

Private Placement Offering

January 22, 2019

4,100,000 shares
Ordinary stock



Kolk Group, Inc. incorporated in New York, NY as of November 26, 2002 is offering 4,100,000 ordinary shares to “cash-in” all proceeds to sell and market developed services to identified clients, fund software and operating expenses. This is our initial private placement and no public market currently exists for our shares. The initial private placement price is US\$0.25 per ordinary share.

Following this private placement offering, Kolk Group will keep two classes of authorized ordinary stock and preferred stock. The rights of the holders of ordinary stock and preferred stock are different in respect to voting rights and conversion. Each share of ordinary stock is entitled to one vote per share. Each share of preferred stock is not entitled to vote and is not convertible at any time into ordinary stock.

Kolk Group will file a Form D with the Securities and Exchange Commission (SEC) in a Regulation (Reg) D exemption or with Section 4(6) exemption provisions. However, we plan our ordinary stock to be quoted on the Nasdaq National Market or NYSEX through ICO or IPO soon.

Form D is a short notice, detailing basic information about the company for investors in the new issuance. Such information will include the size and date of the offering, along with names and addresses of a company's executive officers. This notice is in lieu of more traditional, lengthy reports when filing a non-exempt issuance. Form D must be filed no later than 15 days after the first sale of securities.

Qualified investors are cordially invited to sign the attached non-disclosure and non-circumvention agreement to receive all original documents of Kolk Group, Inc. as confirmation of president status and authority to sign, draft share purchase agreement, shareholder list, waivers of preemptive rights, U.S. Corporation Income Tax Returns & Financial statements 2015÷2018, excerpts from Bank of America account, share certificate for further due diligence to purchase ordinary shares under this private placement offering of Kolk Group, Inc.

Investing in these shares of Kolk Group, Inc. involves risks. See “Risk Factors” beginning on page 13.

	Price to Private Equity Investors	Underwriting Discounts and Commissions	Proceeds to Kolk Group	Proceeds to Selling Stockholders
Per Share	\$0.25	\$ 0	\$0.25	\$0
Total	\$1,025,000	\$ 0	\$1,025,000	\$0

Kolk Group, Inc. (official site is www.kolkgroup.com) also grants accredited private equity investors the right to purchase up to an additional 4,901,727 preferred shares to cover over-allotments.

The allocation of ordinary shares to private equity investors will be on a “first come first serve basis”. The minimum size for a bid in the offering is one thousand shares of our ordinary stock. The contacts for submitting bids and a more detailed description of this private placement offering are included further. As part of this offering process, we attempt to assess the market demand for our ordinary stock and to set the size and price to the accredited investors of this offering to meet that demand. As a result, buyers should not expect to be able to sell their shares for a profit. We determined the method for allocating shares to bidders who submitted successful bids following the closing of the offering.

The U.S. Securities and Exchange Commission and state securities regulators have not approved or disapproved of these securities or determined if this Offering is truthful or complete. Any representation to the contrary is a criminal offense. It is expected that the shares will be delivered to purchasers by a Transfer Agent within 14 banking days after the closing on April 25, 2019.

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You should rely only on the information contained in this Offering. We have not authorized anyone to provide you with information that is different from that contained in this Offering. We are offering to sell, and seeking offers to buy, shares of our ordinary stock only in jurisdictions where offers and sales are permitted. The information in this Offering is complete and accurate only as of the date of the front cover regardless of the time of delivery of this Offering or of any sale of shares. Except where the context requires otherwise, in this Offering, the “Company,” “Kolk Group” “we” “us” and “our” refer to ChiWAO and Kolk Group, Inc., a New York corporation, and, where appropriate, its subsidiaries.

We have not undertaken any efforts to qualify this offering for offers to individual investors in any jurisdiction outside the U.S. Therefore, individual investors located outside the U.S. should expect to qualify by themselves to be eligible to participate in this offering.

Until April 25, 2019, all dealers that effect transactions in our shares, whether or not in this offering, may be required to deliver the Private Placement Offering. This is in addition to the dealers’ obligation to deliver this Offering when acting as underwriters and with respect to their unsold allotments or subscriptions.

This summary highlights information contained elsewhere in this Offering and does not contain all the information you should consider in making your investment decision. You should read this summary together with the more detailed information, including our financial statements and the related notes, elsewhere in this Offering. You should carefully consider, among other things, the matters discussed in “Risk Factors.”

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Summary

Kolk Group Inc. has the vision to become the world's leader in developing and providing secure decentralized database with artificial intelligence and augmented reality, bridging the gap between the existing products and solutions and the unlimited possibilities provided by applications of blockchain economy capable to meet needs of hundreds of millions of consumers and businesses.

Since its incorporation in 2002, Kolk Group has completed work on the kernel of new QuickDeepDate database, an integral part of the UC CHiWAO Multi-Service Platform. It is safe environment for transfer and storage of any data. It surpasses in reliability and security everything that exists today. It does not lend itself to hacking and, besides its unique architecture, has internal cryptography.

The database is decentralized with neural connections and artificial intelligence. It provides the highest level of performance for any queries to the database, the search for documents and data, including unstructured data.

Our built-in QuickDatePro technology preserves high system performance when working with huge data arrays, multi-core systems and many servers in distributed systems by directly processing multidimensional data structures. Completely corresponds to the current trend "Deep learning", but unlike the works that are currently underway in this direction, our development is ready for commercial use, both for business community and ordinary citizens.

In fact, what Kolk Group created now can produce a small revolution in computers technology, marketing, commerce, business, in any interactions, i.e. in all environments where internet is present.

The Offering

Ordinary shares offered:

By Kolk Group	4,100,000 shares
Total	4,100,000 shares
Ordinary shares to be outstanding after this offering	195,900,000 shares
Preferred stock:	5,000,000 shares
Total ordinary and preferred stock to be outstanding after this offering	200,801,727 shares

Use of proceeds

Kolk Group, Inc. will use all received proceeds from this offering to sell and market our developed products to 12 identified clients, further develop/test our Multi-Service Platform CHiWAO and decentralized QuickDeepDate database, and finance working capital. All proceeds will be invested in Company for intended usage so called "cash-in". See "Use of Proceeds" below for additional information.

The number of ordinary shares and preferred shares that will be outstanding after this offering is based on the number of shares outstanding on December 1, 2018 and includes ordinary shares issued to: Messrs. Gennady N. Klemeshev (Founder and majority shareholder), IT specialists as minority shareholders and Red Dragon Innovation Technologies Inc. 紅龍的創新技術公司, incorporated in Hong Kong, the People's Republic of China.

Company

Kolk Group was incorporated under the laws of New York, NY, USA as of November 26, 2002. Our principal executive offices are located at 130 Rose Avenue, Woodcliff Lake, New Jersey 07677, USA and our telephone number is (201) 688-7022, e-mail: info@kolkgroup.com.

We maintain web sites www.kolkgroup.com and www.chiwao.com. The information on our web sites is not part of this Offering.

Kolk Group employs 50 staff, including scientists, mathematicians, programmers, IT specialists, executives and top managers, has all required IT infrastructure and 4 offices in New York, NY, USA, Hong Kong, the People's Republic of China, Moscow, the Russian Federation and Limassol, the Republic of Cyprus.

Pro-forma financial statements 2019-2024, US GAAP, not included ICO & IPO.

US '000, except per share data

INCOME STATEMENT

Fiscal year	2019	2020	2021	2022	2023	2024
Revenue	60	6 760	11 006	23 390	34 066	51 101
Cost of sales	(418)	380	(5 503)	695	033	550
Gross Profit	(358)	3 380	5 503	11 695	17 033	25 550
Pretax profit	(710)	1 636	2 664	5 660	8 244	12 366
Taxes	-	(450)	(732)	(1 557)	(2 267)	(3 401)
Net income	(710)	1 186	1 931	4 104	5 977	8 966
Impact of dilutive securities	0	0	0	0	0	0
Diluted shares outstanding	205	205	205	205	205	205
Diluted EPS	(3,46)	0,01	0,01	0,02	0,03	0,04

BALANCE SHEET

Total assets	98	1 930	4 288	9 635	16 684	27 360
Total liabilities	35	681	1 108	2 351	3 423	5 133
Total equity	63	1 249	3 180	7 284	13 261	22 227

CASH FLOW STATEMENT

Cash from operating activities	(687)	1 278	2 043	4 378	6 298	9 458
Cash from investing activities	(3)	(68)	(110)	(234)	(341)	(511)
Cash from financing activities	774	-	-	-	-	-
Net change in cash during period	84	1 211	1 933	4 144	5 957	8 947

According to US GAAP and the evaluation report by ACCA/FCCA experts, Kolk Group is evaluated at US\$ 52 ml-US\$ 500 ml in 2015-2024 accordingly, excluding ICO and IPO. Please see the evaluation report below.

Kolk Group, Inc. owns all intellectual rights for the developed products, 214 licenses of FCC USA to provide long-distance and international communication, operated in US market for 16 years since 2003 and worked as an international communication operator for 2007.

CHiWAO® is a registered trademark of Kolk Group, Inc.

Introduction

New technologies of decentralization and transformation of the digital business can make the world safer and

more self-governing. Integration of new decentralized high-speed, efficient and crypto-protected solutions with existing payment systems and business communities has every chance to enter the mass market and achieve mass application. Our solutions provide the basis for the creation of completely new computer systems.



Goals and objectives of the project

We are creating a new ecosystem - a fundamental technological base for the business and consumer community, consisting of the following steps:

Launch of the Multi-Service CHIWAO Platform;

Finalization of industrial version, testing and market launch of the decentralized QuickDeepDate database with neural connections, artificial intelligence and augmented reality;

Creation of a super secure, universal operating system for mobile phones, tablets, computers and servers based on QuickDeepDate;

Creating a "blockchain" of the phone based on the CHIWAO Platform and universal operating system;

Creating a new decentralized multidimensional processor architecture.

Product description

Multi-Services UC CHIWAO Platform with QuickDeepDate Decentralized Database (QDD) with AI, - hereinafter the Platform. The Platform - combines all existing unified communications and distributed storage, management and analysis of data.

The platform provides enterprises with a basic environment with a complete set of tools for completely secure interaction, including IoT, management, storage and data exchange - a complete digital transformation of any enterprise, software environments for efficient processing of big data and for creating fundamentally new super computers and home appliances.

The platform can also emulate any of the existing operating systems today, allowing users to work with any programs and applications written for other operating systems: Windows, MAC OS, Android, iOS, Unix, Linux, etc.

The platform has the structure of neural subnets and elements of artificial intelligence. The platform can detect and correct errors, neutralize bookmarks, fix, analyze, make decisions and in accordance with the allowed types of exposure, respond to external influences, such as hacker attacks.

The platform transmits the images entirely - we can provide mass translations of 3D models, video and augmented reality, without prior processing (rendering).

In general, the platform uses a lower level architecture, its own cryptographic protocol and its own and modernized programming languages. The platform has N dimensional scalability. The platform supports N

parallel computing. Possible modeling of natural processes. There is no decoherence problem.

Protective security features are built into the very architecture of the platform, which is designed to support accurate data processing, multi-level protection and full verifiability. There are several scenarios - as an example, a scenario is used where each property of each object integrated into the platform and tied to the original data source, where access restrictions can be applied based on each property.

The platform provides a high level of performance - 6 billion operations per second and higher - for any database queries, searching for documents and data, including unstructured data. The platform provides secure data storage.

Our embedded QuickDataPro technology maintains high performance systems when working with huge data arrays, multi-core systems and a large number of servers in distributed systems by direct processing multidimensional data structures and can perform queries addressed to transactional systems, in real time and analyze structured and unstructured data.

The platform, as described above, instantly integrates into any operating system, and with any network equipment, convert any protocols into each other, transfer any 3D objects entirely, plays with augmented reality, facilitates and makes truly creative, the work of an integrator, who can fully control any manipulations with any equipment located in its local network, mobile gadgets and applications, software that is not integrated with each other or difficult to integrate.

For Central Banks: it is possible to create internal digital cryptocurrency to carry out all internal transactions and interactions with banks in the country and to make all internal payments with market participants in the country - companies, government and public organizations, foundations and private citizens.

The introduction of a new digital cryptocurrency in any country requires a deep study of this issue, but the introduction and use of a decentralized QDD database is possible almost today with significant results from the implementation of this solution. One of the main features is full control of all domestic payments, calculation and analysis of risks, monitoring and control of risks, reduction of expenses, the ability to increase payment efficiency and provide more accurate currency control. This will allow central banks to strengthen their protection against cyber-attacks and improve payment principles between institutions and consumers using the latest analytical tools, implementation of market interaction planning and budget planning with active feedback and real-time monitoring.

For banks: The Platform controls monitoring of all payments, introduction of new cryptocurrency tools to attract new customers, increased security, calculation and monitoring of risks and protection against hacker attacks, ability to connect any systems IoT, Smart Homes and cities, with the implementation of full monitoring and control of all transactions, analytics and planning.

For TV channels: in accordance with the Customer's Terms of Reference, it is possible to create a comprehensive digital system that covers all elements of the digital infrastructure - Internet, telecom operators, cable, electronic cinemas and OTT services + full interactive with users, new means of advertising delivery, more efficient, with the involvement of the audience in the advertising process, and in the process of creating content.

For use in continuous production (Chemistry, petrochemistry, metallurgy):

Elimination of bottlenecks, optimization of the chain of the continuous process, accurate knowledge of the future in any continuous process (oil companies, production lines, logistics companies, insurance holdings, banking networks, drug production, chemical production of a continuous cycle);

Analysis of technological processes with obtaining reliable data for maximum accuracy of data analysis and correction.

For large inter-industry holdings and global corporations:

- Forecasting possibilities range from 60 days to ten years or more. The process of creating 3-5 year plan or any reduction per year; two, ten or one buttons for any set of selected parameters;
- Forecasting future threats, calculating risks and emergencies and preventing;
- Immediate recognition of external and internal threats, hacker attacks, errors in software and related bookmarks in software, as well as at the level of architecture of any equipment;
- Reading and code emulation of any third-party software;
- Data validation, correction, anomaly detection; Production Management;
- Analysis (AI) and the provision of ready-made solutions based on the analysis of data within the company, on the Internet and in the media, as well as with the release of relevant proposals and solutions.

QuickDeepDate Data Storage

This is our distributed multi-layer algorithmic-technology of decentralization, encryption of data storage and recovery.

Mobile phone with a new decentralized OS

The first version of the OS is based on the Linux OS with architecture and all the functions and capabilities of the decentralized QuickDeepDate database with artificial intelligence. Such phones provide full integration with the cloud-based decentralized database of file storage with structures of business community and consumers. The phone does not require installation of additional applications to provide full range of telecommunications services and supports Wi-Fi, 3G, 4G, 5G LTE, Embedded UC (VoIP, text, public files, audio and video conferencing and so on - all functionality of the multi-service CHiWAO Platform) with:

- Built-in support for internal crypto currency QuickPower;
- Built-in multi-crypto currency wallet;
- Own protocols for sending text messages;
- Own alarm system;
- Three-factor authentication: biometric, blocking, behavioral;
- Based on QuickDeepDate, complete protection against unauthorized access;
- Compatible with applications written for iOS, Android.

New processor architecture

We set-up the following goals and objectives:

- Eliminate all the bugs and fixes that were in the process of developing and improving modern processors from leading brands;
- problems in the architecture of processors that can make virtually all computers in the world vulnerable;
- problems relate to Intel, AMD and ARM chips and are conditionally named Meltdown ("Catastrophe") and Specter ("Ghost");
- A new algorithm for the interaction of nuclei inside the processor which solves issues of obtaining bandwidth and getting the most efficiency when integrating CPU cores, memory hierarchies, and I / O subsystems;
- Reducing the delays that occur when data is received from the processor's cache and RAM, as well as from other cores.



The architecture, built on the principle of decentralization and allocation of available resources, allows to successfully scale the capabilities of the processor as additional cores are added.

The new architecture allows the implementation of a fully functional real-time operating system (RTOS). The RTOS operates in supervisor mode, allocating memory blocks and other system resources for user software that runs in user mode. Similarly, MMU provides an isolated and secure environment for reliable operation of systems and applications.

CHiWAO Unified Communication

This is a professional corporate service for communication inside companies with their partners and customers. Built-in web and mobile messenger, audio, video calls, file manager, cloud storage of files, visualization of documents and audio, video and photo files in real time. The system demonstrates any Live Direct View files in real time. This is the system to combine two messengers into one. Public - for private use and corporate messenger to work in a corporation.



Multi Corporate system with Smart Cloud Division technology is a safe and versatile customized environment for interactions within holdings, corporations, enterprises with the possibility of safe interactions with partners and customers, with the ability to analyze, monitor and control equipment and technological processes.

We are developing system integration platform with the engines of online stores to simplify and facilitate the process of demonstration of goods online stores to customers through our live demonstration of Live DirectView files with images in augmented reality.

Multi-Corporation system will allow users to separate private and corporate accounts, not allowing thereby to interfere with the privacy of users. Users can conveniently switch between a personal account and corporate, or favorite shops and services. In the messenger there is a section with a convenient search, where all companies and stores that install the platform are automatically added. Thus, the consumer receives free access to the corporation or online store (and to regular stores) from his mobile application or by using the "Call from site" buttons from the company's website or online store.

The system of Multi-corporations is the only system in the world that links all the relationships and interactions of the business structure with other business structures and consumers in the fields of communication, conversation and mutual work that allows users:

to save money and increase sales efficiency by strengthening customer relations, increasing control over management and ensuring maximum transparency of internal and external interaction between employees of the company;

a direct channel of communication with customers, which is much more effective than e-mail and SMS-messages;

allows managers and management to be present in every subsidiary company, remote branches, start-ups, to see current activities and feel everything what's happening;

qualitative real-time feedback on how internal systems of each project work, what assistance is needed and what preventive measures should be taken;



- reduces the likelihood of human error;
- ability to integrate with any IoT functions and output the received parameters to mobile and web interfaces;
- improves sales efficiency by strengthening customer relationships, increasing control over management and ensuring maximum transparency of internal and external interaction between employees and customers;
- creates a single data entry point and a single data output point;
- allows you to make all transactions conducted in the departments and corporations of the Company as transparent as possible. This reduces the component of corruption and, accordingly, the losses of the Company, and also disciplines the team. In addition, the productivity of employees improves, the work of personnel departments and security services is simplified;
- consumers (customers, partners) can simultaneously belong to several corporations. In this case, each user has his own contact list, consisting of those members of the corporation that were transferred to him by the administrator of each corporation. For each corporation, the consumer has a separate file store, which can interact only within this particular corporation;
- when switching between corporations, their contents and databases also automatically switch to the user's access level. The general rule is that contact between employees can be carried out only within one corporation;
- these functions apply equally to partners and customers. They can connect to one or more of your corporations if you are a shareholder of several of them and listed in the partners section.
- an administrator of each group determines the level of access to any information. Such intercorporate groups serve as a reliable, transparent and constant channel of communication between partner companies;
- conduct meetings to discuss the project and get mutual benefits. Customers, in turn, receive quality service and the ability to contact your company at any time - simply, quickly and for free;
- event history - the entire information archive, including shared files and user interaction history, is stored in a separate section of the cloud storage for each group. Access to it has only the top management or the administrator of the corporation;
- users completely control their information base. Since all information is indexed by the system, the search for the information database takes only a few seconds.

The platform allows users to deploy both fully open and completely closed for the entire outside world - elite communities for interaction with customers but connected by a single internal safe crypto currency and the ability to communicate with closed and community and external world, while maintaining complete security of all interactions.

Based on multiplatform (iOS, Android, Windows, MAC, Linux), we provide the following services:

UC services:

PaaS - platform as a service - for online shops and small businesses <https://youtu.be/ERuZnTvm3g>;

Professional cloud services for medium and large corporations and holdings with a system of decentralized file storage and a system of multi-corporations;

Servers and different variants of clouds decentralize versions of the platform - for industrial enterprises - with API (for secure connection) for integration into a new ecosystem - a community of business and consumers; The operator-level platform for additional services in the networks of mobile GSM operators with API (for secure connection) for integration into a new ecosystem - a community of business and consumers.

AI & Analytics, QuickDeepDate services:

- Strategic planning - where and what technologies and products to create, considering a deep analysis of international and domestic supply and demand;
- Revision of today's opportunities of industrial enterprises and holdings;
- Optimization and increase in efficiency;
- Control over cash flows of the enterprise, holding and bank;
- Forecasting system for enterprises for production of new products;
- Analysis of international markets;
- Analysis of financial risks (for banks, large holdings and various investment and hedge funds);
- Identification of the most advanced trends in science and production;
- Identification of the most effective and competitive technologies and ways of their implementation and monetization in international markets;
- Formation of new international markets for new technologies, goods and services;
- Recommendations for expanding processing of raw materials in conjunction with forecasting of both depth of processing, and specific materials and markets. Control, optimization and forecasting results of continuous processes in petrochemistry and steelmaking.

Competitive analysis

We are conducting our primarily business activities in a highly competitive environment with rapid technological changes and constant introductions of new solutions, products and services.

In the sector of unified communication:

We have several big and prominent industries brand names such as Skype, Slack, WhatsApp, WeChart and Viber that can be considered as our major competitors. They are all engaging in developing similar products and services with certain features and services. We are aware of these developments and considering it while creating our own solutions and technologies.

Nevertheless, we have been able to develop much smarter and effective solution for our multi- platform CHiWAO in comparison to other products and solutions. CHiWAO is a communications application that allows users to organize free text, audio or video chat and conferencing between multiple users, as well as call landline and mobile phones.

The application allows the user to broadcast any type of files while communicating with other users. There are versions of applications for mobile platforms and for use in the browser, with no need to install additional plug-ins. Comparison with the functionality of competitors are as follows:

Main characteristics								
Communication scheme	P2P	P2P+ servers	P2P+ servers	P2P+ servers	?	P2P+ servers	P2P	P2P
Free call	✓	✓	✓	✓	✓	✓		
Group free call (conference)	✓					✓		

Sending pictures and video chat with your camera of from your phone to 150-300 MB	√	√	√	√	√	√	√	√
More than 300 MB						√		
Share documents - Word, Excel, PDF, PPT	Only from desktop	√				√		√
File manager						√		
Secure cloud file storage						√		
SIP calls	√	√		√		√		
Call forwarding	√					√		
Broadcast files in real time						√		
Full-featured desktop version	√					√		
Transferring files in original size	Only from desktop					√		
The transfer and playback of audio files	Only from desktop					√		√
Viewing IP video cameras						√		

Our CHiWAO platform will allow users to integrate of SaaS service and personal messenger with private closed corporate clouds. This possibility provides an opportunity for creating an unlimited number of groups of customers and partners around online stores or corporations with flexible separation according to various criteria, safe interaction with the corporation and with each other.

In comparison with the standard WhatsApp or Viber applications, they are simply not designed for simultaneous work of several employees. For instance, if you have several dozens of hits a day, then you will not be able to work them out qualitatively. Moreover, these applications do not provide tools for collaboration and minimal reporting features. ChiWAO does all that.

CHiWAO also solves security issues since entering the messenger, which is part of the network of a large company or bank, this network is protected by the organization to which it relates. Travel agencies, air carriers, hotels, travel services can use CHiWAO as convenient channels for consultations and reservations. Also, companies can use push notifications to remind them of flights or reservations and inform about upcoming promotions, hot tours and special offers. Telecom-companies and telecom operators can organize informing subscribers about the balance via CHiWAO and save on SMS-dispatch.

Moreover, with the help of CHiWAO it is possible to organize customer self-service when sending a command to balance, the messenger can send the status of the personal account and a link to payment in the personal account. It is also a convenient channel for consultations and technical support of subscribers.

In the sector of new computer technologies:

Our decentralized QuickDeepDate database solution with artificial intelligence and augmented reality has several unique features and characteristics compared to major competitors:

- The platform has N dimensional scalability;
- The platform supports N parallel computing;
- Possible modeling of natural processes;
- There is no decoherence problem.

These companies are Intel, IBM, Microsoft, Google, Apple.

But in our case, we do not call these companies our competitors - we know that one of these companies will embody our fundamental developments in computer technologies and create completely new products on this base for professional and mass markets. In our case, these are our senior partners.

Risk factors

An investment in Kolk Group, Inc. involves significant risks. You should read these risk factors carefully before deciding whether to invest in our company. The following is a description of what we consider our key challenges and risks.

Risks related to our business and IT industry

We face significant competition from Tencent, Telegram Open Network, SONM, Sirin LABS, OTT, Inclusivity IBERO, BITCQR and others.

We may delay the development and introduction of our solutions and technologies that may lead to the needs of the additional fund raising and re-considering our planned financial results presented in projected pro-forma financial statements.

Even though we have attracted and committed several highly professional software developers that presented further, we still may face the risk of shortage of professional staff to reach our goals in terms of budget and time.

We are developing new unique solutions and technologies. It is possible that we may require additional efforts and time to be spent for necessary testing steps of our final solutions and products before introducing them to our clients. These testing proceeds may show that we must make certain changes in programming code. As a result, it may lead to additional working hours and expenditures of our software developers beyond of approved budget and Use of Proceeds. This overbudget may be financed by existing shareholders and/or by offering shares to new participants. Consequently, this situation may affect our ability to conclude clients' agreement for our services and receive revenue stream that we have planned based on our pro-forma financial statements. Nevertheless, Kolk Group will undertake all reasonable steps to make sure that all products are developed and introduced to the market with the high quality and on timely basis.

We may delay conclusion of our service agreements due to the needs of additional business discussions of terms of such contracts, payment proceeds and other related topics with our clients.

We will undertake all necessary legal, financial and other steps to make sure that all concluded contracts with our potential clients are based on and in compliance with appropriate local and international laws in telecommunication industry, provide security of storage and use of personal data and reasonable secure from external damaged influences (such as malicious programs, hacker's attacks, theft of customer's data and other similar unlawful activities).

All these steps may require applying and obtaining appropriate local permissions and licenses from local regulated bodies. Tested proceeds of our solutions and products by local authorities may be additionally performed and agreed between parties both for personal and corporate usage. These activities may lead to

additional time and expenditures that may be out of our budget, planned time and are very difficult to be correctly predicted at this stage of our development.

At the same time, we are aware of these requirements and will undertake all necessary steps to make sure that we are in line with our budget and all legal requirements.

Our sales, promotional and marketing proceeds may not provide us with the sufficient client's penetration.

Our operating results may fluctuate because of several factors, many of which are outside of our control. For these reasons, comparing our operating results on a period-to-period basis may not be meaningful, and you should not rely on our past results as an indication of our future performance. Our actual achieved revenue and expenses may be significantly different from our projected pro-forma statements.

Our actual operating results may fluctuate from projected pro-forma statements, which makes our future results difficult to predict and could cause our results to fall short of expectations.

Our operating results in future periods may fall below projected and expectations of investor/analysts. Any of these events could cause our projected stock price to fall. Each of the risk factors listed in this "Risk Factors" section, and the following factors, may affect our operating results:

- Our ability to attract users to our FoIP and VoIP services. That may affect our income from the provision of telephone communications (long distance & International calls, call forwarding, conferences);
- Our ability to attract online-shops to our revenue stream from "Call from the site" (PaaS) service;
- Our ability to sale work place that may affect our revenue from small, medium and large businesses;
- Our ability for creation and sales of JIT services;
- The possibility to successfully develop and sales our innovative decentralized QuickDeepDate database for corporate customers;
- The amount and timing of operating costs and capital expenditures related to the maintenance and expansion of our businesses, operations and infrastructure;
- Our focus on long term goals over short term results;
- The results of our investments in risky projects;
- General economic conditions and those economic conditions specific to the Internet and telecommunication industry.

If we do not continue to innovate and provide products and services that are useful to personal and corporate users, we may not remain competitive, and our revenues and operating results could suffer.

Our success depends on developing and providing products and services that people use for a communicating, gathering, storing and transmitting data, buying goods and services using Internet connections and blockchain technologies. Our competitors are constantly developing innovations in data transmitting, new operating systems, databases and providing new services to people and businesses. As a result, we must continue to invest significant resources in research and development to enhance all our products, solutions and services and introduce new high quality solutions, algorithms and services that people will use. If we are unable to predict user preferences or industry changes, or if we are unable to modify our products and services on a timely basis, we may lose either personal users and corporate customers. Our operating results would also suffer if our innovations are not responsive to the needs of our personal users and business customers. Our solutions and/or products are not appropriately timed with market opportunity or are not effectively brought to market. As algorithms, databases and other similar technologies and solutions continue to develop considering rapid introduction of an artificial intelligence, our competitors may be able to offer much better and precise algorithms that are, or that are perceived to be, substantially similar or better than those features and characteristics provided by our QuickDeepDate database and operating system. This may force us to compete on bases in addition to innovative solutions for quality of blockchain technology and to expend significant resources to remain competitive in terms of attracting new talents, developing and testing new solutions and technologies.

Our business and operations are planning to experience a rapid growth while introducing our new unique solutions and services to the market. If we fail to effectively manage this initial stage of rapid growth, our business and operating results could be harmed, and we may have to incur significant expenditures to address the additional operational and control requirements of this growth.

We are planning to have a rapid growth in terms of revenue, number of clients, location's presences and other similar operational factors while introducing our unique and innovative solutions and services which has placed, and will continue to place, significant demands on our management, operational and financial infrastructure.

If we do not effectively manage our growth, the quality of our products and services could suffer, which could negatively affect our developing brand and operating results. To effectively manage this growth at this stage of our developments, we will need to implement and to continue to improve our operational, financial and management controls and our reporting systems and procedures. These systems enhancements and improvements will require significant capital expenditures and allocation of valuable management resources.

If the improvements are not implemented successfully, our ability to manage our growth will be impaired and we may have to make significant additional expenditures to address these issues, which could harm our financial position. The required improvements include:

- Introducing and constantly improving the systems of internal controls to ensure timely and accurate reporting of all our operations;
- Creating, testing and documenting all our information technology systems and our business processes for our services and billing systems;
- Creating, testing and implementing our solutions, algorithms and information technology infrastructure to maintain the effectiveness of our services.

If we fail to maintain an effective system of internal controls, we may not be able to accurately report our financial results or prevent fraud. As a result, current and potential stockholders could lose confidence in our financial reporting, which would harm our business and the projected valuation of our company and stock.

Effective internal controls are necessary for us to provide reliable financial reports and effectively prevent fraud. If we cannot provide reliable financial reports or prevent fraud, our brand and operating results could be harmed. We will need to develop, test and implement all necessary steps and proceeds to effectively introduce the system of internal controls. We will need to closely work with external auditors to develop appropriate manuals, internal checks and proceeds to make sure that all potential critical areas in terms of segregation of duties, revenue recognition and expenses authorizations are effectively placed in order and periodically monitored and controlled by appropriate level of key managements. The auditors may identify other potential issues and critical areas related to telecommunication and Internet industries that need to be addressed by the management on a timely and consistent basis. At the same time, we cannot be certain that these proceeds, implemented steps, manuals and measures will completely ensure that we may maintain adequate internal control systems over our financial processes and reporting in the future. Any failure to implement required new or improved controls, or difficulties encountered in their implementation, could harm our operating results or cause us to fail to meet our future reporting obligations. These failures could cause investor to lose confidence in our reported financial information, which could have a negative effect on the valuation of our company and stock.

Our business will depend on a building of strong brand awareness and loyalty of our personal and corporate users, and if we are not able to develop, maintain and enhance our brand, our ability to expand our base of clients will be impaired and our business and operating results will be harmed.

We believe that the brand identity is one of key factors for our future success. Strong brand awareness and loyalty of our clients will significantly contribute to rapid growth of our business. We also believe that developing, maintaining and enhancing our Multi-platform CHiWAO brand is critical to expanding our base of personal and corporate users. Developing and enhancing our brand may require us to make substantial investments and these investments may not be successful. If we fail to develop, promote and maintain the "CHiWAO" brand, or if we incur excessive expenses in this effort, our business, operating results and financial

condition will be materially and adversely affected. We anticipate that, as our market becomes increasingly competitive, developing, maintaining and enhancing our brand may become increasingly difficult and expensive. Developing, maintaining and enhancing our brand will depend largely on our ability to be a technology leader and to continue to provide high quality products and services, which we may not do successfully. To date, we are going to be engage in direct brand development and promotion activities that reflected in our Use of proceeds intention. This enhances the risk that we may not successfully implement brand enhancement efforts in the future.

Our intellectual property rights are valuable, and any inability to protect them could reduce the value of our products, services and brand.

Our patents, trademarks, trade secrets, copyrights and all our other intellectual property rights are important assets for us. There are events that are outside of our control that pose a threat to our intellectual property rights. For example, effective intellectual property protection may not be available in every country in which our products and services are distributed or made available through the Internet. Also, the efforts we have taken to protect our proprietary rights may not be sufficient or effective. Any significant impairment of our intellectual property rights could harm our business or our ability to compete. Also, protecting our intellectual property rights is costly and time consuming. Any increase in the unauthorized use of our intellectual property could make it more expensive to do business and harm our operating results.

We seek to obtain patent protection for our innovations. It is possible, however, that some of these innovations may not be protectable. In addition, given the costs of obtaining patent protection, we may choose not to protect certain innovations that later turn out to be important. Furthermore, there is always the possibility, despite our efforts, that the scope of the protection gained will be insufficient or that an issued patent may be deemed invalid or unenforceable.

We also face risks associated with our trademarks. We could lose protection for CHIWAO trademark, which could result in other people using this word to refer to their own products, thus diminishing our brand.

We also maintain certain intellectual property as trade secrets. The secrecy could be compromised by third parties, or intentionally or accidentally by our employees, which would cause us to lose the competitive advantage resulting from these trade secrets.

Expansion into international markets is important to our long-term success, and our inexperience in the operation of our business internationally increases the risk that our expansion efforts will not be successful.

Expansion into international markets requires management attention and resources. In addition, we face the following additional risks associated with our international expansion:

- Challenges caused by distance, language and cultural differences;
- Longer payment cycles in some countries;
- Credit risk and higher levels of payment fraud;
- Legal and regulatory restrictions;
- Currency exchange rate fluctuations;
- Foreign exchange controls that might prevent us from repatriating cash earned in countries outside the U.S.;
- Political and economic instability and export restrictions;
- Potentially adverse tax consequences;
- Higher costs associated with doing business internationally.

These risks could harm our international expansion efforts, which would in turn harm our business and operating results.

To the extent our revenues are paid in foreign currencies, and currency exchange rates become unfavorable, we may lose some of the economic value of the revenues in U.S. dollar terms.

As we expand our international operations, more of our customers may pay us in foreign currencies.

Conducting business in currencies other than U.S. dollars subjects us to fluctuations in currency exchange rates. If the currency exchange rates were to change unfavorably, the value of net receivables we receive in foreign currencies and later convert to U.S. dollars after the unfavorable change would be diminished. This could have a negative impact on our reported operating results. Hedging strategies, such as forward contracts, options and foreign exchange swaps related to transaction exposures, that we may implement to mitigate this risk may not eliminate our exposure to foreign exchange fluctuations.

Additionally, hedging programs expose us to risks that could adversely affect our operating results, including the following:

- We have limited experience in implementing or operating hedging programs. Hedging programs are inherently risky, and we could lose money because of poor trades;
- We may be unable to hedge currency risk for some transactions because of a high level of uncertainty or the inability to reasonably estimate our foreign exchange exposures;
- We may be unable to acquire foreign exchange hedging instruments in some of the geographic areas where we do business, or, where these derivatives are available, we may not be able to acquire enough of them to fully offset our exposure.

We have a short operating history and a relatively new business model in an emerging and rapidly evolving market. This makes it difficult to evaluate our prospects, may increase the risk that we will not continue to be successful and increases the risk of your investment.

We are going to derive our revenue from a number of existing and new services. We have good professional knowledge, business understanding and experience in terms of providing FoIP and VoIP services for personal and corporate users, but it could be very difficult to predict how actual sales of PaaS and JIT would be completed. As a result, we don't have actual operating history for you to evaluate in assessing our future prospects in terms of these services. Also, we will derive the majority of our revenues from providing services related to our QuickDeepDate database which has a number of industry established names such as Oracle and others that may lead to strong competition from these brands. You must consider our business and prospects in light of the risks and difficulties we will encounter as a start-up company in a new and rapidly evolving market. We may not be able to successfully address these risks and difficulties, which could materially harm our business and operating results.

We are aware of existing risks in terms of attracting and retaining senior development and management team.

We are perfectly understanding that our future success depends in a large part upon the continued service of key members of our senior management and development team. We have been able to attract and maintain our key employees and develop their professional skills. We believe that we have a very strong and well-balanced professional team both in terms of future products developments and an investment strategy implantation. We are planning to develop and implement a number of special programs designed for attracting talented students and senior professional staff to ensure continually developing new products and solutions and meeting an increasing demand from our corporate clients and customers.

Our business is subject to a variety of U.S. and foreign laws, which could lead to claims or other remedies based on the solutions and technologies provided or displayed by our products and services.

The laws relating to the liability of providers of data transmitting solutions (text, chat, video content) and other similar online services for activities of their users are currently under rapid development both within the U.S. and abroad. Claims have been threatened and filed under both U.S. and foreign law for defamation, libel, invasion of privacy and other data protection claims, tort, unlawful activity, copyright or trademark infringement, or other relevant purposes.

Existing or new legislation could expose us to substantial liability, restrict our ability to deliver services to our users, limit our ability to grow and cause us to incur significant expenses in order to comply with such laws and regulations.

We also may face risks associated with international data protection and privacy laws. The interpretation and application of data protection laws in different parts of world are still uncertain and in flux. It is possible that these laws may be interpreted and applied in a manner that is inconsistent with our data practices. If so, in addition to the possibility of fines, this could result in an order requiring that we change our data practices, which in turn could have a material effect on our business.

We have several risks factors associated with the lack of audited financial statements, with properly calculating the company's tax liability, the fact that the company is not subject to Sarbanes-Oxley regulations and related controls and safeguards required for public companies.

As described above, we are in the process of developing and implementing effective internal controls and financial statements' preparation process. The company financial statements and tax returns for the last three years are prepared, reviewed and filled by a certified principal accountant. The company have not currently been engaged in active business activities, the number of transactions, contracts and clients have been limited because of unique software preparation process and mathematical calculations being developed by out IT-specialists.

Increasing business activities due the development and introduction of our solutions and technologies will require additional steps to be taken in terms of accounting for new transactions, contracts, payments and tax liabilities. All these additional activities may lead to certain unintentional errors, mistakes and delays that must be corrected and filled with appropriate government authorities.

The company is aware of all these requirements and will undertake all reasonable steps to comply with all necessary laws, to prepare, to audit and to fill financial statements and tax returns. It will obtain professional advices in case it has to be consulted by professional and reputable companies.

Management, Board of Directors, Committees, IT specialists

Our executive officers and directors, their age and positions as of January 22, 2019 are as follows:



Gennady N. Klemeshev (President & CEO, Founder) has more than 20 years of work experience in telecommunications and software development. Graduated from University of aerospace technologies and University of radio engineering, electronics and automation in Moscow, Russia. He organized, managed project teams and coordinated work of several large factories and design offices in aviation, space automation and data control. He was engaged in

mathematical analysis of large data and complex systems. In 1998 he founded Transitec Ltd - telecommunications company successfully sold in 2001. He worked 6 years in U.S. telecom companies - AT&T, TEC (Telephone Electronics Corporation), Tencent Inc., Digitec and represented U.S. telecom companies in China, Taiwan, Russia, Pakistan, Singapore.



Ed Konczal, Business Development Advisor – has more than 42 years of work experience. He graduated from St. Peter's College and got MBA with distinction from New York University. Ed successfully lead teams representing a variety of organizations and companies and completed projects. Acknowledged success in developing and executing business case proposals. Leader of the Talent Alliance Co. Founder of the Resource Link, AT&T's innovative contingent management unit. He provided consulting services to Fortune 500 companies.



Olexandr Zhyzhnevskiy, CTO – has more than 18 years of software development experience. Olexandr has graduated with master's degree from Odessa National Academy of Communication and has more than 7 years of professional experience with the project management. He has an extensive knowledge in programming languages and technologies: Assembler, Fortran, Basic, Borland Pascal, Borland C++, MS Visual C, Java, Groovy, Action Script, Java Script, HTML, CSS, XML, jQuery, Socket.IO, node.js, Subversion, Git, MySQL,

MongoDB, Memcached, WordPress, WebVR, Aframe, ThreeJS. He also has a leading role as a

software/hardware engineer with the development SFM, web applications based on PHP, CSS, Javascript, MySQL, development of hardware/software projects based on TI DSP processors, C/Assembler/Java, Software Developer VeSTT. He is magnificent mathematician with leadership skills, problem-solving/creativity, initiative, planning and organizing.



Anton Taranovskyi, Team Leader / Software Engineer is our main genius of all mobile applications. Anton has more than 9 years of software development experience. He graduated both with BS and master's degree from Sumy State University. He has more than 7+ years of professional experience with the project management and team leader. He has successfully completed more than 20 projects such as building mobile apps (iOS, Android), Java/Grails development and others.



Antonina Shabala, Frontend Developer - one of our data base young geniuses in VoIP, FoIP, SoftSwiches and many other different communication servers & gadgets. Roman has graduated with BS from Sumy State University in computing science. He has an extensive knowledge in development of projects based on PHP, NodeJS, Javascript, Groovy, HTML, XML, JSON, Smarty Usage and design MySQL and Oracle, Unix-servers and others.



Denys Vovk, iOS/Java Developer - great talent and Lord of Java. He obtained his BS and Master of Electronics Systems from Sumy State University. He has experience in developing mobile apps based on Objective-C/Swift. Experience in VoIP, WebSockets, WebRT. Denys has an extensive knowledge of programming languages such as C, Swift, Java – commercial level projects, SQL, PL/SQL, XML and others. He has taken part in developing and supporting NetCracker OSS/BSS solution including outsourcing and working in partnership with New York team.



Sergey Ischenko, Chief Information Officer;



Vitaly Ivashenko, Senior Backend Developer.



Yevhenii Zhovtya, Backend Developer;



Ben Ibekwe, Director of Operations and Business Development in Africa.



Colin Breeze, General counsel - completed Chicago law school and licensed in CA, NY.

Board of Directors

The By-Laws and certificates of incorporation of Kolk Group state all rules, regulations and authorizations of work of our board of directors, which currently consists of four members. Our current directors were elected according to our By-Laws. The board of directors meets regularly in the following team:

Name	Age	Position
Gennady N. Klemeshev	59	President, Chairman of the Board
Vassily V. Milykh	54	Board member, Investment committee head
Igor V. Taldykin	63	Board member, Management committee head
Evgeniy V. Serov	40	Board member, Corporate finance committee head



Vassily V. Milykh, results-oriented executive completed 150 projects of US\$15b during 25 years of work at multinational financial institutions and global investment banks. Educated with MBA & Harvard Business School Executive Education, USA. Board member of 15 companies & committees (strategy, investments, development, motivation, KPI & personal balanced scorecard compensation) aiming for high-quality performance with strong work ethic and client skills. Passionate. Religious. His major investment projects are in China & USA.



Igor V. Taldykin, a former Vice-President, CP-Crédit Privé, SA, a Swiss financial house. Has more than 18 years as mathematics scientist followed by 30 years of work experience as top executive to many global investment banks. Graduated with distinction from Moscow State University (MGU) in computational mathematics & cybernetics and Finance Academy.



Evgeniy V. Serov has more than 15 years of professional experience in financial reporting, corporate finance, auditing, valuation and funding of projects in different industries. Evgeniy received MBA from Buckinghamshire Business School, ACCA and FCCA membership in the Great Britain. He started carrier with Ernst & Young and served as board member, financial controller and finance director to many international companies.

Committees of the Board of Directors

Our board of directors has established three committees: investment, corporate finance and management committee.

Investment Committee

Our investment committee main functions are to oversee all appropriate areas of company's investment strategy development. This committee's responsibilities include the following:

- Review and recommend raising investments both as public and private placements, venture capital;
- Review and recommend necessary proceeds of liaising with investors, venture funds, investment communities;
- Prepare documentation for tenders proceeds & tender transparency;
- Review and recommend documentation for equity & debt obligations.

Our investment committee is comprised of Gennady, Evgeniy, Vassily and Igor each of whom is a member of the board of directors. Vassily is the head of our investment committee.

Corporate Finance Committee

Our corporate finance committee main functions are to oversee corporate finance proceeds, and our accounting and financial reporting processes, internal systems of control, independent auditor relationships and audits of our financial statements. This committee responsibilities include the following:

- Project and loan documentation review and recommendations;
- Review financial and credit policy of the company;
- Selecting and hiring our independent auditors;
- Evaluate qualifications, terms & conditions, performance of our independent auditors;
- Approve audit and non-audit services to be performed by our independent auditors;
- Review design, implementation, adequacy and effectiveness of our internal controls and our critical accounting policies;
- Oversee and monitor integrity of our financial statements and compliance with legal and regulatory requirements related to financial statements or accounting matters;
- Review with management and our auditors any earnings announcements and other public announcements regarding our operational results.

Our corporate finance committee is comprised of Evgeniy, Vassily and Igor each of whom is member of the board of directors. Evgeniy is the head of our corporate finance committee. We intend to comply with all future necessary corporate finance committee requirements as become applicable.

Management Committee

Our management committee purpose is to assist our board of directors in determining development plans and compensation of our senior management, directors and employees and recommend these plans to our board. This committee responsibilities include:

- Develop and review Company's value maximization and leadership development plans for the Company;
- Review and recommend compensation and benefit plans for our executive officers and board members;
- Review the terms of offer letters and employment agreements and arrangements with our officers;
- Set-up performance goals for our officers and review their performance against these goals;
- Review budgets, structure, timing of our employee wide variable cash compensation and equity-based compensation plans.

Our management committee is comprised of Gennady, Evgeniy, Vassily and Igor each of whom is board member. Igor is the head of our management committee.

Chairman of the Board

The By-Laws of Kolk Group, Inc. state that the chairman of the board of directors may not be an employee or officer of our company and may not have been an employee or officer for the last three years, unless the appointment is approved by two-thirds of the members of our board of directors. We chose Gennady N. Klemeshev, President and Founder as the chairman of the board of directors.

Director Compensation

The By-Laws state in Article III. Section 6. Compensation. Directors shall not receive any stated salary for their services as directors or as members of committees, but by resolution of the board a fixed fee and expenses of attendance may be allowed for attendance at each meeting. Nothing herein contained shall construed to preclude any director from serving the corporation in any other capacity as an officer, agent or otherwise, and receiving compensation.

Therefore, chairman, members of the board of directors and committees, committee heads of Kolk Group, Inc. are entitled to only a fixed fee and expenses allowance for attending meetings stated in the "Use of Proceeds" below.

Financial statements 2002÷2018

Since its incorporation in 2002, Kolk Group, Inc. prepare financial statements in accordance with accounting principles generally accepted in the United States of America (US GAAP). Financial statements will be provided for the last 2 years or for the period of 2016-2017.

Accompanied unaudited financial statements for the year ended as of 31 December 2016 and 31 December 2017 have been formally compiled by MAYTAX Inc. A compilation is limited to presenting in the form of financial statements information that is the representation of management.

We have prepared Statement of change of equity for the interim period ended as of 21 April 2018 based on all available information. This statement has been shown solely for the presentation purpose to provide additional information for potential investors.

Nevertheless, you have to be aware of the fact that the Company has not formally performed and/or obtained an audit opinion from an independent auditor in accordance with either U.S. generally accepted auditing standards or the Standards of the Public Company Accounting Oversight Board of accompanied unaudited financial statements for presented years.

Please be aware that while performing such audit proceeds certain amendments and adjustments could be proposed by an independent auditor that may lead to restatement of the financial statements for the current and previous years.

We are planning to continue preparing the Statements of the Company in accordance with accounting principles generally accepted in the United States of America together with the designing, implementing and maintaining internal control relevant to the preparation and fair presentation of the Statements.

We are strongly considering performing and obtaining formal audit opinion of the Statements from an independent auditor starting for the Statements ended as of 31 December 2018.

The Company has filed appropriate US Corporation Income Tax returns for the federal and New York City General Corporation Tax return for the state tax obligations for the tax year ended as of October 31, 2015 (Income tax for 2014), as of October 31, 2016 (Income tax for 2015) and as of October 31, 2017 (Income tax for 2016). The accompanied US Corporation Income Tax return and New York City General Corporation Tax return have been prepared and filled by professional accountant company MAYTAX.

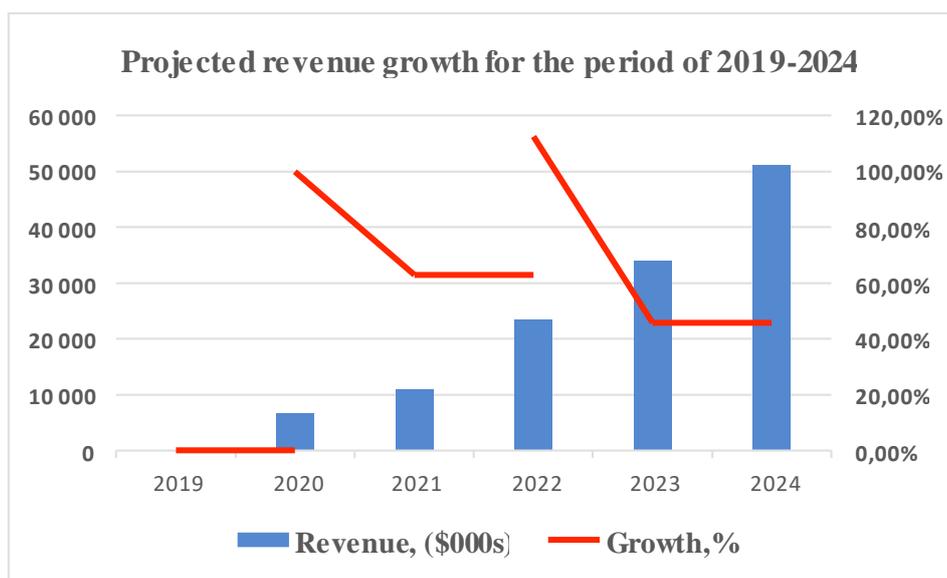
Investment strategy

We are engaging in an industry with rapid changes in terms of developments of new technologies and solutions, continuously searching and delivering new products and services to clients, fierce competition from established brands and new high-tech companies.

We believe that to keep up with the pace of these changes we are developing a solid investment strategy that will help us to focus on building new solutions, products and services that benefit our personal and corporate users and enable them to provide and sustain their growth and benefits to its clients.

We are planning to invest substantial financial funds for customer's base building and expansion both in terms B2C and B2B clients, geographical presence and new high-tech industries that will emerge.

We are committed to organic growth by developing and providing new unique products and services to our customers and re-invest our retained profits to achieve projected revenue goals and growth rate.



Source: Company's projected estimation

We are confident that introducing our decentralized QuickDeepDate database in 2021 will substantially boost our financial results and provide a base for our future significant growth.

We are committing to allocate substantial financial funds for research and development activities to make sure that we can attract and retain top talents in software developments and keeping pace with our client's needs and competitors' activities.

We will critically consider and decide of what the best financial structure for the company has to be in terms of equity and debt allocation. We may consider attracting credit lines and bond issuance if we need so to increase our growth and/or to make acquisitions of new IT companies with perspective technologies and solutions.

We commit to build our work on principals of transparency, prudence and high ethical standards. These are our core values.

We believe that this approach will allow us to build a good base for conducting an intending initial public offering (IPO) of company's share in 2021-2022. We think that the US market and NASDAQ stock exchange as the biggest market in the world will provide us with good opportunities for attracting the best and high professional investors, venture funds and public interest.

We understand that global IT and high-tech markets are becoming more and more integrated. Different parts of the world are becoming new leaders in our industry, products and services are competed on an intentional level. One of the such regions are China and the South-East Asia. It should be mentioned that one of the company's shareholders is Red Dragon Innovation Technologies Ltd. 紅龍的創新技術公司, incorporated under the laws of Hong Kong, the People's Republic of China as of July 25, 2016. This collaboration has a strategic importance due to the possibility to attract new investments, innovation technologies and solutions from market in China.

Pro-forma statements 2019÷2024

You should read the following selected pro-forma financial statements in conjunction with "Investment strategy" and "Use of proceeds" and the related notes appearing elsewhere in this Private Placement Offering.

Projected financial statements according to US GAAP

US dollars in thousands, except per share data

INCOME STATEMENT

Fiscal year	2019	2020	2021	2022	2023	2024
Revenue	60	6,760	11,006	23,390	34,066	51,101
Cost of sales	(418)	(3,380)	(5,503)	(11,695)	(17,033)	(25,550)
Gross Profit	(358)	3,380	5,503	11,695	17,033	25,550
R & D	-	(270)	(440)	(936)	(1,363)	(2,044)
S&M	(332)	(1,014)	(1,651)	(3,508)	(5,110)	(7,665)
G&A	(251)	(460)	(748)	(1,591)	(2,317)	(3,475)
Operating profit (EBIT)	(941)	1,636	2,664	5,660	8,244	12,366
Interest income	-	-	-	-	-	-
Interest expense	-	-	-	-	-	-
Other expense	-	-	-	-	-	-
Pretax profit	(941)	1,636	2,664	5,660	8,244	12,366
Taxes	-	(450)	(732)	(1,557)	(2,267)	(3,401)
Net income	(941)	1,186	1,931	4,104	5,977	8,966
Basic shares outstanding	205	205	205	205	205	205
Impact of dilutive securities	0	0	0	0	0	0
Diluted shares outstanding	205	205	205	205	205	205
Basic EPS	(4.59)	0.01	0.01	0.02	0.03	0.04
Diluted EPS	(4.59)	0.01	0.01	0.02	0.03	0.04

BALANCE SHEET

Fiscal year	2019	2020	2021	2022	2023	2024
Cash and cash equivalent	85	1,296	3,229	7,373	13,330	22,277
Accounts receivable	5	553	900	1,913	2,787	4,180
Inventory	7	54	88	187	273	409
Property, plant & equipment	1	27	70	161	294	494
Total assets	98	1,930	4,288	9,635	16,684	27,360
Accounts payable	28	231	375	798	1,162	1,743
Accrued expenses & def rev. (current & non-current)	4	448	731	1,551	2,259	3,388
Long term debt	-	-	-	-	-	-
Other non-current liabilities	2	2	2	2	2	2
Total liabilities	35	681	1,108	2,351	3,423	5,133

Common stock/ additional paid in capital	1,075	1,075	1,075	1,075	1,075	1,075
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Treasury stock	-	-	-	-	-	-
Retained earnings / accumulated deficit	(1,012)	174	2,105	6,209	12,186	21,151
Other comprehensive income / (loss)	-	-	-	-	-	-
Total equity	63	1,249	3,180	7,284	13,261	22,227

CASH FLOW STATEMENT

Fiscal year	2019	2020	2021	2022	2023	2024
Net income	(978)	1,186	1,931	4,104	5,977	8,966
Depreciation and amortization	2	42	67	143	208	312
Stock based compensation	-	-	-	-	-	-
Accounts receivable	(5)	(548)	(347)	(1,013)	(873)	(1,393)
Inventory	(7)	(47)	(34)	(99)	(85)	(136)
Accounts payable	28	202	145	422	364	581
Accrued expenses & def revenues	4	444	282	821	708	1,129
Cash from operating activities	(955)	1,279	2,043	4,378	6,298	9,458
Capital expenditures	(3)	(68)	(110)	(234)	(341)	(511)
Purchases of intangible assets	-	-	-	-	-	-
Cash from investing activities	(3)	(68)	(110)	(234)	(341)	(511)
Long term debt	-	-	-	-	-	-
Common dividends	-	-	-	-	-	-
New share issuances	1,042	-	-	-	-	-
Share repurchases	-	-	-	-	-	-
Other comprehensive income / (loss)	-	-	-	-	-	-
Cash from financing activities	1,042	-	-	-	-	-
Net change in cash during	-	-	-	-	-	-

period	84	1,211	1,933	4,144	5,957	8,947
Cash and cash equivalent at beginning of period	1	85	1,296	3,229	7,373	13,330
Cash and cash equivalent at end of period	85	1,296	3,229	7,373	13,330	22,277

- 1) *Projected Financial Statements have been prepared based on underlying assumptions that will be fully described in Evaluation section. These assumptions are taking into account a number of factors, suggestions and forecasted events that may be beyond of our control;*
- 2) *The Company may consider attracting bank loans and/or bonds issuance for general corporation purpose in the future that may lead to changing debt/equity structure and financial results;*
- 3) *The new stock offerings may be organized to finance business activities of the Company.*

Statement of changes in equity, for the period ended 21 April 2018

unaudited

capital premium Earnings	33,002	-	-	34,053	-	1,051	-	-	1,051
	Share	Share	Retained	Total₁	MI	Total equity			
Balance at 1 January 2017	1,000	-	-	3,112	-	2,112	-	-	2,112
Proceeds from share issued	32,002	-	-	-	-	32,002	-	-	32,002
Profit and loss	-	-	-	30,941	-	30,941	-	-	30,941
Balance at 1 January 2018									
Proceeds from share issued	17,281	-	-	-	-	17,281	-	-	17,281
Profit and loss	-	-	-	13,080	-	13,080	-	-	13,080
Balance at 21 April 2018	50,283	-	-	47,133	-	3,150	-	-	3,150

1). *There is unaudited statement of changes in equity of Kolk Group Inc for the period ended 21 April 2018.*

2). *This statement may be the subject of revision due to the full audit proceeds to be performed for the year ended 31 December 2018*

Marketing & sales to sign contracts with identified clients

We have been in negotiation process with several potential identified clients on our services. There are technical assignments to be considered and agreed between parties in terms of applying our solutions and technologies in the identified clients' IT-infrastructure with the following companies:

- Lazada Group;
- New Asia Holdings Limited;
- Several GSM operators in Africa, including OneToGo.

We have good business relationships with a number of VoIP wholesale companies. We are planning to sign off-take contracts to provide our VoIP's services for making revenue stream of Kolk Group, Inc. with the following companies:

- Sekom Telecom OY Limited, New Zealand;
- Vinculum Communication Inc, San Diego, CA, USA;
- Speedflow Communication, Ltd., London, UK;
- Capital City Service Ltd., London, UK;

- Ecosmob Technologies, Ahmedabad, India.

Market overview

We believe that our unique developed products and innovative solutions can provide unlimited opportunities for expanding personal and business needs in terms of interaction, communication and content creation. It provides a new way of the digital transformation to benefit from these opportunities and gain a share of the incremental revenues, by developing new business models and skills based on our solutions and services.

Digitization has already disrupted a mobile industry and is now beginning to transform a range of other industries, including healthcare, finance and retail. This is creating opportunities for innovative new services, with consumer engagement and data traffic increasingly focused on mobile devices and mobile networks. There are five potential areas for a rapid growth and further expansion in terms of services and data gathering, analyzing and providing services to our customers as:

- The Internet of Things (IoT) and machine to machine (M2M) technology connects machines and appliances via variety of communications channels, including IP and SMS, to deliver services with limited human intervention;
- Cloud, big data and analytics - growth in the number of connected devices and increasing consumer engagement with smartphones are driving exponential growth in the volume and velocity of both human and machine data. At the same time, advances in big data analytics are increasing the value of this data and its use cases;
- Content and video - now accounts for most of global mobile data traffic and is forecast to be the key driver of data traffic growth, both globally and for the local markets where we are going to participate;
- Monetizing the growth in data traffic -mobile traffic continues to show significant growth across all regions;
- Cyber security – the raising needs to provide a range of security enhancements, particularly in areas such as enterprise platform scanning and advanced networks.

We are estimating the total volume of our market will be more than US\$787 billion by 2021. We are working today at the junction of five large market sectors:

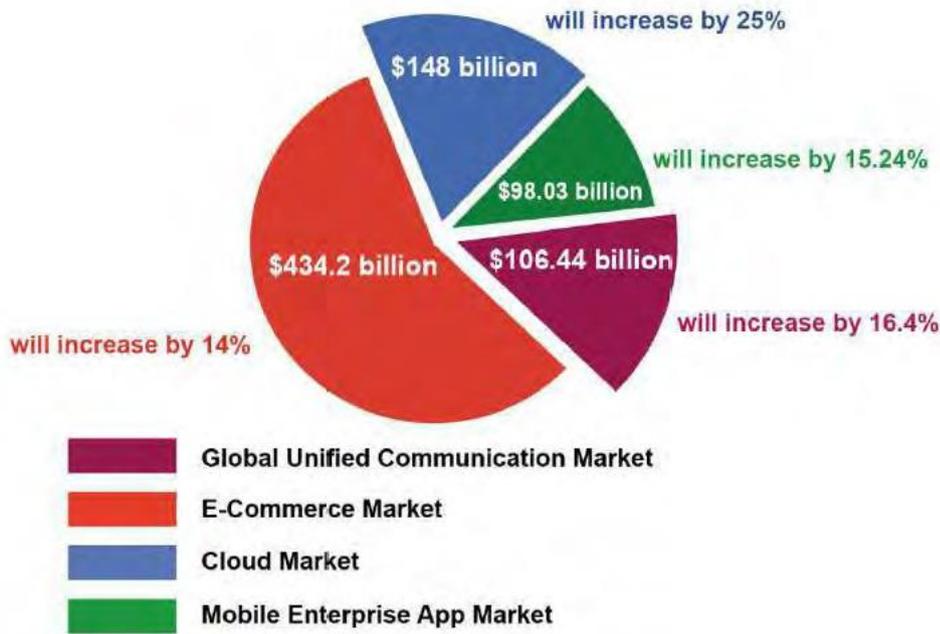
- AI;
- Telecom;
- Video Management Software;
- Mobile Enterprise Application;
- E-commerce.

Tractica forecasts that the revenue generated from the direct and indirect application of AI software is estimated to grow from \$643.7 million in 2016 to \$36.8 billion by 2025. This represents a significant growth curve for the 9-year period with a compound annual growth rate (CAGR) of 56.8%.

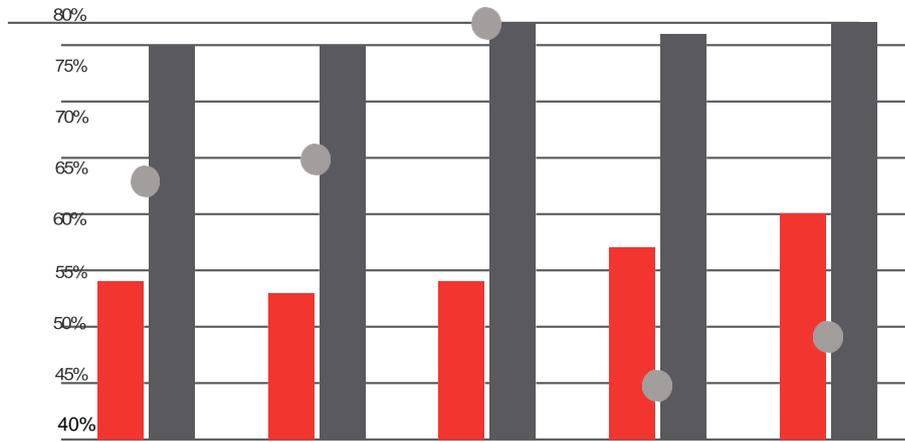
The total volume of our market will be more than US\$1.787 trillion by 2021:

- AI market - market value projected: \$1.2 trillion (Global GDP annual growth rate of 3.5%), Forecast Timeline: 2020, Source: Forrester Research Definition: “Cognitive computing technologies” (AI technologies);
- Telecom managed services - market is expected to grow by CAGR of 13.7% to 2022 to US\$22.58 billion;
- Video management software is expected to grow by CAGR of 23.2% to 2021 to US\$10.54 billion;
- Mobile enterprise application is expected to grow by CAGR of 15.24% by 2021 to US\$98.03 billion;
- E-commerce market, by 2021 the turnover may reach US\$434.2 billion.

Sources: *The Global Unified Communication Market*, www.credenceresearch.com.



Video as a proportion of total mobile data



Source: Cisco, 2015 2020 CAGR

We are estimating that Telecom Managed Services and the growth in data traffic will expand with the healthy growth from US\$11.9 billion in 2017 to US\$22.58 billion by 2022, at a compound annual growth rate of 13.7%.

Analysts from Market and Markets forecasts that telecom API market will grow from US\$93.69 billion in 2016 to US\$231.86 billion by 2021 and Mobile Enterprise Application Market by Software will increase from \$ 48.24 billion in 2016 to \$ 98.03 billion by 2021 with CAGR more than 15.24%.

All these forecasts suggest that our unique solution will have a huge potential for further growth and development to meet an increasing demand from an individual user and corporations in a rapid period of digital transformation and creation of new products, processes and services.

Targeted clients’ base

We are particularly targeting two major audience groups such as B2C and B2B. For personal user and an

individual consumer, we may offer a range of different services and enhance level of digital experience including buying of goods in online shopping, health care services, sports show and events for dedicated fans based on free communication with companies, increasing speed and quality of services granted, additional discounts and value for money offers and propositions.

For business community, there are several services in E-commerce, Retail Stores and Networks, service companies, travel and retail agencies, Enterprise IT segments, banking and payment platforms, HealthCare support and services, Sport Show and Events.

These services have been offered based on our unique solutions in terms of achieving an acceleration of coordination in all business processes that will lead to additional savings and an increasing of an overall business efficiency and decision-making process, an enhancing control and transparency of relationships within the company, between customers and business partners. It will provide the ability for creating new monetization channels through new content creation and its effective distribution and targeting core clients' audience, markets and regions in real time framework.

We are planning that our revenue stream will be generated through:

- Income from the provision of telephone communications (long distance & International calls, call forwarding, Conferences);
- "Call from the site" (PaaS) service for online stores;
- Sales of work place (PaaS) for small, medium and large businesses;
- Creation and sale - JIT method (Just-in-time) - especially protected private clouds for large business with the individual needs of a client;
- A set of paid services for the sphere of sports shows and events;
- Sales of decentralized QuickDeepDate database for corporate customers;
- Services for storing and converting files.

Sales, promotion and business development

Our marketing strategy is to build awareness and establish the Company's brand position as a trusted provider of cost effective, simple to use and integrated Mobile Communications Apps.

We will use a combination of traditional sales, inbound, outbound and social networking tools to raise awareness get through the clutter and increase sales.

We are planning a considerable amount to spend on this type of activity based on industries practices and benchmarks. It may reach an overall level from 20% to 45% of recorded revenue. The main expenses are:

- Hiring of sales and marketing staff;
- Spending on sales and marketing campaigns, promotional activities and events;
- Spending on advertisement, brand building and client's awareness and loyalty. We are planning to apply the following tactics trough sales cycle:

TARGET MARKET	SALES POSITIONING	OUTBOUND	INBOUND
CHiWAO	Traditional lead generation, promotions and collateral, press and industry	Pay-per Click	Content/Branding – establish a unique and distinct brand name, look and feel, values, messages and language
		E-mail	SEO
		Direct mail	Social Media - delivering the

	analyst relations	Demos - to showcase our products to establish sales and partnership	products and values by creating 'stories' like news, insights, features, partnerships.
		Events – attending trade events to showcase our products to establish awareness, sales and partnership	

Our distribution channels and preliminary contracts' base include:

- Resellers – preliminary 14 agreements have been discussed with the potential clients that waiting for finalization of CHiWAO product;
- Channel partners – is in the process of current discussions;
- Apple App store – is in the process of testing for primary personal use.

Evaluation

Methodology for undertaking valuation of the fair value price per share

To determine the offering price per share, we have employed two major approaches that are widely applied by the investment community. There are discounted cash flow and comparative analysis considering industry's multiplications.

We have firstly identified the Enterprise value of the Company and then, we have reached out our conclusion regarding the possible range of Equity values of the Company.

We have used several assumptions concerning future business activities of the Company, projected WACC, the most appropriate multiplication factors and all other available information at the moment of preparing this valuation to make sure that our estimations are consistent with industry averages, without significant bias and errors and prudent.

We have applied several financial and operational ratios for comparison and for preparation of projected financial statements purposes achieved by our major competitors in the previous financial years.

We specifically selected and studied such companies that have provided the most relevant and similar products and services, growth rates, revenue structure as our company will be showing in the future.

All these companies have shown certain similarities in their progress in terms of developing their products and services, they are all now publicly traded and may be used by us as proforma models for the estimation purposes.

We have chosen the following companies for our further comparison and investigations:

- MOMO Inc., <http://ir.immomo.com/phoenix.zhtml?c=253834&p=irol-irhome>;
- Alibaba Group <http://www.alibabagroup.com/en/ir/earnings>;
- Line Corporation <http://linecorp.com>;
- Tencent Holdings Ltd. <https://www.tencent.com/en-us/investor.html>;
- Facebook Inc., <https://investor.fb.com/financials/default.aspx>.

We have intentionally not chosen Apple Inc for our comparison model, due to the fact this company has now reached huge financial and operational results in terms of revenue, profit and cash balance. It is highly regarded by the investment community and has much low risk in terms of Beta and high investment grade. We have acknowledged a huge success of this Company, but we believe that in terms of our specific task by applying

ratios and B, we will distort the results of our estimations.

We will explain major assumptions and outcomes for this valuation and results obtained below. The additional comments and details may be received by your kindly request due to the consideration of this Private Placement Offering.

Assumptions

The budget expenses to be used for the development stage are presented in Use of Proceeds.

The Company's initial estimation has shown that we will be able to provide our solutions and services described above with the following range of volume and prices presented in the table below.

Services to be provided by the Company

Services to be sold	Unit	Units per services	Price per unit, USD	CAGR, % for volume	CAGR, % per price	Number of months to be consumed in a year
FoIP, per year	page	200 000 000	0.01	15	3	1
VoIP, per month	minute	780 000	0.05	35	3	12
PaaS service for online stores— minimum package	client	22 000	2	14	3	12
PaaS service for online stores -auto-delivery	client	2 200	15	14	3	12
PaaS service for online stores - premium	client	1 800	25	14	3	12
PaaS service for online stores - individual	client	100	1 000	10	1	12
Work place PaaS & Support - bases	Work place	12 000	2	15	3	12
Work place PaaS & Support - full	Work place	3 000	5	15	3	12
JIT method - private cloud	client	2	150 000	13.7	3	1
Storing and converting files	file	2 500 000	0.01	23.2	3	12
Paid service for entertainment	client	5	100 000	13.7	3	1
Decentralized Database-	Per 1	500	5 000	13.7	3	1
QDD	copy					
Private cloud: services & support	client	2	30 000	13.7	3	1

The Company projects the following timing and volume for introduction of decentralized QuickDeepDate database:

Introduction of two major services

Services to be sold	Unit	Total	2019P	2020P	2021P	2022P	2023P	2024P
PaaS service for online stores - individual	client	1 000	0	100	150	200	250	300
Decentralized Database-QDD	per copy	13 500	0	0	500	2 500	4 000	6 500

We will charge our clients with different rates for appropriate range of solutions and products based on the level of the services to be provided.

We believe that suggested price per unit of service in the range from US\$2 to US\$25 per month for PaaS service for online stores is to be competitive and has a real value for money in terms of benefits and potential revenue and profit's growth for our clients.

The Company is expecting that decentralized QuickDeepDate database with an artificial intelligence and augmented realities will be fully ready for industrial implication not later than the end of the year 2019 and an initial sales and promotions activities will start in the year ended 2020.

We will start offering our decentralized QuickDeepDate database with an artificial intelligence and augmented realities per US\$5,000 for one copy. We believe that this is a conservative approach for determining price and this will help us to attract additional customers and public interest.

We are planning to increase our sales for this product substantially starting from 2021 due to the undertaking massive marketing, sales and promotion activities with our current and projected clients at that moment.

While preparing our projected financial statements, we have considered and applied several industries ratios and multiplications. There are show in the table below:

Average industrial ratios for projecting proforma financial statements

Assumptions used for the projected financial statements	Average ratio
Average gross profit margin for the periods of up to 5 years, %	50%
Average revenue growth rate for the period of 5 years, %	45%
Research and Development margin, %	4%
Sales and Marketing margin, %	15%
General and administrative margin, %	7%
Capital expenditure as percentage of revenue, %	5%
Days sales outstanding (DSO), days	30
Days payable outstanding (DPO), days	25
Accrued expenses & def revs as % of sales, days	25
Tax rate (federal + state), %	21%+6.5%

Projected Unlevered Free Cash Flow to Firm

We prepared our projected Financial Statements and evaluated unlevered discounted cash flow to firm based on the following assumptions presented in table below.

Unlevered free cash flow to firm (FCFF):

Unlevered free cash flow to firm (FCFF)	Total	2019P	2020P	2021P	2022P	2023P	2024P
Total, USD'000	21 502	(689)	1 210	1 933	4 144	5 957	8 947

In order to calculate discounted unlevered free cash flow to firm, we've taken projected long-term growth rate for determining terminal value and weighted average cost of capital, see table below.

Assumptions	Percent	Comments
Long term growth rate for to be used for last period, %	3	Average growth
Weighted average cost of capital, %	13,2	Please see below our explanations for the calculations

By defining weighted average cost of capital for the Company, we have implied the following methodology:

Cost capital assumptions

Assumptions	Percent	Comments	Sources
Cost of debt, %	5	Based on Alibaba weighted average interest rate for 2017, p. F88/316	http://otp.investis.com/clients/us/alibaba/SEC/sec-outline.aspx?FilingId=12129538&Cik=0001577552&PaperOnly=0&HasOriginal=1
Tax rate, %	27.5	Please see above	
Risk free rate, %	2.85	Yield on 10 Year US Treasury at	See US Treasure rates
		27/03/2018	
Beta, β	1.48	Please see calculations below	
Market risk premium	7	taken for start-up an initial stage and based on average industry selected <i>B</i>	
Equity, %	100	Based on the current level of debt/equity structure	
Debt, %	0	Based on current level of debt/equity structure	

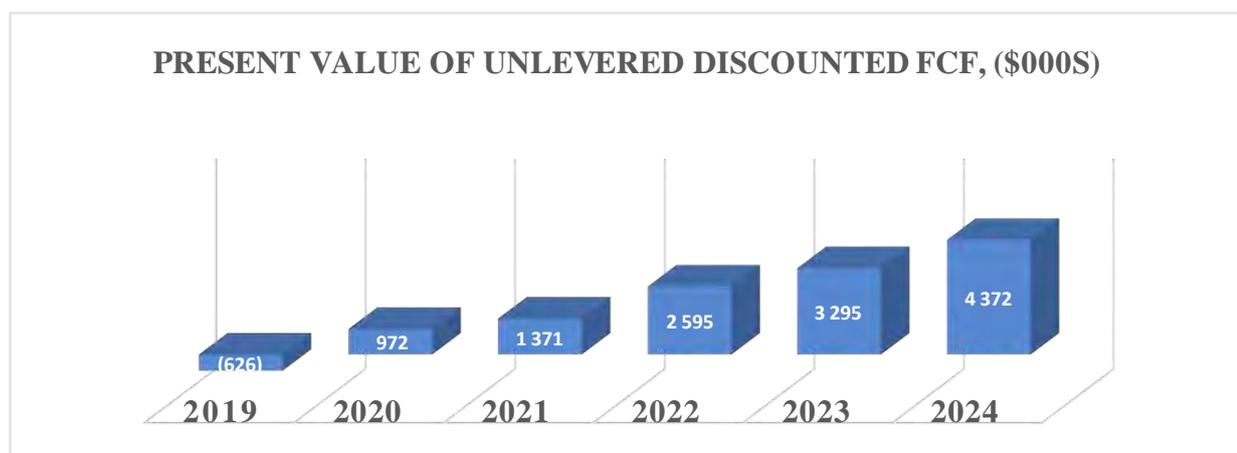
We have performed β -calculation based on the appropriate information available for us. We have to make sure that you are aware of this calculation. Actual market β may be different from our suggestion but we are considering all information available.

β-calculation

Company	Observed β	Share price	P/E	Date of observation	Sources
MOMO Inc., USD	N/A	35.61	23.21	03/28/2018	https://www.investing.com/equities/momo-inc
Alibaba, USD	2.5	178.91	43.72	03/28/2018	https://www.investing.com/equities/
Line Corp	N/A	38.16	122.59	03/28/2018	https://www.investing.com/equities/line-corp
Tencent Holdings Ltd, HKD	1.07	410.40	49.80	03/28/2018	https://www.investing.com/equities/tencent-holdings-hk
Facebook, USD	0.87	153.03	24.84	03/28/2018	https://www.investing.com/equities/facebook-inc

We have determined that an industry average observed β is equal to 1.48 and an average industry price/earnings ratio is equal to 42.16. P/E ratio will be used for comparative analysis and calculations.

As result of applying weighted average cost of capital to discount an unlevered free cash flow to firm, we have received unlevered discounted free cash flow that show in chart above.



Source: Company's calculation

To finally identify **enterprise value** by applying discounted cash flow method with the assumptions describe above we will sum up all our calculations in the table below.

Assumptions	Value
Unlevered FCF in last forecast period (t), USD'000	8 947
Long term growth rate to be used for last period, %	3
Free cash flow for the period (t+1), USD'000	9 215

Terminal value, USD'000	90 258
Present value of terminal value, USD'000	44 101
Present value of free cash flow to firm, USD'000	11 979
Enterprise value by applying DCF approach, USD'000 (1)	56 080

1) We have assumed that there is immaterial amount of cash balance to be taken for calculations in terms of defying Enterprise value.

We have used the second technique as Exit EBIDTA multiply approach to have a solid base for reaching a conclusion regarding the offering share price.

EBITDA	2019P	2020P	2021P	2022P	2023P	2024P
Total, USD'000	(976)	1 677	2 371	5 803	8 452	12 678

Firstly, we have defined EBITDA for the projected period that show in the table below:

Secondly, we have investigated and determined suggested industries multiple ratio in Appendices.

Assumptions	Value
Terminal year EBITDA, USD' 000	12 678
Terminal value EBITDA multiple	6.23
Terminal value, USD'000	78 985
Present value of terminal value, USD'000	38 593
Present value of free cash flow to firm, USD'000	11 979
Enterprise value by applying Exit EBIDTA, USD'000 (1)	50 572

1) We have assumed an average EBIDTA multiplication as 6.23 based on sources: <https://seekingalpha.com/article/4109123-cornerstone-ondemand-big-acquisition?page=2>.

Finally, we have compared two results for making an appropriate decision regarding fair value per share.

Fair value per share

Valuation	DCF method	EBITDA multiplications
Enterprise value, USD' 000	56 080	50 572
Less: Net debt, USD'000	0	0
Equity value, USD' 000	56 080	50 572
Number of shares to be used for calculation, million	205	205
Equity fair value per share, USD	0.27	0.25

We have drawn and presented so-called football field chart for calculated fair value per share in terms of different assumptions regarding possible range of EBIDTA multiplies and projected an average growth rate

of the Company.

DCF Valuation Summary for fair value per share

Source: Company's estimation, share price in USD'



1. Exit EBITDA Multiple in range of: 4.2-8.2.
2. Average growth rate 2.0%-4.0%.

	Low	Difference	High
DCF Value at 4.2x-8.2x Exit EBITDA Range	0.169	0.138	0.307
DCF Value at 2.0% -4.0% Perpetuity Range	0.203	0.097	0.299

Investment proposal

Based on our calculations, we offer an investment for a potential buyer of company's 4,100,000 ordinary shares considered all appropriate assumptions concerning future business activities of the entity and projected market growth.

Assumptions	Value
Average projected enterprise value by two methods, USD' 000	53 326
Less: Net debt, USD'000	0
Average projected equity value by two methods, USD' 000	53 326
Number of shares registered, million	205
Average calculated fair value price per share, USD	0.26
Offering price per share, USD	0.25
Offered number of shares, million	4,1
Percent of the Company's shares acquired, %	2.05

Exist strategy assumptions for the period ended 2024

We have assumed that an investor will be able to receive funds for the period ended 2024 with an overall internal rate of return (IRR), not less than 43%. Money flow multiplication ratio will be 6.3x and projected up-side to an industry average P/E multiplication ratio is approximate 18%. The company considers that an overall net present value (NPV) of unlevered discounted cash flow to firm will be not less than USD11,979,000 for the projected period of 5 years.

Assumptions	Value
Average industry EV/Rev multiplication	6.23
Projected Revenue, USD' 000	51 101
Projected Market cap, USD'000	318 359
Projected market price per share, USD'	1.55
Projected earnings per share, USD'	0.04
Projected P /E ratio	35.61
Projected NPV of the Company, USD'000	11 979
Projected investor IRR, %	44%
Money flow to investor, USD'000	6 367
Current average industry P/E	42.16

ICO planning

Additionally, we are considering Initial Coin Offering (ICO) of our cryptocurrency QuickPower one year after we introduce our products and solutions to the market. ICO will be performed pursuant to all regulation framework of the U.S. Securities and Exchange Commission.

We will offer tokens for investors participating in this Private Placement Offering on the base “two tokens for one share free of charge for each investor” with six months lock-up period for the sales of these tokens to the public.

A 25% discount will be provided to each investor from a nominal price of token valued immediately before conducting ICO.

Accredited Investors

An important aspect of raising capital in a private placement is the involvement of accredited investors. While private placements do not require the issuer to register its securities with the SEC, it does require that the issuer only sell the private securities to investors that qualify as accredited investors under the standards set forth by the SEC in Regulation D of the Securities Act of 1933.

To be an accredited investor, a person must demonstrate an annual income of \$200,000, or \$300,000 for joint income, for the last two years with expectation of earning the same or higher income. A person is also considered an accredited investor if he has a net worth exceeding \$1 million, either individually or jointly with his spouse.

In 2016, the U.S. Congress modified the definition of an accredited investor to include registered brokers and investment advisors. Also, if a person can demonstrate sufficient education or job experience showing his professional knowledge of unregistered securities, he is also considered an accredited investor. The SEC also considers a person to be an accredited investor if he is a general partner, executive officer, director or a related combination thereof for the issuer of unregistered securities.

The buyer of a private placement bond issue expects a higher rate of interest than he earns on a publicly traded security because of the additional risk of not obtaining a credit rating.

Accredited investors can be either individuals or entities that qualify under the SEC's terms. Entities often include venture capital firms, large banks, mutual funds, insurance companies and pension funds. For detailed standards and requirements defining an accredited investor, please see the U.S. Securities and Exchange Commission.

Stockholder list

The By-Laws of Kolk Group, Inc. state that according to Article II. Section 4. Stockholder list. The officer who has charge of the stock ledger of the corporation shall at least 10 days before each meeting of stockholders prepare a complete alphabetical addressed list of the stockholders entitled to vote at the ensuing election, with the number of shares held by each. Said list shall be open to the examination of any shareholder, for any purpose germane to the meeting, during ordinary business hours.

Kolk Group, Inc. regularly nominates a professional officer to take charge of Shareholder list preparation with all amendments to include such as a change of shareholders. Please kindly request the Shareholder list as of the last shareholders meeting.

Therefore, a new shareholder of Kolk Group, Inc. will receive an excerpt from Shareholder list certifying the number of shares owned by him/her in the corporation and other conditions according to the By-Laws of the corporation.

Share certificate

The By-Laws of Kolk Group, Inc. state that according to Article V. Section 1. Certificates of stock. - Every holder of stock in the corporation shall be entitled to have a certificate, signed by, or in the name of the corporation by, the chairman or vice-chairman of the board of directors. Or the president or a vice-president and the treasurer or an assistant treasurer, or the secretary of the corporation, certifying the number of shares owned by him/her in the corporation.

Therefore, a new shareholder of Kolk Group, Inc. will receive the share certificate certifying the number of shares owned by him/her in the corporation and other conditions according to the By-Laws of the corporation.

Transfer of shares

The By-Laws of Kolk Group, Inc. state that according to Article V. Section 1.- The shares of stock of the corporation shall be transferable only upon its books by the holders thereof in person or by their duly authorized attorneys or legal representatives, and upon such transfer the old certificates shall be surrendered to the corporation by the delivery thereof to the person in charge of the stock and transfer books and ledgers, or to such other persons as the directors may designate, by whom they shall be cancelled, and new certificates shall thereupon be issued. A record shall be made of each transfer and whenever a transfer shall be made for collateral security. And not absolutely, it shall be so expressed in the entry of the transfer.

Therefore, a new shareholder of Kolk Group, Inc. will receive a certificate of stock certifying the number of shares owned by him in the corporation and other conditions according to the By-Laws of the corporation.

Preemptive rights

Certificate of Incorporation of Kolk Group, Inc. as of 23rd day of May 2003 Pursuant to Section 402 of the Business Corporation Law of the State of New York, USA certified in Section Seven that the holders of any of the corporation's equity shares shall be entitled to preemptive rights in accordance with the provisions of BCL section 622.

Therefore, a new shareholder of Kolk Group, Inc. prior to signing a Share Purchase Agreement in lieu of this Private Placement Offering will receive a waiver of preemptive rights signed by existing shareholders of Kolk Group, Inc. acknowledging this offering and confirming in writing the refusal to purchase these 4,100,000

ordinary shares offered firstly to them according to Business Corporation Law of the State of New York, USA.

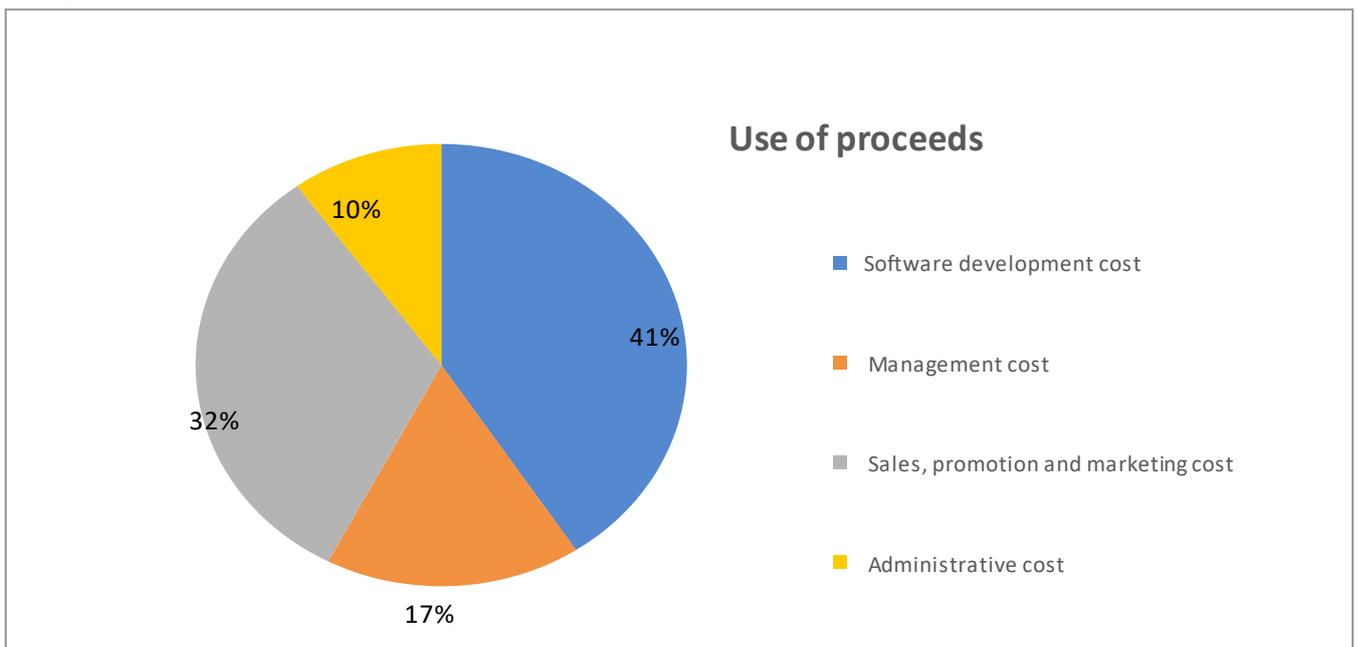
Due diligence

After receipt of a private equity investor’s consideration to purchase 4,100,000 ordinary shares of Kolk Group, Inc. in lieu of this Private Placement Offering, he/she will be kindly requested to sign a Non-Disclosure and Non-Circumvention Agreement to receive all original documents of Kolk Group, Inc. as Certificates of Incorporation, By-Laws, Shareholder list, Waiver of preemptive rights, Financial statements 2014-2016, U.S. corporation income tax returns 2014- 2016, excerpts from Bank of America account for due diligence.

Share purchase agreement

Share Purchase Agreement to private equity investors for this Offering is prepared by Martha M. Dwyer, our corporate lawyer and attached in the Appendixes.

Use of proceeds to achieve results



Sources: Company’s budget estimation.

Use of Proceeds - Planned budget for the development stage of Kolk Group Inc. (USD)

#	List of works to complete/Months	1	2	3	4	5	
<i>Software development cost</i>							
1	Personal version	2,640	2,160	-	-	-	
2	iOS improvements	3,520	960	-	-	-	
3	Web improvements	2,640	360	-	-	-	
4	Corp. version improvements	3,520	2,560	-	-	-	
5	Web RTC back end improvements	3,520	480	-	-	-	
6	iOS Web RTC improvements	3,520	2,080	-	-	-	
7	Android Version	10,560	10,560	10,560	10,560	5,760	
8	File improvements	2,640	-	-	-	-	
9	e-commerce platforms plugins	4,224	1,536	-	-	-	
10	Project manager	3,520	3,520	3,520	3,520	3,520	3,520
11	Team lead	4,400	4,400	4,400	4,400	4,400	4,400
12	QA	2,640	2,640	2,640	2,640	2,640	2,640
13	New Design	7,920	6,480	-	-	-	
14	Decentralized Database QDD	35,200	35,200	35,200	35,200	35,200	35,200
15	Internal content marketing	2,112	2,112	2,112	-	-	
16	External content marketing	2,112	2,112	2,112	-	-	
17	PR & Advertising manager	2,112	2,112	2,112	-	-	
Subtotal software development cost		96,800	79,272	62,656	56,320	51,520	44,800
<i>Management cost as per By-Laws</i>							
18	Director	6,600	6,600	6,600	6,600	6,600	6,600
19	Board member, Investment committee	5,000	5,000	5,000	5,000	5,000	5,000
20	Board member, Corporate committee	5,000	5,000	5,000	5,000	5,000	5,000
21	Board member, Management committee	5,000	5,000	5,000	5,000	5,000	5,000
Subtotal management cost		21,600	21,600	21,600	21,600	21,600	21,600
<i>Promotion and marketing cost</i>							
22	Dedicated servers, rent	-	-	-	1,600	1,600	1,600
23	Mobile phones, computers, servers and other equipments to complete this work in 12 months	-	-	-	6,000	6,000	6,000
24	PR & Advertise of our distributor with getting Enterprise's customers.	-	-	-	6,000	6,000	6,000
25	Promotion & marketing	-	-	-	48,800	48,800	48,800
26	Business trip expenses	-	-	-	4,000	4,000	4,000
Subtotal promotion and marketing cost		-	-	-	66,400	66,400	66,400
<i>Administrative cost</i>							
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27	Lawyer service	2,250	2,250	2,250	2,250	2,250	2,250
28	Share registration services	119	119	119	119	119	119
29	Corporate & Personal taxes after enactment of the 2017 Tax Cuts & Jobs Act	-	-	-	-	-	-
30	Contingency fund for unpredicted costs	10,424	10,424	10,424	10,424	10,424	10,424
Subtotal administrative cost		12,793	12,793	12,793	12,793	12,793	12,793
TOTAL USE OF PROCEEDS:		131,192	113,664	97,048	157,112	152,312	145,000

Timetable

Private Placement Offering to complete by January 22, 2019.

Private Placement Offering to start sending to private equity investors by January 23, 2019.

Video conferencing discussion of all issues with private equity investors till April 23, 2019 at 10:00 a.m.

New York time, 15:00 p.m. London time, 15:00 p.m. Hong Kong time, 10:00 a.m. Moscow time.

Participate in Venture Capital World Summit in Paris, Brussels, New York, Silicon Valley April 24, 2019.

Closing to receive all offers by April 23, 2019.

Timing to sign Share Purchase Agreement, receipt of proceeds at the Bank of America account, amendment to Stockholder list – 14 banking days from April 23, 2019.

Contacts - Board members, Offices, Corporate Lawyer, Transfer agent, Bank, U.S. SEC

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To check the current status of Kolk Group, Inc. a request can be made at the official web site of the Division of Corporations, the New York State Department, NY, USA at https://appext20.dos.ny.gov/corp_public/corpsearch.entity_search_entry. If you have further questions about performing a search or the results you receive, please contact the New York State Department, Division of Corporations at (518) 473-2492.

Appendices

1. Evaluation model & comparatives, 24 pages;
2. Mutual Non-Disclosure and Non-Circumvention Agreement, 5 pages;
3. Draft share purchase agreement, 4 pages;
4. Certificates of Incorporation, 13 pages;
5. By-Laws, 9 pages;
6. N.Y.S. Department of State, Filing receipt of 205 million shares, 1 page;
7. Public notice of the Federal Communications Commission, Washington, D.C., 2 pages;
8. U.S. Patent Application Publication, 4 pages;
9. Broadcast transmission device registration, 5 pages;
10. Articles tomb stone, 11 pages;
11. Confirmation of President status and Authority to sign, 1 page;
12. Shareholder list, 1 page;
13. Waivers of preemptive rights, 5 pages;
14. U.S. Corporation Income Tax Returns 2014÷2016, 38 pages;
15. Financial statements 2015÷2017, 8 pages;
16. Excerpts from the Bank of America account, 1 page;
17. U.S. Securities & Exchange Commission Form D, 11 pages;
18. Share certificate, 1 page.

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