

Risk Factors

Effective date: September 15, 2019.

Investing in TLB (The Luxury Token) involves a high degree of risk. You should carefully consider the risks we describe below, along with all the other information set forth in this prospectus, including the section entitled “Cautionary Note Regarding Forward-Looking Statements” before deciding to purchase TLB (The Luxury Token) The risks and uncertainties described below are those significant risk factors, currently known and specific to us, that we believe are relevant to an investment in TLB (The Luxury Token) If any of these risks materialize, our business, results of operations or financial condition could suffer, the price of TLB (The Luxury Token) could decline substantially and you could lose part or all of your investment. Additional risks and uncertainties not currently known to us or that we now deem immaterial may also harm us and adversely affect your investment in TLB (The Luxury Token)

You may lose all monies that you spend purchasing TLB (The Luxury Token) If you are uncertain as to our business and operations or you are not prepared to lose all monies that you spend purchasing TLB (The Luxury Token) we strongly urge you not to purchase any TLB (The Luxury Token) We recommend you consult legal, financial, tax and other professional advisors or experts for further guidance before participating in the offering of our TLB (The Luxury Token) as further detailed in this prospectus. Further, we recommend you consult independent legal advice in respect of the legality of your participation in the TLB (The Luxury Token) sale

In order to participate in this offering, a purchaser must provide the Company with a digital wallet address to receive TLB (The Luxury Token) We do not recommend that you purchase TLB (The Luxury Token) unless you have prior experience with cryptographic tokens, blockchain-based software and distributed ledger technology and unless you have received independent professional advice.

We have no operating history and our independent auditors have expressed substantial doubt about our ability to continue as a going concern. Even if this offering is successful, we may need to raise additional capital in the future to continue operations, which may not be available on acceptable terms, or at all.

We, The Luxury Network LTD (“Company”), are a recently (2018) formed company established under the laws of United Kingdom with minimal activity and no historical operating results. We have entered into contractual arrangements committing us to future expenses, including the repayment of loans, as well as significant contingent obligations which are not currently reflected on our balance sheet.

This offering is subject to a minimum offering amount of \$10,000 and we will not commence operations until obtaining funding through this offering. However, we may meet our minimum offering amount, close on committed purchases, and have access to investor funds before we obtain the funding that we expect will be required to complete our business plan. There is no guarantee that we will be able to raise any additional capital in the future or that additional capital will be available on acceptable terms. WE MAY ALSO DECIDE TO WAIVE SUCH MINIMUM AMOUNT.

Because we lack an operating history, you have no basis upon which to evaluate our ability to achieve our business objective. Our proposed operations are subject to all business risks associated with a new enterprise. The likelihood of our creation of a viable business must be considered in light of the problems, expenses, difficulties, complications, and delays frequently encountered in connection with the inception of a business operating in a relatively new, highly competitive, and developing industry. Even if we close this offering, there can be no assurance that we will ever generate any operating activity or develop and operate the business as planned. If we are unsuccessful at executing on our business plan, our business, prospects, and results of operations may be materially adversely affected and investors may lose all or a substantial portion of their investment.

RISKS RELATED TO BLOCKCHAIN ASSETS

Blockchain is a nascent and rapidly changing technology and there remains relatively small use of blockchain networks and blockchain assets in the retail and commercial marketplace. The slowing or stopping of the development or acceptance of blockchain networks may adversely affect an investment in our Company.

The development of blockchain networks is a new and rapidly evolving industry that is subject to a high degree of uncertainty. Factors affecting the further development of the blockchain industry include:

- continued worldwide growth in the adoption and use of blockchain networks and assets
- the maintenance and development of the open-source software protocol of blockchain 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, including new means of using fiat currencies
- government and quasi-government regulation of blockchain networks and assets, including any restrictions on access, operation and use of blockchain networks
- the general economic environment and conditions relating to blockchain networks and assets.

Our business model is dependent on continued investment in and development of the blockchain industry and related technologies. If investments in the blockchain industry become less attractive to investors or innovators and developers, or if blockchain networks and assets do not gain public

acceptance or are not adopted and used by a substantial number of individuals, companies and other entities, it could have a material adverse impact on our prospects and our operations.

The application of distributed ledger technology is novel and untested and may contain inherent flaws or limitations.

Blockchain is an emerging technology that offers new capabilities which are not fully proven in use. There are limited examples of the application of distributed ledger technology. In most cases, software used by blockchain asset issuing entities will be in an early development stage and still unproven. As with other novel software products, the computer code underpinning the TLB (The Luxury Token) and The Luxury blockchain may contain errors, or function in unexpected ways. Insufficient testing of smart contract code, as well as the use of external code libraries, may cause the software to break or function incorrectly. Any error or unexpected functionality may cause a decline in value of the TLB (The Luxury Token) and result in substantial losses to purchasers of TLB (The Luxury Token)

If we discover errors or unexpected functionalities in the TLB (The Luxury Token) smart contract after it has been deployed, we may make a determination that the TLB (The Luxury Token) smart contract is defective and that its use should be discontinued. Although we intend to replace the TLB (The Luxury Token) and the TLB (The Luxury Token) smart contract with a new token using a new smart contract, we may be required to take certain measures, such as halting the transfer of all TLB (The Luxury Token) that may disrupt trading in the TLB (The Luxury Token) Such a determination and our subsequent deployment of a new smart contract and replacement token could have a material effect of the value of any investment in the TLB (The Luxury Token) or our business.

The creation and operation of digital platforms for the public trading of blockchain assets will be subject to potential technical, legal and regulatory constraints. There is no warranty that the process for receiving, use and ownership of blockchain assets will be uninterrupted or error-free and there is an inherent risk that the software, network, blockchain assets and related technologies and theories could contain undiscovered technical flaws or weaknesses, the cryptographic security measures that authenticate transactions and the distributed ledger could be compromised, and breakdowns and trading halts could cause the partial or complete inability to use or loss of blockchain assets.

Risks associated with the distributed ledger technology could affect our business directly or the market for blockchain assets generally. In either case, the occurrence of these events could have a materially adverse effect on an investment in the Company.

The open-source structure of blockchain software means that blockchain networks may be susceptible to malicious cyber-attacks or may contain exploitable flaws, which may result in security breaches and the loss or theft of blockchain assets.

Most blockchain networks operate based on some form of open-source software. An open source project is not represented, maintained or monitored by an official organization or authority. Because of the nature of open-source software projects, it may be easier for third parties not affiliated with the issuer to introduce weaknesses or bugs into the core infrastructure elements of the blockchain network. This could result in the corruption of the open-source code which may result in the loss or theft of blockchain assets.

Blockchain networks may be the target of malicious attacks seeking to identify and exploit weaknesses in the software. Such events may result in a loss of trust in the security and operation of blockchain networks and a decline in user activity which could have a negative impact on the Company.

Each blockchain network, including The Luxury network, is dependent upon its users and contributors, and actions taken, or not taken, by the users or contributors of a blockchain network could damage its reputation and the reputation of blockchain networks generally.

Developers and other contributors to blockchain network protocols generally maintain or develop those blockchain networks, including the verification of transactions on such networks. Because the networks are decentralized, these contributors are generally not directly compensated for their actions. Therefore, most blockchain networks provide that such contributors receive awards and transfer fees for recording transactions and otherwise maintaining the blockchain network. Such fees are generally paid in the blockchain asset of that network.

The security and integrity of blockchain assets, including the value ascribed to blockchain assets, relies on the integrity of the underlying blockchain networks. We are issuing the TLB (The Luxury Token) an ERC20 blockchain asset that is programmed using a smart contract that is compatible with the Luxury blockchain.

If the awards and fees paid for maintenance of a network are not sufficiently high to incentivize miners, miners may respond in a way that reduces confidence in the blockchain network. To the extent that any miners cease to record transactions in solved blocks, transactions that do not include the payment of a transfer fee will not be recorded on the blockchain until a block is solved by a miner who does not require the payment of transfer fees. Any widespread delays in the recording of transactions could result in a loss of confidence in the blockchain network and its assets. To the extent that this occurs with regard to blockchain networks that underlie the blockchain assets traded on our platforms, including the Luxury network, it could have a materially adverse effect on an investment in the Company. To the extent that this occurs with regard to the Luxury network, it could have a materially adverse effect on an investment in the LUXURY Token.

The prices of blockchain assets are extremely volatile. Fluctuations in the price of Bitcoin, Ether and/or other blockchain assets could materially and adversely affect the Company.

The prices of blockchain assets such as Bitcoin and Ether have historically been subject to dramatic fluctuations and are highly volatile. As relatively new products and technologies, blockchain assets have only recently become accepted as a means of payment for goods and services, and such acceptance and use remains limited. Conversely, a significant portion of demand for blockchain assets is generated by speculators and investors seeking to profit from the short- or long-term holding of blockchain assets.

In addition, some blockchain industry participants have reported that a significant percentage of blockchain asset trading activity is artificial or non-economic in nature and may represent attempts to manipulate the price of certain blockchain assets. As a result, trading platforms or blockchain assets may seek to inflate demand for a specific blockchain assets, or blockchain assets generally, which could increase the volatility of that asset or blockchain asset trading prices generally.

The market price of these blockchain assets, as well as other blockchain assets that may be developed in the future, may continue to be highly volatile. A lack of expansion, or a contraction of adoption and use of blockchain assets, may result in increased volatility or a reduction in the price of blockchain assets.

Several additional factors may influence the market price of blockchain assets, 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 trading platforms 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;
- Changes in the software, software requirements or hardware requirements underlying the blockchain networks;
- Changes in the rights, obligations, incentives, or rewards for the various participants in blockchain network

- The cost of trading and transacting in blockchain assets, and whether such costs may become fixed or standardized
- Investors' expectations with respect to the rate of inflation
- Interest rates
- Currency exchange rates, including the rates at which blockchain assets may be exchanged for fiat currencies
- Fiat currency withdrawal and deposit policies of blockchain asset trading platforms and liquidity on such platforms
- Interruptions in service or other failures of major blockchain asset trading platforms
- Investment and trading activities of large investors, including private and registered funds, that may directly or indirectly
- Monetary policies of governments, trade restrictions, currency devaluations and revaluations
- Regulatory measures, if any, that affect the use of blockchain assets
- The maintenance and development of the open-source software utilized in blockchain networks
- Global or regional political, economic or financial events and situations; or
- Expectations among blockchain network participants that the value of such blockchain assets will soon change.

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

The value of blockchain assets and fluctuations in the price of blockchain assets could materially and adversely affect our business and investment in the Company.

The regulatory regimes governing blockchain technologies, blockchain assets and the purchase and sale of blockchain assets are uncertain, and new regulations or policies may materially adversely affect the development of blockchain networks and the use of blockchain assets.

Initially, it was unclear how distributed ledger technologies, blockchain assets and the businesses and activities utilizing such technologies and assets would fit into the current web of government regulation. As blockchain networks and blockchain assets have grown in popularity and in market size, international, federal, state and local regulatory agencies have begun to clarify their position regarding the sale, purchase, ownership and trading of blockchain assets

Regulation of the trading of blockchain assets has evolved significantly over the past year. On November 16, 2018, the Division of Corporation Finance, Division of Investment Management, and Division of Trading and Markets issued the Statement on Digital Asset Securities Issuance and Trading, confirming the applicability of the federal securities law framework to new and emerging technologies, such as

blockchain assets. The Statement summarized the Commission's stance with regard to actors and institutions that sell security tokens in initial offerings or develop and facilitate the secondary market for security tokens. Although the Statement provides additional guidance to participants in the blockchain asset marketplace, in general the regulation of blockchain assets under the current regulatory framework applicable to currencies or securities remains in its early stages and is subject to uncertainty.

In addition, various legislative and executive bodies in the United States and in other countries have shown that they intend to adopt legislation to regulate the sale and use of blockchain assets. Such legislation may vary significantly among jurisdictions, which may subject participants in the blockchain trading marketplace to different and perhaps contradictory requirements.

New or changing laws and regulations or interpretations of existing laws and regulations, in the United States and elsewhere, may materially and adversely impact the development and growth of blockchain networks and the adoption and use of blockchain assets. The imposition of restrictions on all blockchain assets, or certain blockchain assets, could affect the value, liquidity and market price of blockchain assets subject to heightened regulation, by limiting access to marketplaces or exchanges on which to trade such blockchain assets, or imposing restrictions on the structure, rights and transferability of such blockchain assets. Some governments may seek to ban transactions in blockchain assets altogether.

The Company may be prevented from entering, or it may be required to cease operations in, a jurisdiction that makes it illegal or commercially unviable or undesirable to operate in such jurisdiction. Enforcement, or the threat of enforcement, may also drive a critical mass of participants and trading activity away from regulated markets and toward unregulated exchanges. Although it is impossible to predict the positions that will be taken by certain governments, any regulatory changes affecting blockchain assets could be substantial and materially adverse to the development and growth of our business and investment in the Company.

RISKS RELATED TO OUR COMPANY'S OPERATIONS

Our ability to develop our solutions faces operational, technological, and regulatory challenges and we may not be able to develop our operations as contemplated or at all.

We may not be able to develop our operations contemplated by our business model or at all. In addition, a number of factors could materially adversely affect our ability to commercialize and generate any revenue from our proposed business

The development, structuring, launch and maintenance of our trading platforms could lead to unanticipated and substantial costs, delays or other operational or financial difficulties. Our proposed

platforms are complex and their creation requires the integration of multiple technologies and the development of new software. There can be no assurance that we will have the financial and technological resources necessary to complete the development of our trading platforms if their development costs more than we have estimated or requires technology and expertise that we do not have and cannot develop. We may not be able to develop our platforms on a timely basis.

Further, there can be no assurance that our platforms will gain the acceptance of customers or other market participants. Because blockchain asset trading is in its early stages, it is difficult to predict the preferences and requirements of blockchain asset traders and our platform design and technology may be incompatible with new or emerging forms of blockchain assets or related technologies. Failure to achieve acceptance would impede our ability to develop and sustain a commercial business.

We may fail to qualify for registrations under any of these authorities or we may be required to alter our business model as currently contemplated in order to meet the requirements of these regulatory authorities. Either of these results would have a broad impact on us and could have a material adverse effect on our businesses, financial condition, results of operations and prospects and, as a result, investors could lose all or most of their investment.

We expect to face intense competition from other companies and, if we are not able to successfully compete, our business, financial condition and operating results will be materially harmed.

We expect to encounter competition in all aspects of our business, including from entities having substantially greater capital and resources, offering a wide range of products and services and in some cases operating under a different and possibly less stringent regulatory regime.

Many of these competitors have greater financial, marketing, technological and personnel resources than we do. In addition, many of our competitors may offer a wider range of bundled services, have broader name recognition, and have larger customer bases than we do.

Failure to keep up with rapid changes in industry-leading technology, products and services could negatively impact our results of operations.

Our industry is subject to rapid technological change and evolving industry standards. User demands become greater and more sophisticated as the dissemination of products and information to customers increases. If we are unable to anticipate and respond to the demand for new services, products and technologies, innovate in a timely and cost-effective manner and adapt to technological advancements and changing standards, we may be unable to compete effectively, which could have a material adverse

effect on our business. Many of our competitors have significantly greater resources than we do to fund research and development initiatives. Moreover, the development of technology-based services is a complex and time-consuming process. New products and enhancements to existing products can require long development and testing periods. Significant delays in new product releases, failure to meet key deadlines, or significant problems in creating new products could negatively impact our revenues and profits.

The extent to which blockchain assets are used to fund criminal or terrorist enterprises or launder the proceeds of illegal activities could materially impact our business.

The potential, or perceived potential, for anonymity in transfers of bitcoin and similar blockchain assets, as well as the decentralized nature of blockchain networks, has led some terrorist groups and other criminals to solicit bitcoins and other blockchain assets for capital raising purposes. As blockchain assets have grown in both popularity and market size, the U.S. Congress and a number of U.S. federal and state agencies have been examining the operations of blockchain assets, their users and exchanges, concerning the use of blockchain assets for the purpose of laundering the proceeds of illegal activities or funding criminal or terrorist enterprises.

In addition to the current market, new blockchain networks or similar technologies may be developed to provide more anonymity and less traceability. There is also the potential that other blockchain asset trading platforms may court such illicit activity by not adhering to know-your-customer and anti-money laundering practices.

We may not be able to prevent illegal activity from occurring over our platforms. We may be unable to detect the unauthorized use of a KYC/AML vetted account on one of our platforms. Further, we may be unable to verify whether private keys for wallets containing TLB (The Luxury Token) have been transferred to third parties who have not completed our KYC/AML process. Although we plan to implement procedures that will ensure that we remain in compliance with our KYC/AML obligations, we may not be successful in deterring or identifying illegal activity.

The use of blockchain assets for illegal purposes, or the perception of such use, over our platforms or on other trading platforms could result in significant legal and financial exposure, damage to our reputation, damage to the reputation of blockchain assets and a loss of confidence in the services provided by our platforms and the blockchain asset community as a whole. Our failure to meet our KYC/AML requirements could result in regulatory penalties which could have a materially adverse effect on our business.

We may not have sufficient cash flow from operating activities, cash on hand and the ability to obtain borrowing capacity to finance required capital expenditures, fund strategic initiatives and meet our other cash needs. These obligations require a significant amount of cash, and we may need additional funds, which may not be readily available.

The viability of our business will be dependent on the availability of adequate capital to develop and maintain our business and meet our regulatory capital requirements. We will need to continue to invest in our operations for the foreseeable future to carry out our business plan. We may need to seek additional financing or revise our business plan. Our ability to borrow additional funds may be impacted by financial lending institutions' ability or willingness to lend to us on commercially acceptable terms.

Low levels of operating cash flow together with limited access to capital or credit in the future could have an impact on our ability to meet our regulatory capital requirements, invest in our software and infrastructure, engage in strategic initiatives, make acquisitions or strategic investments in other companies, react to changing economic and business conditions, repay our outstanding debt, or make dividend payments. Such outcomes could have an adverse effect on our business, financial condition and operating results.

We may experience systems failures or capacity constraints that could materially harm our ability to conduct our operations and execute our business strategy.

We will be heavily dependent on the capacity, reliability and security of the computer and communications systems and software supporting our operations.

If any of our systems do not operate properly, are compromised or are disabled, including as a result of system failure, employee or customer error or misuse of our systems, we could suffer financial loss, liability to customers that could affect demand by current and potential users of our market.

We will need to continue to upgrade, expand and increase the capacity of our systems as our business grows and as we execute our business strategy. Although many of our systems are designed to accommodate additional volume and products and services without redesign or replacement, we will need to continue to make significant investments in additional hardware and software to accommodate the increases in volume of transactions and order transaction traffic and to provide processing services to third parties. If we cannot increase the capacity and capabilities of our systems to accommodate an increasing volume of transactions and to execute our business strategy, our ability to maintain or expand our businesses would be adversely affected.

We face cyber-attack and other cyber security risks.

Our technology, our people and those of our third party service providers and our customers may be vulnerable to targeted attacks, unauthorized access, fraud, computer viruses, denial of service attacks, terrorism, firewall or encryption failures and other security problems. Attackers may seek to steal information about our technology, financial data or user information or take other actions that would be damaging to the Company and/or holders of TLB (The Luxury Token)

The TLB (The Luxury Token) Distributed Ledger is publicly available and contains encrypted personal information. The misuse or theft of this information may give rise to breaches of privacy laws, fines and sanctions.

For many blockchain assets, distributed ledgers are used to record transfers of ownership of the asset. Information regarding ownership is most commonly represented by ledger balances and an owner's public wallet address. Such information includes the complete transfer history from the inception of the respective blockchain asset and such information regarding ownership of the assets, including the public wallet address, is generally available to the public. For many blockchain assets, personal identifying information that is used to associate a public wallet address with its owner is typically maintained in a separate database that is not exposed to the public.

The TLB (The Luxury Token) smart contract contains a feature whereby encrypted personal information is stored within the token smart contract (rather than a private, centralized database). The Company will hold a private key which will enable decryption of such personal information.

There are a number of data protection, security, privacy and other government- and industry-specific requirements that are implicated by utilizing a distributed ledger. If blockchain networks are unable to satisfy data protection, security, privacy, and other government-and industry-specific requirements, their growth could be harmed.

Further, if the key which enables decryption of personal information becomes comprised, personally identifiable information of TLB (The Luxury Token) holders may be revealed. Security breaches with respect to the holders' personal identity information database could result in theft of the information necessary to link personal identity with public keys, and thus the stolen information could be used to determine the affected holder's complete transfer history. Concerns over these issues may limit adoption of this novel trading system by a range of potential investors, reducing liquidity of blockchain assets.

Security attacks against the Company could result in a loss of the Company's blockchain assets, theft of personal information of our customers or damage to our reputation and our brand, each of which could adversely affect an investment in the Company. We could be required to incur significant expense to protect our systems and/or investigate any alleged attack.

Security breaches, computer malware and computer hacking attacks have been a prevalent concern since the launch of blockchain networks. Since 2011, more than \$1.7 billion has been publicly reported stolen from cryptocurrency exchanges and investors. For example, in January 2018, about \$500 million worth of blockchain assets were stolen from a major Japanese trading platform. Our security system and operational infrastructure may be breached due to the actions of outside parties, error or malfeasance of an employee of ours, or otherwise. Techniques used to obtain unauthorized access, disable or degrade service, or sabotage systems change frequently and may be designed to remain dormant until a predetermined event. Outside parties may also attempt to fraudulently induce employees of ours to disclose sensitive information in order to gain access to our infrastructure. Furthermore, we believe that, as our assets grow, the Company may become a more appealing target for security threats such as hackers and malware.

Our security measures may prove insufficient depending upon the attack or threat posed. We may be unable to anticipate these techniques or implement adequate preventative measures. As a result, an unauthorized party may obtain access to our private keys, company and customer data or blockchain assets.

Any such breach or unauthorized access could result in significant legal and financial exposure, damage to our reputation, and a loss of confidence in the services we provide that could potentially have an adverse effect on our business, while resulting in regulatory penalties or the imposition of burdensome obligations by regulators. In the event of a security breach, we may be forced to cease operations, or suffer a reduction in assets, the occurrence of each of which could adversely affect an investment in the Company.

The loss of key personnel could have a material adverse effect on us.

Our success depends solely on the continued services of key personnel.

Our business will be adversely affected if we are unable to attract and retain talented employees, including sales, technology, operations and development professionals.

Our business operations will require highly specialized knowledge of the financial industry and of technological innovation as it applies to the financial industry. If we are unable to hire or retain the services of talented employees, including executive officers, other key management and sales, technology, operations and development professionals, we would be at a competitive disadvantage. In addition, recruitment and retention of qualified staff could result in substantial additional costs. The loss of the services of one or more of our executive officers or other key professionals or our inability to attract, retain and motivate qualified personnel, could have a material adverse effect on our ability to operate our business.

We have not identified all the persons that we will need to hire to provide services and functions critical to the development of the business and no assurance can be given that we will be able to hire the necessary persons on acceptable terms, if at all.

Our business is in its developmental stage and we have not identified all the persons that we will need to hire to provide services and functions critical to the development of the business. If we are unable to hire persons with the necessary expertise on terms acceptable to us then we will not be able to develop our business as contemplated. Further, even if we are able to hire such service providers, they might be unable to meet our specifications and requirements, which could have a material adverse effect on our ability to develop and launch our business plan.

Our compliance and risk management programs might not be effective and may result in outcomes that could adversely affect our reputation, financial condition and operating results.

Our ability to comply with applicable laws and rules is largely dependent on our establishment and maintenance of compliance, review and reporting systems, as well as our ability to attract and retain qualified compliance and other risk management personnel.

We cannot assure you that our compliance policies and procedures will always be effective or that we will always be successful in monitoring or evaluating our risks. In the case of alleged non-compliance with applicable laws or regulations, we could be subject to investigations and judicial or administrative proceedings that may result in substantial penalties or civil lawsuits, including by customers, for damages, which could be significant. Any of these outcomes may adversely affect our reputation, financial condition and operating results.

Operational risks, such as misconduct and errors of our employees or entities with which we do business, are difficult to detect and deter and could cause us reputational and financial harm.

Our employees and agents could engage in misconduct which may include conducting in and concealing unauthorized activities, improper use or unauthorized disclosure of confidential information. We are at risk that our employees may engage in insider trading of the digital assets listed on one of our platforms which may lead to corporate actions, such as a suspension of trading, and legal actions that could have an adverse effect on the Company.

Further, our employees could make errors in recording or executing transactions for customers which would cause us to enter into transactions that customers may disavow and refuse to settle.

It is not always possible to deter misconduct by our employees, and the precautions we take to prevent and detect this activity may not be effective in all cases. Our ability to detect and prevent errors or misconduct by entities with which we do business may be even more limited. Such misconduct could subject us to financial losses or regulatory sanctions and materially harm our reputation, financial condition and operating results.

We will accept certain cryptocurrencies as payment for the purchase of TLB (The Luxury Token) and fees for services. Our holding of these cryptocurrencies will subject us to risks due to fluctuations in the value of these cryptocurrencies.

We may accept certain cryptocurrencies as payment for the purchase of TLB (The Luxury Token) and as payment for fees for services. These cryptocurrencies will be held until sold. Proceeds from the sale of such cryptocurrencies will be dependent on their trading value for the respective cryptocurrency based on the relevant market or markets for that cryptocurrency. Decreases in the trading value of a cryptocurrency while it is held by us will result in a decrease in the operating results of the Company.

Negative publicity could damage our business.

Developing and maintaining our reputation is critical to attracting and retaining customers and investors and for maintaining our relationships with our regulators.

Negative publicity regarding our Company, TLB (The Luxury Token) our key personnel or blockchain assets generally, whether based upon fact, allegation or perception and whether justified or not, could give rise to reputational risk which could significantly harm our business prospects.

We, as well as many of our potential customers, depend on third party suppliers and service providers for a number of services that are important. An interruption or cessation of an important supply or service by any third party could have a material adverse effect on our business, including revenues derived from our customers' trading activity.

We will depend on a number of suppliers, such as banking, clearing and settlement organizations, on-line service providers, data processors, and software and hardware vendors, for elements of our trading, clearing and other systems, as well as communications and networking equipment, computer hardware and software and related support and maintenance. We also depend on third parties to provide Internet, telecommunication and fiber optic network connectivity to our data centers. Many of our customers rely on third parties, such as independent software vendors, to provide them with front-end systems to access our platform and other back office systems for their trade processing and risk management needs.

We cannot guarantee that these service providers will make the necessary monetary and time investments to provide services for our business. To the extent any of our service providers or the organizations that provide services to our customers in connection with their trading activities cease to provide these services in an efficient, cost-effective manner or fail to adequately expand their services to meet our needs and the needs of our customers, we could experience decreased contract volume, lower revenues and higher costs which could adversely affect an investment in the Company.

We have an evolving business model.

As blockchain assets and blockchain technologies become more widely available, we expect the services and products associated with them to evolve. As a result, to stay current with the industry, our business model may need to evolve as well. From time to time we may modify aspects of our business model relating to our product mix and service offerings. We cannot offer any assurance that these or any other modifications will be successful or will not result in harm to the business. We may not be able to manage growth effectively, which could damage our reputation, limit our growth and negatively affect our operating results.

We may have difficulty executing our growth strategy and maintaining our growth effectively.

Our growth requires additional investment in personnel, facilities, information technology infrastructure and financial and management systems and controls and may place a significant strain on our management and resources. Our growth strategy also may subject us to increased legal, compliance and regulatory obligations.

There is no guarantee that our efforts will be successful. We may not be able to implement important strategic initiatives in accordance with our expectations, including that the strategic initiatives could result in additional unanticipated costs, which may result in an adverse impact on our business and financial results. Unless our growth results in an increase in our revenues that is proportionate to the increase in our costs associated with our growth, our future profitability could be adversely affected.

We intend to explore acquisitions, other investments and strategic alliances. We may not be successful in identifying opportunities or in integrating the acquired businesses. Any such transaction may not produce the results we anticipate, which could adversely affect our business and the price of TLB (The Luxury Token)

We intend to explore and pursue acquisitions, strategic partnerships, joint ventures and other alliances to strengthen our business and grow our company.

The market for acquisitions and strategic opportunities is highly competitive, especially in light of recent merger and acquisition activity in our industry. In addition, these transactions entail numerous operational and financial risks, including but not limited to difficulties in valuing acquired businesses, combining personnel and firm cultures, integrating acquired products, services and operations, achieving anticipated synergies that were inherent in our valuation assumptions, exposure to unknown material liabilities, the potential loss of key vendors, clients or employees of acquired companies, incurrence of substantial debt or dilutive issuance of equity securities to pay for acquisitions, higher-than expected acquisition or integration costs, write-downs of assets or impairment charges, increased amortization expenses and decreased earnings, revenue or cash flow from dispositions.

We may be unable to identify strategic opportunities or we may be unable to negotiate or finance future transactions on terms favorable to us. To the extent we enter into joint ventures and alliances, we may experience difficulties in the development and expansion of the business of any newly formed ventures, in the exercise of influence over the activities of any ventures in which we do not have a controlling interest, as well as encounter potential conflicts with our joint venture or alliance partners.

We may not realize the anticipated growth and other benefits from our growth initiatives and investments, which may have an adverse impact on our financial condition and operating results.

The Company may in the future be dependent in part on the data center facilities of third parties.

The Company's future infrastructure network may be established in whole or in part through servers which it owns and/or houses at the location facilities of third parties, and/or servers that it rents at data center facilities of third parties. If the Company is unable to secure or renew its data facility leases on commercially reasonable terms or at all, the Company may be required to transfer its servers to a new data center facility, and may incur significant costs and possible service interruption in connection with the relocation. These facilities are also vulnerable to damage or interruption from, among others, natural disasters, arson, terrorist attacks, power losses, and telecommunication failures. Additionally, the third party providers of such facilities may suffer a breach of security as a result of third party action, employee error, malfeasance or otherwise, and a third party may obtain unauthorized access to the data in such servers. The Company and the providers of such facilities may be unable to anticipate these techniques or to implement adequate preventive measures.

General global market and economic conditions may have an adverse impact on the Company's operating performance, results of operations and/or cash flow.

The Company may be affected by general global economic and market conditions. Challenging economic conditions worldwide have from time to time, contributed, and may continue to contribute, to slowdowns in the information technology industry at large. Weakness in the economy could have a negative effect on the Company's business, operations and financial condition, including decreases in revenue and operating cash flow, and inability to attract future equity and/or debt financing on commercially reasonable terms. Additionally, in a down-cycle economic environment, the Company may experience the negative effects of a slowdown in trading and usage of the Company's business platform that is yet to be developed and may delay or cancel the development, structuring, licensing and/or launch of the anticipated Token functionality. Suppliers on which the Company relies for servers, bandwidth, location and other services could also be negatively impacted by economic conditions that, in turn, could have a negative impact on the Company's operations or expenses. There can be no assurance, therefore, that current economic conditions or worsening economic conditions or a prolonged or recurring recession will not have a significant, adverse impact on the Company's business, financial condition and results of operations, and hence, the Company's business platform that is yet to be developed and/or the ability to develop, structure, license and/or launch any Token functionality. Any such circumstances would then correspondingly negatively impact the functionality, liquidity, and/or trading price of TLB (The Luxury Token)

RISKS RELATED TO AN INVESTMENT IN OUR TOKENS

We have no operating history and therefore valuation of the TLB (The Luxury Token) is difficult.

We were incorporated under the laws of United Kingdom in July 2018 and our operations to date have been limited. Accordingly, we have no operating history upon which an evaluation of our prospects and future performance can be made.

We believe that the value of the TLB (The Luxury Token) will be influenced by the supply of the TLB (The Luxury Token) the market's perception of the LUXURY Token's value and the liquidity for Tokens on a secondary market. The original purchase price of the TLB (The Luxury Token) in this offering may not be indicative of the market price of TLB (The Luxury Token) after they have been made available for trading on a market. There is also no assurance that the market price of TLB (The Luxury Token) will not decline below the original purchase price of this offering.

If our TLB (The Luxury Token) does not gain public acceptance or is not adopted, used or traded by a substantial number of individuals, companies and other entities, it could have a material adverse impact on the value of the LUXURY Token.

There is currently no trading market for our TLB (The Luxury Token) and we cannot ensure that a liquid market will occur or be sustainable.

Prior to this Offering, there has been no public market for TLB (The Luxury Token) There can be no assurance that there will be an active market for TLB (The Luxury Token) either now or in the future. U.S. persons may only trade TLB (The Luxury Token) on a registered securities exchange or alternative trading system ("ATS") that has accepted the tokens for trading or quotation. As of the date of this prospectus, no such exchange or ATS exists. There is no plan to have our TLB (The Luxury Token) trade on a national securities exchange. In the event that the Company ever decides to seek approval to list TLB (The Luxury Token) for trading on a registered securities exchange, there is no assurance that such approval will be obtained or, if approval is obtained, that an active or liquid trading market will develop. Further, brokerage firms or clearing firms may not be willing to effect transactions in TLB (The Luxury Token) or accept TLB (The Luxury Token) for deposit in an account. Even if an investor finds a broker willing to effect a transaction in TLB (The Luxury Token) the combination of brokerage commissions, transfer fees, taxes, if any, and any other selling costs may exceed the selling price. As a result, purchasers in this offering, and subsequent purchasers of TLB (The Luxury Token) will likely be limited in their ability to engage in secondary trading of TLB (The Luxury Token)

We may, in the future, take certain steps, including utilizing investor awareness campaigns, press releases, road shows and conferences to increase awareness of our business. We may need to compensate consultants with cash and/or Tokens. There can be no assurance that there will be any awareness generated or the results of any efforts will result in any impact on our trading volume.

The offering price of the TLB (The Luxury Token) has been arbitrarily determined and such price should not be used by an investor as an indicator of the fair market value of the TLB (The Luxury Token)

The offering price for the TLB (The Luxury Token) offered hereby has been arbitrarily determined by the Company's board of directors based on market conditions at the time of pricing. The offering price does not necessarily bear any direct relationship to the assets, operations, book or other established criteria of value of the Company. Accordingly, the actual value of TLB (The Luxury Token) may be significantly less than the offering price. The value of TLB (The Luxury Token) purchased at the offering price may decline in value or have significantly less value when you attempt to sell the TLB (The Luxury Token)

The trading price of our TLB (The Luxury Token) could be volatile.

There is currently no trading market for The Luxury Token. Even if such a trading market were to develop, on the Luxury Exchange trading platform or elsewhere, the trading price of our TLB (The Luxury Token) may be volatile. The TLB (The Luxury Token) is not issued by any central bank or national, supra-national or quasi-national organization, nor is it backed by any hard assets or other credit. Consequently, investors may not be able to liquidate their investment at a price that reflects the value of the business.

The volume at which the TLB (The Luxury Token) are traded could affect their volatility. For example, traders seeking to use the TLB (The Luxury Token) to pay for transaction fees on the INX Securities trading platform may be incentivized to artificially inflate the LUXURY Token's last trade execution price, the metric that we use to determine the LUXURY Token's value. If successful, such traders may pay fewer TLB (The Luxury Token) to the Company than would have otherwise been required to satisfy transaction fees for subsequent trades. If there is limited trading volume, such attempts could further increase volatility for TLB (The Luxury Token)

Further, the trading price of TLB (The Luxury Token) could be significantly affected by any number of factors including volatility in the broader market for blockchain assets, changes in analyst earnings estimates, fluctuations in our results of operations, shifting investor perceptions, dilution (in both monetary and percentage amounts) from future sales or issuances of TLB (The Luxury Token) by the Company, large purchases or sales by a significant TLB (The Luxury Token) holder, the announcement of new products or the occurrence of any of the events described within this "Risk Factors" section.

Any of these factors could adversely affect the trading price of TLB (The Luxury Token)

If you purchase TLB (The Luxury Token) in this offering, you will suffer immediate and substantial dilution in both monetary and percentage amounts.

The public offering price of the TLB (The Luxury Token) is substantially higher than the net tangible book value per TLB (The Luxury Token) or the average price at which the TLB (The Luxury Token) have been sold to this date. Therefore, if you purchase TLB (The Luxury Token) in this offering, you will pay a price per TLB (The Luxury Token) that substantially exceeds our net tangible book value per TLB (The Luxury Token) after this offering. In addition, purchasers of TLB (The Luxury Token) in this offering will experience immediate dilution of their investment in terms of their right to our pro rata distributions of our Adjusted Operating Cash Flow.

The issuance of additional TLB (The Luxury Token) in future offerings could be dilutive to purchasers in this offering if they do not invest in future offerings. Moreover, to the extent that we issue options or warrants to purchase, or securities convertible into or exchangeable for, TLB (The Luxury Token) in the future and those options, warrants or other securities are exercised, converted or exchanged, purchasers in this offering may experience further dilution.

TLB (The Luxury Token) holders may not have full or any recourse in the event that the Company enters into insolvency, liquidation, dissolution, reorganization or bankruptcy and the Company may incur debt that ranks equally with, or senior to, the rights of the TLB (The Luxury Token) holders.

Pursuant to the TLB (The Luxury Token) Purchase Agreement, if an “Insolvency Event” (as defined in the TLB (The Luxury Token) Purchase Agreement) occurs, then the Company shall be deemed to be in default of its obligations under the TLB (The Luxury Token) Purchase Agreement. The claim amount, if any, will be determined by the liquidator, a court of competent jurisdiction overseeing the liquidation, or some other authority pursuant to applicable insolvency law.

In the event of insolvency, liquidation, dissolution, reorganization or bankruptcy of the Company, a court or magistrate may determine that TLB (The Luxury Token) holders are not entitled to any payment from the Company’s assets or that the TLB (The Luxury Token) holders’ claims are not senior in right to claims or interests of the Company’s shareholders.

The tax characterization of TLB (The Luxury Token) is uncertain. You must seek your own tax advice in connection with purchasing TLB (The Luxury Token) which may result in adverse tax consequences to you, including withholding taxes, income taxes and tax reporting requirements.

The treatment of TLB (The Luxury Token) for U.S. federal income tax purposes is uncertain. Due to the new and evolving nature of digital currencies, tokens and blockchain assets, and a general absence of clearly controlling authority with respect to these assets, many significant aspects of the U.S. federal income tax treatment of digital currencies are uncertain. It is unclear what guidance on the treatment of tokens and blockchain for U.S. federal income tax purposes may be issued in the future. Future

developments regarding the treatment of tokens or blockchain assets for U.S. federal income tax purposes could adversely affect an investment in TLB (The Luxury Token)

The Company does not intend to request a ruling from the Internal Revenue Service (“IRS”) on these issues. The IRS has ruled on the tax treatment of bitcoin and other cryptocurrencies. In Notice 2014-21 (the “Notice”) the Service held that digital “currencies” are treated like property and that each transaction using these currencies is a separate taxable event. The IRS stated in the Notice that, for U.S. federal income tax purposes, (i) digital currency is “property” that is not currency and (ii) digital currency may be held as a capital asset. There can be no assurance that the IRS will not alter its position with respect to digital currency in the future or that a court would uphold the treatment set forth in the Notice.

The Notice does not address other significant aspects of the U.S. federal income tax treatment of tokens or blockchain assets, including: the tax characterization of tokens which possess other non-currency-like rights or powers (so called “utility” tokens) or tokens which provide a share of profits to holders. Moreover, there is no authority on the circumstances in which profit-sharing tokens such as TLB (The Luxury Token) may be treated as equity or stock in the Company for U.S. federal income tax (or other tax) purposes. If TLB (The Luxury Token) were characterized as equity interests in the Company for U.S. federal income purposes, U.S. holders of TLB (The Luxury Token) would be subject additional tax consequences and related reporting considerations applicable to holders of stock in a foreign company, including the possible application of rules relating to passive foreign investment companies (or “PFICs”) and controlled foreign corporations (“CFCs”).

The tax characterization of Tokens is uncertain. You must seek your own tax advice in connection with purchasing Tokens, which may result in adverse tax consequences to you, including withholding taxes, income taxes and tax reporting requirements. Prospective investors are urged to consult their tax advisers regarding the uncertainty regarding the tax consequences of an investment in TLB (The Luxury Token) and in blockchain assets in general.

TLB (The Luxury Token) holders will not be afforded an opportunity to vote in the election of directors and significant corporate transactions, such as a merger or other sale of our company or its assets, and may not realize any benefit from such transactions.

Although the TLB (The Luxury Token) is an equity security, as such term is defined in Section 3(a)(11) of the Exchange Act, the rights that attach to an TLB (The Luxury Token) are materially different than the rights that are typically associated with equity securities such as common shares. As holders of a non-voting security, TLB (The Luxury Token) holders have no influence over our corporate governance policies and affairs, and TLB (The Luxury Token) holders will not be afforded an opportunity to vote on any matters affecting the Company, including the election of directors, related party transactions or

significant corporate transactions such as a merger, or sale of the Company or its assets. Token holders are not afforded the same protections generally as shareholders of other publicly traded companies. Further, Token holders may not benefit from a sale of the Company or its assets in the same way that our shareholders will benefit, if at all. Your only opportunity to affect an investment decision regarding the Company, if at all, may be limited to selling your TLB (The Luxury Token) or using your TLB (The Luxury Token) to pay for fees on the INX Securities trading platform.

The interests of our shareholders may conflict with the interests of TLB (The Luxury Token) holders.

Our directors are nominated and elected by a majority of our shareholders and their interests in our business may differ from the interests of Token holders. Our directors will have no fiduciary obligations to act in the interests of Token holders.

The TLB (The Luxury Token) Purchase Agreement includes exclusive venue and jurisdiction provisions. By purchasing TLB (The Luxury Token) an investor is irrevocably consenting to these provisions regarding claims, suits, actions or proceedings, and submitting to the exclusive jurisdiction of Gibraltar courts. The TLB (The Luxury Token) Purchase Agreement also provides that the Company will not be responsible for any losses except those arising from the Company's gross negligence, fraud or willful misconduct.

The TLB (The Luxury Token) Purchase Agreement is governed by United Kingdom law and includes exclusive venue and jurisdiction provisions designating UK courts as the exclusive venue for most claims, suits, actions and proceedings involving us or our officers, directors and employees.

By purchasing an TLB (The Luxury Token) an investor is irrevocably consenting to these limitations and provisions regarding claims, suits, actions or proceedings and submitting to the exclusive jurisdiction of UK courts. If a dispute were to arise between an investor and us or our officers, directors or employees, the investor may be required to travel to Delaware in order to pursue its legal remedies and participate in any proceeding in Delaware courts which may be an inconvenient or distant location and which is considered to be a more corporate friendly environment. In addition, the choice of forum provision may limit an investor's ability to bring a claim in a judicial forum that it finds favorable for disputes with us. These provisions may have the effect of discouraging lawsuits and limiting an investors' ability to obtain a favorable judicial forum for disputes against us and our directors and officers.

By agreeing to this limitation of liability, investors will not be deemed to have waived the Company's compliance with federal securities laws and the rules and regulations thereunder.

The TLB (The Luxury Token) Purchase Agreement also includes a provision limiting our liability, to the maximum extent permitted by applicable law, for any losses the investor may incur, except for such losses that arise from our gross negligence, fraud or willful misconduct. By purchasing an TLB (The Luxury Token) an investor is agreeing to this limitation of liability which could reduce its ability to recover damages from us if we act in a manner that causes investors to incur losses.

It may be illegal now, or in the future, to acquire, own, hold, sell or use TLB (The Luxury Token) in one or more countries, and ownership of, holding or trading in our Company's securities may also be considered illegal and subject to sanction.

Although currently blockchain assets are not regulated or are lightly regulated in most countries, including the United States, one or more countries such as China and Russia may take regulatory actions in the future that severely restricts the right to acquire, own, hold, sell or use blockchain assets or to exchange blockchain assets for fiat currency. Such an action may also result in the restriction of ownership, holding or trading in our securities. Such restrictions may adversely affect an investment in the Company.

System limitations, failures, or security breaches could harm our business and may directly impact TLB (The Luxury Token) holders.

Our business depends on the integrity and performance of our computer and communications systems. If our systems cannot expand to cope with increased demand or otherwise fail to perform, we could experience unanticipated disruptions in service or slower response times. These consequences could result in trading outages, lower trading volumes, financial losses, decreased customer service and satisfaction and regulatory sanctions.

Our systems and operations also are vulnerable to damage or interruption from human error, natural disasters, power loss, cyber-attacks, sabotage or terrorism, computer viruses, unauthorized access, intentional acts of vandalism and similar events. Persons who circumvent security measures could wrongfully access and use our information or our customers' information or cause interruptions or malfunctions in our operations. Although we intend to implement and maintain security measures designed to protect the integrity of our systems, such security measures may prove inadequate. Any breach in security or system failure that allows unauthorized access, causes an interruption in service or decreases the responsiveness of our systems may result in theft and could impair our reputation, damage our brand name and negatively impact our business, financial condition and operating results.

We may be unable to protect our proprietary technology and to obtain trademark protection for our marks.

Our success depends to a significant degree upon the protection of our software and other proprietary intellectual property rights. We may be unable to bring enforcement actions under the laws of the US or other countries to protect our intellectual property rights, which could have a material adverse effect on our business. Further, we may not be able to secure protection for our service marks or trademarks in the United States or elsewhere as we expand internationally. Our competitors might adopt service marks or trademarks similar to our marks or might try to prevent us from using our marks. Any claim by another party against us or customer confusion related to our trademarks, or our failure to obtain trademark registration, could have a material adverse effect on our business.

We may not be able to enforce protection of our intellectual property rights under the laws of other countries.

We do business internationally and consequently we are subject to risks of doing business internationally, including uncertainty regarding liability for the listings and other content provided by our users, and differing intellectual property laws, which may provide insufficient protection for our intellectual property. Any such difficulties could have a material adverse effect on our business.

RISKS RELATED TO INCORPORATION IN GIBRALTAR

It may be difficult to enforce a foreign judgment against us, our officers and directors, and the experts named in this prospectus, or to assert foreign securities laws claims or serve process on our officers and directors and these experts.

We were incorporated in United Kingdom. All of our assets are located outside the United States. If proceedings were to be brought in UK, all procedural matters would be governed by UK law. There is little case law addressing the matters described above that would be binding case law in a UK court. For additional information, see “

Enforceability of Civil Liabilities

CAUTIONARY NOTE REGARDING FORWARD-LOOKING STATEMENTS

Some of the statements made under “Prospectus Summary,” “Risk Factors,” “Use of Proceeds,” “Management’s Discussion and Analysis of Financial Condition and Results of Operations,” “Business,” and elsewhere in this prospectus constitute forward-looking statements. In some cases, you can identify

forward-looking statements by terminology such as “may,” “will,” “should,” “expects,” “plans,” “project,” “anticipates,” “believes,” “estimates,” “predicts,” “potential,” “intends,” or “continue,” or the negative of these terms or other comparable terminology.

These forward-looking statements may include, but are not limited to, statements relating to our objectives, plans, and strategies; statements that contain projections of results of operations or of financial condition; statements relating to the research, development, and use of our products; and all statements (other than statements of historical facts) that address activities, events, or developments that we intend, expect, project, believe, or anticipate will or may occur in the future.

Forward-looking statements are not guarantees of future performance and are subject to risks and uncertainties. We have based these forward-looking statements on assumptions and assessments made by our management in light of their experience and their perception of historical trends, current conditions, expected future developments, and other factors they believe to be appropriate.

Important factors that could cause actual results, developments, and business decisions to differ materially from those anticipated in these forward-looking statements include, among other things:

- the slowing or stopping of the development or acceptance of blockchain assets
- the limitations of blockchain technology, which remains largely novel and untested
- the legal framework of regulations applicable to blockchain technologies, cryptocurrencies, security tokens and token offerings
- changes in how we are taxed
- the lack of any existing marketplace for blockchain assets
- our lack of an operating history
- the impact of competition and new technologies
- our ability to obtain government regulations and approvals
- industry developments affecting our business, financial condition and results of operations
- our ability to cooperate with third party collaborators, including contractors for the design, development and implementation of
- our operating performance and cash flow, or lack thereof; and
- global market, political, and economic conditions

These statements are only current predictions and are subject to known and unknown risks, uncertainties, and other factors that may cause our or our industry’s actual results, levels of activity, performance, or achievements to be materially different from those anticipated by the forward-looking statements.