many thanks indeed for mandating us to confirm the legal and regulatory status of the Profila Zero Knowledge Token ("ZKT") that will be issued by Profila GmbH ("Company").

We have based on the facts, assumptions, and conditions mentioned in this confirmation ("Confirmation") made an analysis of the legal and regulatory status of the Zero Knowledge Token.

I. Facts

Profila GmbH, is a private limited liability company organized and existing under the laws of Switzerland, with registered office at Seeburgstrasse 45, 6006 Lucerne, Switzerland, founded on 17 August 2015 and registered with the commercial register of the Canton of Lucerne under number CHE 498.045.399. The Company is planning to issue the ZKT.

The Company is the 100% owner of an affiliate in Europe, named Profila Europe BV, a limited company organized and existing under the laws of Belgium, with registered address at Avenue de Roodebeek 213, 1030 Brussels, Belgium, founded on 18 May 2017 and registered with the Belgian crossroad bank for enterprises under company number 0675.820.774, duly represented by MVR Legal BV, the management company of Profila co-founder Michiel Van Roey ("Profila Europe").

ZKT is planned to be a Cardano native token (based on technical characteristics). ZKT allows the issuer to (i) stimulate a certain behavior of the users in its ecosystem (e.g., in this case, privacy learning and ethical data collection and data sharing as explained in use cases no. 1, 2, and 4 in the Whitepaper (see below for definition), (ii) allow for mutual interaction between users and providers of products and services (e.g. in ZKT's case, use case no. 5, the zero-knowledge advertising ecosystem, as set forth in the whitepaper). The



digital product/service, available on DLT (Cardano blockchain) that can be accessed via ZKT is the privacy ledger explained in use case no. 3 of the Whitepaper.

Depending on the specific use case, ZKT's role will either be (i) a "function" to enrich the user experience and to incentivize people for using the App, (ii) a "toll" for people to participate in the usage fees of the smart contracts, or (iii) a "currency" for creating frictionless transactions between brands and people sharing data.

Digital Service	Role	Purpose	Feature
Privacy Education	Function	Enriching user XP	Incentivizing for usage; joining a network
Rights Management	Toll	Skin in the game	Usage fees for running smart contracts
	Function	Enriching user XP	Incentivizing good use (and not abuse)
Data Management	Function	Enriching user XP	Incentivizing for usage; joining a network
Data Sharing	Toll	Skin in the game	Running smart contracts
	Currency Earnings	Frictionless payments; distributing benefits	Transaction/payment unit; benefit sharing
ZKA; Zero Knowledge	Toll	Skin in the game	Usage fees for running smart contracts
	Currency	Frictionless payments; distributing benefits	Transaction/payment unit; benefit sharing

All the functionalities of the ZKT, as set forth above, except to the ZKA will be available at the time of the issuance of the ZKT. The use case ZKA; Zero Knowledge is still under development. Other functionalities of the ZKT will also be developed on an ongoing basis and it is planned that future functionalities will be introduced after they have been developed and sufficiently tested.

Profila is according to the functionalities set forth above planning to use the ZKT as a means of payment to pay service providers of Profila and the ZKT will also be used as a means of payment by the users of the Profila functionalities.



II. Scope of this Confirmation

The scope of this Confirmation is to provide you with a Confirmation and confirmation of the status of the legal nature of the ZKT according to the applicable Swiss regulations as well as the applicable practice and policies of the Swiss Financial Services Supervisory Authority FINMA.

III. Documents reviewed and Information received

The following documents have been reviewed for the issuance of this Confirmation ("Documents"):

1. Profila Zero Knowledge Token Crypto-Asset Whitepaper
 - Document Owner: Profila GmbH
 - Document version: 2.1
 - Document date: 13 October 2021
2. Profila webpage (see <https://profila.com/>, last checked 3 November 2021)

The Documents and Information has been sent to us in electronic form. We have not examined other documents and have not checked the facts independently.

IV. Interviews

We have interviewed the following persons:

- Michiel Roey
- Shawn Jensen

2

V. Legal analysis

The ZKT are issued by a Swiss company. The practice of FINMA and Swiss legislation are thus primarily applicable for qualifying the legal and regulatory nature of the ZKT. FINMA practice focuses in this regard on the economic function and purpose of coins (e.g. the blockchain-based units) issued by an ICO organiser. The key factors are the underlying purpose of the coins and whether they are already tradeable or transferable. FINMA categorises tokens into three types, but hybrid forms are possible:¹

- Payment tokens are synonymous with cryptocurrencies and have no further functions or links to other development projects. Payment tokens (for example cryptocurrencies) are tokens which are intended to be used, now or in the future, as a means of payment for acquiring goods or services or as a means of money or value transfer. Tokens may in some cases only develop the necessary functionality and become accepted as a means of payment over a period of time.

¹ FINMA Guidelines for enquiries regarding the regulatory framework for initial coin offerings (ICOs) - Published 16 February 2018.

- Utility tokens are tokens which are intended to allow for the use of an application or service. Utility tokens will not be treated as securities if their sole purpose is to confer digital usage rights to an application or service and if the utility token can actually be used in this way at the point of issue. In these cases, the underlying function is to grant the users rights and the connection with capital markets, which is a typical feature of securities, is missing. If a utility token additionally or only has an investment purpose at the point of issue, FINMA will treat such tokens as securities (e.g. in the same way as asset tokens).
- Asset tokens represent assets such as participations in real physical underlyings, companies, or earnings streams, or an entitlement to dividends or interest payments. In terms of their economic function, the tokens are analogous to equities, bonds or derivatives. Asset tokens constitute securities within the meaning of Article 2 let. B Swiss Financial Market Infrastructure Act (“FMIA”). FINMA will base its determination as to whether tokens qualify as securities on the following legal definitions. Securities in the sense of the Financial Market Infrastructure Act (FMIA) are standardised certificated or uncertificated securities, derivatives and intermediated securities (Art. 2 let. B FMIA), which are suitable for mass standardised trading, e.g. they are publicly offered for sale in the same structure and denomination or are placed with more than 20 clients, insofar as they have not been created especially for individual counterparties (Art. 2 para. 1 FMIA). An asset token also qualifies as a security if it represents a derivative (e.g. the value of the conferred claim depends on an underlying asset) and the token is standardised and suitable for mass standardised trading. A security can however also be a token that will eventually be a payment or utility token, but which confers in the pre-financing and pre-sale phases of an ICO claims to acquire tokens in the future. Such claims will also be treated as securities (e.g. in the same way as asset tokens) if they are standardised and suitable for mass standardised trading.

VI. Findings

1) Zero Knowledge Token qualifies as utility and payment token

The ZKT serves according to the functionalities, as set forth in the Documents, as a utility token. It allows for the use of the functionality of ZKT tokens twofold. Firstly, to incentivise and reward the users on the Profila Platform and secondly, to serve and as means of payment on the Profila Platform, which is the Profila ecosystem.

The ZKT has however hybrid functionalities. The ZKT has also some payment features, respectively functionalities. The ZKT is planned of being used as a means of payment to pay for services / goods that are sourced by third parties. This functionality is not the primary functionality of the ZKT and in particular at the beginning stage, might be less prominent. The mere intention of a token issuer that the token should be used as a means of payment is already sufficient to classify a token as payment token.

2) Zero Knowledge Token does not qualify as asset token

The ZKT does however not qualify as asset token, because it does not represent assets, such as participations in real physical underlyings, companies, etc. The ZKT does outside of the claim to get access to the Profila ecosystem not give a claim to anything further, in particular not a dividend or interest payment, or the like. The ZKT does also not confer an investment purpose.



3) Zero Knowledge Token has to comply with all the regulatory requirements a payment token has to comply with

The issuance of a payment tokens constitutes according to FINMA the issuing of a means of payment subject to this Swiss Anti-Money Laundering Regulations as long as the tokens can be transferred technically on a blockchain infrastructure. This may be the case at the time of the ICO or only at a later date. In such a case, Profila will have to get registered with an SRO for AML-purposes and will have to comply with all the applicable Know-your-customer (“KYC”) and other obligations applicable to members of a SRO for AML-purposes. The fulfillment of these obligations can be outsourced to third parties though.

No specific regulatory and legal requirements result from ZKT’s functionalities as utility token.

VII. Assumptions and conditions

Our Confirmation is subject to the following assumptions:

1. The correctness and completeness of all data contained in the Documents with regards to all group entities of the Company;
2. All the data that has been provided to us and is complete and accurate;
3. All signatures on the Documents are genuine;
4. The identical content of all Documents that have been submitted to us as scans or PDF-data with the originals and the genuineness and completeness of the originals;
5. All parties involved in the signing of the Documents have the required capabilities, permissions, and authority to initiate all required company steps and that are required to approve the execution and delivery of the Documents;
6. All Documents have been validly executed and that they are valid, binding, and enforceable obligations of the parties under the laws applicable;
7. All facts related to the Documents are complete, comprehensive and correct;
8. Our findings and elaboration are only based on Swiss law;
9. Documents to which our opinion refers to or we have relied upon are correct, current and have not been changed.

Our Confirmation is subject to the following conditions:

1. This Confirmation can only be relied on by the addressees (Profila GmbH) or any third party that has been approved by PwC prior in writing;
2. All findings and statements in this Confirmation are made as of 3 November 2021



Yours sincerely,

PricewaterhouseCoopers Ltd.

A large, stylized handwritten signature in black ink.

A smaller, more legible handwritten signature in black ink, enclosed in a thin rectangular box.

Guenther Dobrauz
Partner, PwC Switzerland
Leader Legal Services