

MEMORANDUM: Product and Roadmap Update

Protecting the Connected

2017 was an exciting year for Embedded Downloads and 2018 promises to be even more so.

A tremendous amount of investment and development is taking place in the IOT market and the need for security and protection against cyber attacks as well as protection of our privacy is growing on a daily basis. It is currently estimated that 5 Million new IOT devices are connected to the internet daily most of which are not secured. We expect a dramatic rise in online attacks and in the cryptocurrency markets we have seen already in January a massive hack on online exchange, Coincheck, in Japan. It is imperative that consumers are educated on how to protect themselves on these types of attacks and their is a fast growing market for products and services that mitigate these risks.

Embedded Downloads is fully committed to the Vision of “Protecting the Connected” and will keep up the work of providing hardware and software solutions in this area.

Update on current products:

The BitVault®

We are very proud of the BitVault®, the world's first blockchain smartphone and want to take the opportunity to discuss how we see the positioning of the BitVault® in the market. As we see it there are two distinct markets for products like the BitVault® which is a very unique and niche security product. Firstly there are the Enterprise Market and the Consumer Market. We will discuss each of these separately.

Consumer Market:

Even though the consumer market for smartphone devices are huge there are a number of hurdles for a manufacturer, especially a new one in a sub-niche of this market to overcome.

1. Large Established Competitors

The smartphone market are dominated by big manufacturers like Apple, Samsung and other well know established brands. It is highly unlikely that a new manufacturer even if well capitalised can compete with these incumbents.

2. Commoditization of devices.

The competitive nature of the smartphone market means that most phones are now providing more and more of the same benefits and features thus these devices are becoming more like a commodity only differentiated in price. This means that margins are eradicated and only the best capitalized manufactures will survive.

3. Very small niche in crypto community

Unfortunately the crypto community is too small to sustain devices that appeal to this community alone. To create devices that will solely appeal to this community will require a tremendous amount of capital, a large overhead in support, a newly built distribution system and a large percentage of this community to adopt these devices. Even though new manufactures might believe that they can build a community to sustain an ecosystem such a community will take a long time to build and will have to rival the size of the customer communities of established players.

A further threat would be one of the large manufacturers producing similar devices at a fraction of the cost of those required by a new player.

At Embedded Downloads we have established these threats before starting the development of the BitVault® and we realised that building a competitive consumer device is not a feasible option. We do however believe that large manufacturers are always looking for an “edge” and the way to be competitive with blockchain technology, the right avenue would be to engage with established manufacturers.

Embedded Downloads is currently engaging with some large mobile phone manufacturers to integrate the BitVault® software into current devices or to manufacture consumer devices that utilizes the technology in the BitVault®. These projects are currently under NDA agreements but we will announce any advancement in this area as soon as we can.

BitVault® has sold a number of devices to consumers online and these will be shipped in the coming weeks, the company will also decide on further sales to individuals in the near future.

We have also realized an interest from consumers for applications on the BitVault® but without the desire to actually purchase or carry a new smartphone as consumers are very reluctant to change from a current brand. To address this issue we have developed an exciting new product, the “Embedded Vault” which we will discuss later in this document.

Enterprise Market:

We believe the enterprise market to be a very lucrative market for the BitVault® and its related blockchain technologies, accordingly we have focused our marketing efforts on engaging with large enterprises and interested parties following developments at Embedded Downloads might have seen the numerous press releases in this regard.

Reasons why enterprise solutions is a viable market for the BitVault®

1. Large organisations with specific needs

BitVault® Enterprise Solutions are targeted at large organisations, either government or publicly owned as well as commercial enterprises.

These organisations have specific needs in the areas of user identification, secure communication and secure data management and storage. Individuals users are mandated by policy and not personal choice which devices to use. A BitVault® sale to an enterprise is much more than selling a device, it is selling a complete solution to the enterprise usually with ongoing development.

2. Blockchain technology

Many enterprises are already involved or want to be involved with blockchain projects and realise the tremendous potential of blockchain technology to make their organisations more competitive or effective. BitVault® enterprise solutions can help an organisation to effectively integrate blockchain with hardware and software devices. BitVault® enterprise solutions comes with access to blockchain technology that can be customised according to needs of the enterprise.

3. Customization and development

Blockchain integration for enterprises is a process not just something you buy off the shelf. So when an organisation decides to use BitVault® and the related technology there usually would be several areas of customization and development. For example in the defence area, requirement might be for specific changes or enhancement to devices and the software.

4. Applications integrating into the organisation.

An Enterprise would be able to create its own custom BitVault® application store specific to its requirement. An example would be in Defence technology where the customer could add its own mapping or logistics applications to the application store.

As can be seen from the discussion above the profitability matrix is completely different in enterprise solutions than it would be for consumer devices.

Current Enterprise projects

Defence Technology

It has been well publicized that we have been active in targeting the defence and security markets. The company has set up a subsidiary company and dedicated sales team in India to focus on these markets in Asia and the Middle East.

Currently testing of the BitVault® is in advanced stages by the Indian military and the management team will be travelling to India in the coming days to further discussions on implementation. BitVault® are currently being produced for the Defence technology market and the company will update on numbers and sales figures as soon as we can. *[Please note that Embedded Downloads is a private company and we are under no obligation to publicise sales or any other information.]*

We are currently exploring projects with a number of other organisations in the Defence / Security industries and this is an ongoing area of interest for us.

Financial Technology

Fintech is a huge area of interest and the BitVault® was first introduced to the Fintech community in London, at London Fintech week in 2017, where we were the gold sponsor of the event. Currently we are working on projects with a number of institutions and we see the Fintech market as a major consumer of the BitVault® and the related technology.

Besides these two main areas the BitVault® team is involved in exploring a number of other markets, including media, medical technology and mobile manufacturers as mentioned above.

To conclude, we are very excited about the BitVault® and the opportunities awaiting in 2018. Production is underway and certification for worldwide distribution is almost complete.

Swiss Bank in Your Pocket

We released version 2 of the Swiss Bank in Your Pocket hardware wallet in 2017 and it has been very well received in the market. The demand for hardware wallets have been growing exponentially mainly because of hacking events at centralized exchanges. We see this trend accelerating in 2018.

The SBIYP is much more than a cryptocurrency hardware wallet, it is a suite of applications and we are planning to add more functionality to the SBIYP in 2018.

- **More currencies**

Additional currencies will be added in 2018 including Ripple and some of the other popular currencies. It is worthwhile to note that adding currencies to the SBIYP is not a quick process as the team does not use 3rd party blockchain explorer API's. A custom blockchain explorer is built for every currency so that

the team can be in control of troubleshooting, backups are implemented and because these servers are not disclosed it is a protection of DDOS attacks which plague popular explorer providers. The aim of the team is to ensure “uptime” of all wallets.

- Cryptodoc and Password Vault

These applications will be added to SBIYP in 2018.

- Waves Dex

We believe strongly in decentralization, especially when it comes to exchanges as this provide more protection to traders. The waves decentralized exchange will be added to the SBIYP in 2018.

- Secure messaging and secure calling

These applications will be added to the SBIYP roadmap which we will update shortly.

Other Products:

Secure Routers and Cameras.

We see a lot of potential in both of these products and the implementation of encryption to both routers and cameras is in advanced stages.

These products are being developed with third party manufacturers and the management team will report back on the marketing launch dates of these when they return from India. These products are sold through current distribution channels online and through retail stores and will not require specific marketing resources from Embedded Downloads, the encryption applications will add value to customers without adding cost to them, so we see a huge “uptake” of these products.

We will shortly publish an updated roadmap that would include the dates these products will start selling.

Cryptodoc and Password Vault

These products are both available inside the EOT Wallet as open-sourced products on Github. Not only will these be upgraded in future they will also be added to the SBIYP and the Embedded Vault over time.

EOT [Encryption of Things] - Toolkits

To enable hardware and software engineers to add EOT enabled encryption to their products, we have decided to develop toolkits that will make it easier for these engineers to add encryption and protect their IOT devices against intrusion. Design of these toolkits are progressing in the areas of “Smart Cities”, “Smart Agriculture” and other IOT devices and a development roadmap will be updated on these shortly.

NEW Products:

We are very excited to announce the development and launch of a new product that we believe will be a “game changer”. As we have stated above in our discussion on the consumer market, consumers are reluctant to change or to purchase new devices.

Our new product has been a bit of a secret and the development kept “under wraps” by our hardworking development team but the launch is now imminent and we are proud to announce...

Embedded Vault

Now you can get the features of secure crypto communication without purchasing additional hardware.

How is this possible?

You are the key.

Embedded Downloads pioneered the concept of “Dynamic Key Creation”, a solution where the private encryption keys are dynamically created by the user and are NEVER stored anywhere thus keeping it out of reach of hackers.

Using this concept we can...

Turn any Laptop or Computer into a secure hardware wallet:

Yes, your PC can now be a secure hardware wallet for your cryptocurrency and it will be more secure than a traditional hardware wallet device because as we have stated before, the keys are not stored on the device and can only be recreated by the user using dynamic key creation.

Turn your Laptop or Computer into a secure crypto communicator:

Want to keep all your communication and data management encrypted and secure? Now the applications that are available to enterprises on the BitVault® will be available on your PC or laptop turning it into a secure crypto communication and blockchain enabled device.

Here are some of the applications that will be available in the Embedded Vault.

Secure Messaging:

Your PC or Laptop will be enabled to use advanced cryptography to enable public key to public key messaging.

Crypto currency transactions [EOT] and blockchain verification are used to create multi-layer encryptions.

Secure Calling:

The same cryptographic methods are used for secure calling. Users will be able to make an encrypted person to person or even a conference call.

Secure Document Transfer:

Your PC or laptop will be enabled to facilitate secure blockchain enabled and encrypted document transfer

Media Vault:

Upload and store your media in a secure, encrypted and blockchain enabled environment.

Embedded Vault will be a “Game Changer”

We believe that this product is going to be a “game changer” as it is the only product that uses inputs from the users own hardware, the user himself/herself and blockchain cryptography to create a secure environment for managing cryptofinance, communication and data management without the need to purchase any new hardware.

The Embedded Vault will be launched in stages

Stage 1:

The first version will be released imminently and will include secure Wallets for Bitcoin and EOT.

Stage 2:

Within 2 or 3 days of release of stage 1, stage 2 will be released. This will include a Waves Wallet as well as an EOT coin / EOT token exchange.

Stage 3: - [Completion end of February 2018]

Ripple, Ethereum and Bitcoin Cash Wallet added.

Stage 4: - [Completion 31 March 2018]

Mac / IOS Version release

Stage 5: [Completion 30 April 2018]

Secure Messaging Application

Stage 6: [Completion 30 June 2018]

Secure Calling

Further development dates will be published in due course for Document Transfer, Media Vault and other applications.

We want to thank all our customers, our development team and other interested parties for supporting Embedded Downloads in our quest to ...

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