



DX|ONE

Designed for the Best
Trader & Investor
Experience





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EXECUTIVE SUMMARY

DXone wants to do better and deliver more than the crypto exchanges currently available in the industry. Our mission is to revolutionise the cryptocurrency trading market. We'll achieve this by providing a one-stop, tailor-made solution and outstanding user experience (UX) for our customers and their levels of experience. We will offer them a comprehensive range of trading features, real-time data, editorial content and analysis tools for information and - of course - professional in-house trading.

DXone's tech is designed to meet the latest needs of crypto enthusiasts. Our management team includes experienced crypto investors, traders, developers and educators. Our experience ensures that our exchange and platform have been designed to satisfy the needs and interests of traders and investors while also offering them substantial benefits.

We believe the current standard available on the market does not fulfil the users' needs. This is because too many of the exchanges deliver insufficient trading services; offer a slow, time-consuming and poor UX; have problems with customer support; and - despite their high profits - give little in return to their users. As a result of these and other disappointments, it's not surprising that many traders are dissatisfied by their experiences because the platforms available don't empower them to realise their potential for success.

DXone's goal is to deliver an optimal balance of a feature-rich platform with a world-class, customisable trading dashboard and trading experience with competitive transaction fees. Moreover, traders and investors will be offered an innovative and robust dual token model along with a generous revenue-sharing benefit.

Via our security token, investors will have the unique opportunity to benefit from one of the most potentially profitable business models in the crypto industry in recent years. The combined strength of our team in collaboration with our world-class partner means we'll be able to make significant inroads into the competitive marketplace, as well as to provide investors with the prospect of dividends in the form of monthly returns.

Our principal stakeholders will be:

- Traders, who are being offered an outstanding experience, from novice and intermediate to the professional level. We will exceed the expectations of these traders by offering them innovative tools for trading, monitoring and research. Moreover, when they hold our utility tokens in their wallets, traders can receive a significant discount on their trading fees
- Investors, who will benefit from our revenue-sharing security token via the prospect of monthly passive income
- Analysts, who want to have better and free tools to more efficiently view and evaluate the crypto market by only needing to use one platform.

Conclusion

Current exchanges in the marketplace are at risk of stagnation because they show insufficient commitment to developing their trading services. Not only do they jeopardise their business futures but also they could potentially harm the industry's reputation among crypto traders and investors.

Unlike the competition, DXone has a credible, long-term solution that transcends the status quo by providing innovative services, value and continuous development.



1. THE DXONE SOLUTION

1.1 Our mission

DXone provides real value for traders and investors because we understand their needs. Our solution is designed to provide an outstanding user experience (UX) and to benefit traders and investors. Doing so will attract traders and investors to our platform.

We have developed a solution that includes:

- real-time data and research across the market
- a trading dashboard that is customisable, intuitive and user-friendly
- a revenue-sharing model via our security token
- a utility token that offers a discount on trading fees
- a high-security framework.

1.2 Our team

DXone's leadership and principal management team comprise experts in financial data distribution, crypto traders, trading engine developers and crypto investors.

The underlying technology for our exchange has been developed over the last four years by XINFINIT GmbH, our software development partner in Munich, Germany. Their team of experts has decades of experience working with some of the world's leading financial institutions and their platforms, including financial.com and Reuters.

All of us share an important goal: To deliver a solution that outperforms the current market standard of cryptocurrency exchanges.

1.3 The technology

DXone is a cloud-based, multi-exchange cryptocurrency platform based on HTML5. It provides information and trade execution, leveraging a fully customisable web-based front-end. It does not require any installation of software or servers, so traders will be able to trade from anywhere using any web-enabled device (such as a desktop or smartphone) working with a web browser that is up-to-date and HTML5-compatible.

We will continue to grow and develop in collaboration with the crypto community to innovate and scale-up within the cryptocurrency markets. We aim to provide a credible alternative to the traditional financial markets while anticipating and preparing for the eventual consolidation of both.



2. DXONE PLATFORM FEATURES

2.1 Introduction

Unlike many other exchanges competing in the marketplace, our dashboard is not just a front-end with a Buy and Sell button and a basic charting tool. It's a completely customisable crypto trading experience. Traders can easily create their tailor-made dashboard(s) to suit their different types of viewing/trading interests and preferences.

DXone's technology provides a unique environment to empower trading decisions, strategies and analysis. Traders benefit from our widget library that delivers the tools for trading, analysis, information and news to suit their individual interests, styles and levels of experience.

The key features include:

- Customisable dashboards
- Overview of most of the listed coins/tokens
(one-click conversion of coins/tokens to any selected currency)
- Trading from charts
- Technical analysis (multi-exchanges charting)
- Spread charts
- Fundamental data research
- Real-time price feed data
- Real-time aggregated price index data
- Aggregated order books of several exchanges
- Real-time volume by several exchanges
- Arbitrage opportunity indicators
- Aggregated single portfolio view
- Extensive trade history overview
- Superior order management
- Real-time newsfeeds

2.2 Dashboard types

Market and coin research

One of our goals is to display the market as clearly as possible in an attractive and efficient way. For this reason, we are constantly working on the integration of new exchanges and news sources as well as additional data. We want to facilitate the integration of multiple data sources and interchangeability between vendor feeds.

Pre-designed trading dashboard

For customers who might not be interested in building their own dashboard(s), we have created a pre-designed dashboard based on market standards. It contains all the necessary features to trade efficiently.

Customisable dashboards

Our traders will have the freedom and flexibility to create their own tailored dashboards to suit their individual trading/research needs and preferences. This feature – and its associated benefits – is specially designed for advanced and professional crypto traders. This is because we know that experienced traders often have more demanding, technical and sophisticated types of requirements for their trading styles and interests.

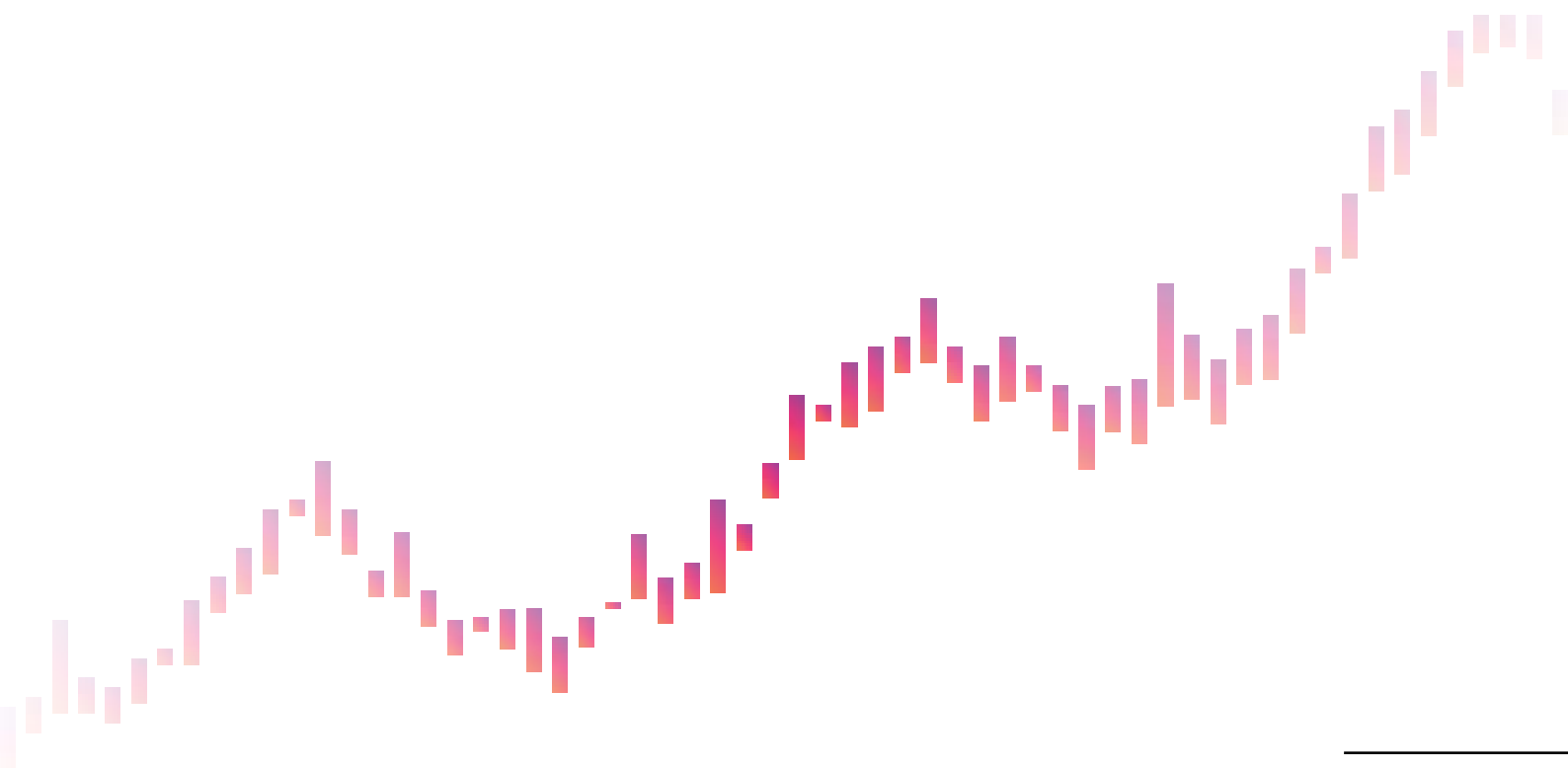
Every trader can select their own

- Grid layout: A grid-like structure with widgets in a scrollable webpage
- Flex layout: A tabbed, frame-based layout with resizable frames to add widgets in one single screen
- Windows layout: A floating windows layout in which widgets can be placed anywhere on the screen.

After selecting the layout preferences for their dashboard(s), traders can choose various widgets via drag and drop to customise them as they prefer. The number of available widgets will increase over time as part of our dashboard research and development.

Newsfeeds

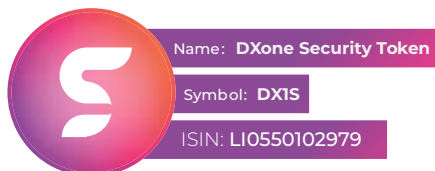
Our newsfeeds provide relevant information from media sources we consider some of the best and most reputable in the crypto markets. Moreover, from the sources we make available, customers can also select their own media preferences and can filter the news according to their interests



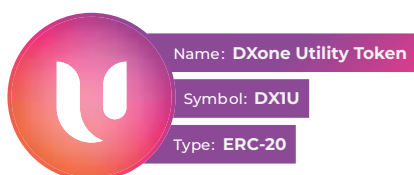


3. SECURITY TOKEN OFFERING (STO)

3.1 Summary of DX1S and DX1U



Total Supply	100,000,000
Token Price	Private Sale: EUR 0.10; Public Sale: EUR 0.20
Fundraising Goal	EUR 14,000,000



Total Supply	200,000,000
Token Price	None
Details	100,000,000 DX1U - granted for DX1S token buyers (one on one ratio) 100,000,000 DX1U - for Referral, KYC, etc.

Important: Any unsold tokens will be distributed to all STO participants at the end of the sales period

3.2 Overview of our dual token model

We have conducted extensive research in tokenomics - the art and mathematics of devising token economic models - to create and capture value, align incentives between all stakeholders in the exchange, and to justify investors' confidence in a token's long-term use and prospects.

As a result, we have concluded that a dual token model is the best one to satisfy our goals in order to provide an efficient and fair return of value to our traders and investors. We will deploy a security token called the DXone Security Token (DX1S) and a utility token called the DXone Utility Token (DX1U).

3.3 DXone Security Token (DX1S)

Our security token is an uncomplicated, transparent crypto investment vehicle that will complement any investment portfolio. The token will represent a tokenised revenue share, which lets the investor participate in parts of our exchange's revenues (see section 3.3.1). The purpose of the token is to provide revenue-sharing via monthly payments as part of an attractive passive income.

Important Notice: Because of changes that may be made by financial regulators on the cryptocurrency trading market, we cannot anticipate that such changes can be adapted by our security token issuer. Accordingly, we reserve the right not to disclose our security token issuer until after our STO's public sale. This will ensure we deliver the best result for our investors.

3.3.1 Definition of DX1S's revenue share

The percentage of revenue share is 25% and will not change except for the case presented in section 3.3.5 below. The assessment basis for the revenue share consists of a variety of trading fees, which will include all offered market and limit order fees. In the future, and at our discretion, DXone may add new revenue sources to the assessment basis for the revenue share. These additional sources may include leverage trading, lending or others. In the future, DXone

may add to - but will not remove - the sources we use for the assessment basis at the start of the token payments.

We expect that, as trading activity increases and our product-line evolves, we will be able to expand the assessment basis for the revenue share.

3.3.2 Requirements to receive DXIS monthly dividends

There are two essential requirements to qualify to receive DXIS monthly dividends. Both are necessary in order to be qualified. They are:

- 3.3.2.2** — DXIS token holders will be qualified to receive a monthly dividend only if they have passed DXone's Know Your Customer (KYC) and Anti-Money Laundering checks; and
- 3.3.2.3** — DXIS tokens must be held on the DXone exchange continuously for at least 16 days during the respective month (vesting period). The vesting period is set at the sole discretion of DXone and can be changed at any time.

If one of the above requirements is not met, corresponding DXIS tokens will not be qualified to receive monthly dividend payouts. The dedicated dividends will be distributed among all qualified DXIS tokens (explained above in 3.3.2.2 and 3.3.2.3).

3.3.3 DXIS attributes

DXone Ltd. issues, on the basis of a Prospectus and already approved by the Liechtenstein Financial Markets Authority (FMA) on 18 June 2020, DXIS Token (ISIN LI0550102979). DXIS Token are so-called Security Token, which qualify as structured bearer bonds issued in the form of transferable and tradeable value rights ("Wertrechte") in the meaning of § 81 SchIT PGR (Final Section of the Liechtenstein Persons and Companies Act). Value rights are created by issue of the Token and registration of the subscriber in a register of Tokenholders maintained by the Issuer. DXIS Token will entitle holders under certain conditions to benefit from a percentage of trading fees generated on DXone Exchange.

3.3.3.1 Arithmetical value of the monthly dividend

$$\begin{array}{|c|} \hline \text{specified revenue share} \\ \hline \text{pursuant to 3.3.1} \\ \hline \end{array} \div \begin{array}{|c|} \hline 100.000.000 \text{ total generated} \\ \hline \text{DXIS token} \\ \hline \end{array} = \begin{array}{|c|} \hline \text{arithmetical monthly} \\ \hline \text{dividend per DXIS} \\ \hline \end{array}$$

3.3.3.2 Additional monthly dividend

Arithmetical monthly dividends belonging to the DXIS token that don't meet the requirements for token holders (see section 3.3.2) will be proportionately distributed to all DXIS tokens that did qualify that month according to section 3.3.2.

$$\begin{array}{|c|} \hline \text{the sum of arithmetical} \\ \hline \text{monthly dividends related} \\ \hline \text{to unqualified DXIS token} \\ \hline \end{array} \div \begin{array}{|c|} \hline \text{number of qualified DXIS} \\ \hline \text{tokens for the month} \\ \hline \end{array} = \begin{array}{|c|} \hline \text{additional monthly} \\ \hline \text{dividend per DXIS} \\ \hline \end{array}$$

3.3.3.3 Potential monthly dividend

It is anticipated that there may be DXIS tokens each month that do not qualify (again see section 3.3.2 above for the terms upon which a token is qualified). Therefore the potential monthly dividend is likely to be higher than the arithmetical monthly dividend.

$$\begin{array}{|c|} \hline \text{arithmetical monthly} \\ \hline \text{dividend per DXIS} \\ \hline \end{array} \div \begin{array}{|c|} \hline \text{additional monthly} \\ \hline \text{dividend per DXIS} \\ \hline \end{array} = \begin{array}{|c|} \hline \text{potential monthly} \\ \hline \text{dividend per DXIS} \\ \hline \end{array}$$

3.3.4 DX1S monthly dividend payout

The actual monthly dividend will be calculated at 23:59 EET on the last day of each month. We will endeavour to transfer investors' returns into their DXone wallets as quickly as possible. The scheduled payouts will be executed promptly but not later than 30 days after the end of the preceding month.

The payment of the revenues works in the same way as the underlying business model of the exchange. Because we have a commission-based income model, we get paid in the cryptocurrencies that are traded. Example: A trading fee that generates revenue in BTC will lead to revenue in BTC; a trading fee that generates revenue in ETH will lead to revenue in ETH. Since we do not want to decide for the customer in which currency the revenue will be distributed, we have decided to pay the revenue share directly to our customers in the cryptocurrency/cryptocurrencies in which we will get paid. Therefore, the monthly dividend payout for one DX1S token will most likely result in a single payout comprising various cryptocurrencies.

The monthly DX1S dividends will be independently verified and audited by an external accounting firm on a regular basis to improve accuracy and provide transparency. The external accounting firm for any single audit will be selected by DXone and may be changed at any time at the sole discretion of DXone's management.

3.3.5 Possible suspension of DX1S dividend payments

In the extraordinary case that a monthly dividend payout is judged by DXone to be a risk for the company, the dividend payments may be suspended for a period of time. In the event that the decision to suspend dividend payments is made, DXone will communicate this decision via the website www.dxone.com within three (3) business days.

3.4 DXone Utility Token (DX1U)

Our DXone Utility Token (DX1U) is built on the model proposed by the leaders of Sweetbridge, BlockScience and CoinFund in their paper, *Raising Social Capital: Tokenizing a Customer-Driven Business*. The purpose of our utility token is to deliver for traders on our platform a discount on their trading fees.

The DX1U tokens will not be sold by DXone. Instead 100,000,000 (one hundred million) DX1U tokens will be distributed to all DX1S token recipients without any additional cost at a ratio of one DX1U per one DX1S. Another 100,000,000 (one hundred million) DX1U will be distributed to contributors to our project at the discretion of DXone's management. For example, this also includes referral programme participants.

While the DX1U token will never be sold by DXone, it may be possible for interested users to purchase the DX1U token from existing token holders in several ways including but not limited to the DXone exchange, other cryptocurrency exchanges or peer-to-peer trades. Although there is no present market for the DX1U token, it is possible - but it's not guaranteed - that one may exist in the future.

3.4.1 DX1U token holding model for discounted trading fees

Unlike our competitors' single-use discount token (token spending model), our exchange will offer a token holding model. This means that our traders will benefit from 25% to 50% discounted trading fees as long as they maintain a predetermined minimum number of DX1U tokens in their DXone wallets.

The number of DX1U tokens required to achieve a certain discount on trading fees for any single user is solely determined by DXone's management and is subject to change at any time at their discretion.

This contrasts favourably with other crypto exchanges and their utility token solutions because DX1U tokens held by traders in their wallets will not be deducted when using them to benefit from the discounted trading fees.

The required number of DX1U tokens to be held will depend on a trader's historical trading volume and the discount rate they want. As the DX1U token price - which is set via supply and demand on the exchange - is expected to rise over time, DXone will continuously and systematically lower the number of tokens to be held to achieve certain discounts. This procedure will support long-term growth of the DX1U token value and it will prioritise those who acquire their DX1U tokens early.

This model of discounted trading fees is more closely associated with token demand, where the value of the token is set by the traders themselves on the exchange, rather than imposed by DXone. This is a major and positive differentiator when compared to many of the utility token models offered by other crypto exchanges.

3.4.2 Lock-in period

To qualify for a discount, it's a precondition that DX1U tokens must be locked-in for the month of trading. During this lock-in period, the affected DX1U tokens cannot be withdrawn or traded.

However, the major benefit for traders is that, throughout the lock-in period, they gain from a continuous discount on trading fees. Traders will be given 24 hours' advance notice on their dashboard to inform them of the final day of their lock-in period, and of the tier(s) and options available to them in order to benefit discounts from 25% to 50% on trading fees the following month. After the lock-in period, traders can then choose to acquire a number of DX1U tokens via the exchange to receive further discounts in trading fees by locking them for the next lock-in period, or they can choose to trade them or to withdraw them.

3.5 Projected token roadmap

	Security Token	Start Date Private Sale:	20.02.2020; 00:00:00 EET
	100,000,000 DX1S	Start Date Public Sale:	01.08.2020; 00:00:00 EET
		End of Sale:	30.11.2020 23:59:00 EET
		DX1S Token Distribution:	As soon as legally permitted and technologically feasible
		First Revenue Payout:	December 2020
	Utility Token	Token Utility Start:	01.09.2020 00:00:00 EET
	200,000,000 DX1U	DX1U Token Distribution:	Ongoing
		DX1S/DX1U Trading Start:	01.12.2020 00:00:00 EET

DXIU tokens will be displayed on investors' exchange accounts within seven (7) days after the funds have been received. DXIS tokens will be displayed and generated not before end of May 2020. Investors will see the number of tokens in the summaries of their exchange accounts.

Both tokens will be locked until 1st December 2020, 00:00:00 EET. After this date all investors are able to trade both tokens on the DXone exchange. The first revenue share distribution will take place in December 2020 (see section 3.3.4 for more details) and will include the previous month's revenue (01.08 – 30.11.2020).

	Private Sale	Public Sale
Maximum DXIS Tokens Sold	75,000,000 (seventy-five million)	Tokens not sold during the private sale
Tokens Not Included in the Sales	25,000,000 (twenty-five million), see section 3.6 token distribution	
Token Price	€0.10	€0.20
Minimum Purchase Amount	€1,000	€100

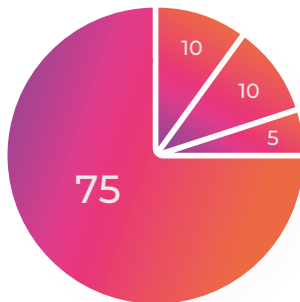
- During the entire period of the STO, one DXIU token will be allocated for free to each DXIS purchased.
- Accepted cryptocurrencies: **BTC** Accepted FIAT: **EUR**
- Once the public issuance phase is completed and there are remaining tokens that were not sold in a previous phase - with the exception of the 25 million DXIS tokens not included in the sale and the dedicated 25,000,000 DXIU tokens - we will distribute the remaining tokens pro-rata among all DXIS token holders no later than 30 days after the end of the token sale.

3.6 DX1S Token distribution and use of funds

Important note

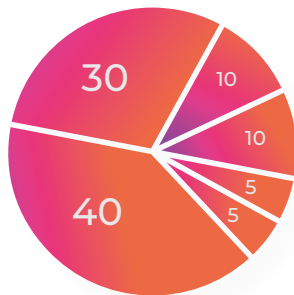
Financial figures detailed below of allocated funds are forecasts only, predicated on DXone achieving its full fundraising goal of €14,000,000. Actual funds allocated will be dependent on the STO's results.

Token Distribution



Token Sale: 75%
Team: 5%
Partnerships: 10%
Contributors: 10%

Allocation of Funds



Development & IP: €5,600,000 - 40%	Marketing: €4,200,000 - 30%
Licensing/Compliance: €1,400,000 - 10%	Legal: €700,000 - 5%
General/Administration: €1,400,000 - 10%	Liquidity reserve: €700,000 - 5%

Development & intellectual property: €5,600,000

Ongoing platform development and improvement.

Marketing: €4,200,000

A strategic, multi-channel programme that involves a range of communications and content as well as social media activities to expand the platform's services and grow DXone geographically beyond Europe.

Licensing & compliance: €1,400,000

Funds to be used for MiFID compliance; KYC/AML procedures; documentation and data protection for traders, investors, partners, employees and third parties. Working on several licensing models for the exchange across the globe, e.g., a Multilateral Trading Facility License (Europe) and an Alternative Trading System License (USA).

General & administration: €1,400,000

Project staffing and administration requirements.

Legal: €700,000

To ensure legal documentation and communications materials are compliant with the regulations of the relevant financial and market authorities.

Liquidity reserve: €700,000

To be held for extraordinary circumstances at the discretion of DXone's management.



4. ROADMAP

Along with the milestones roadmap shown in 4.2 below, we also want to highlight two major services we intend to launch at later stages in our development and that we're already planning for as part of our business goals and to support our long-term growth.

4.1 R&D roadmap

Introduction

There is a wealth of research that consistently identifies massive growth potential and business opportunities in the blockchain and digitising asset market. In 2015 alone, the World Economic Forum published a research report that identifies blockchain technology and its use as one of the world's most significant developments. Among its conclusions, it forecasts that governments would reach a tipping point in their use of blockchain by 2023 and that, by 2025, 10% of the world's GDP would be stored in crypto assets, i.e., €10 trillion of financial products and services would become digital assets.

4.1.1 Secondary market trading of tokenised assets

DXone's key aspiration is to create and operate a regulated platform to trade the hundreds of tokenised assets already available.

Based on our industry knowledge and experience of the crypto market, and as a result of detailed discussions with our partners, we're confident there are significant growth opportunities in the secondary market trading of tokenised shares, corporate bonds and participation notes.

DXone's challenge for launching this trading service is to ensure full compliance with all regulatory requirements for the trading of tokenised assets. At the same time, it's important to note that regulators are still developing the relevant legislation needed to define the use and terms of use of these assets; this requires DXone to establish and foster a joint dialogue with all relevant stakeholders, i.e. regulators and authorities as well as token issuers to create a fully compliant trading solution for our traders and investors.

4.1.2 Open widget store: Integrated Development Environment (IDE)

Developed to encourage the best talent and experts around the globe, we will offer a safe, easy-to-use integrated development environment (IDE), to enable contributors to provide information, data, strategies, approaches and tools to the crypto community via our platform, including professionals as well as the new generation of undiscovered talent.

4.2 Roadmap: milestones

Q1

- First Seed Round of Security Token Offering
- Launch Exchange (Beta) (Private Invitation Only)
- Stress-testing and Bug Fixing

Q2

- Web-based Mobile Application
- New Order Types
- API Trading
- Fiat to Crypto

Q3

- Soft Launch Exchange
- Prospectus approval by FMA Lichtenstein
- End of private sale
- Start public sale

Q4

- Token Distribution Event (Security/Utility Token) and Trading
- Public Exchange Launch
- First Revenue Distribution to Token Holders
- Ongoing Platform Developments
- Any-to-any Coin Trading
- Lending/Leverage Trading

4.3 Platform features roadmap for 2020

- An API for traders to access their funds from other exchanges
- Personal widget creator
- Aggregated multi wallet view
- Synthetic trading pairs
(the instant ability to swap any coin for another listed on our exchange)
- Price limit / market alerts
- Risk management tools
- Linear regression analysis
- Cutting-edge complex order types (smart order routing)
- Post-trade analysis and statistical tools
- Order book with historical depth



5. DXONE TEAM



Luciano Nonnis
CEO & Co-Founder,
DXone



Mario Urschitz
Co-Founder,
DXone



Matthias Wiederwach
Technical Lead
DXone
Co-Founder, Co-CEO/CTO,
Xinfini



Richard Karneim
Chief Developer,
DXone
Co-Founder,
Chief Software Architect,
Xinfini



Frederik Garnies
Business Development,
DXone
Co-CEO
Xinfini



Scott McKenzie
Attorney
DXone



Sanjeev Niles
Product Manager
Xinfini



Chaturanga Dassanayake
Software Architect and
Technical Lead
Xinfini



6. CEO CLOSING STATEMENT

Dear Investor

I'm proud to be the CEO of DXone and a team that's launching a cutting-edge crypto-exchange unlike any other in the competitive market. It has been designed from the ground up to provide an outstanding and unparalleled user experience for both crypto traders and investors. Moreover, our business model is supported by a detailed, robust business plan that includes a well-defined strategy, acquisition and R&D.

An Exchange for the Best

As an experienced cryptocurrencies trader and educator, I understand both personally and professionally how vital it is for an exchange to offer a great customer experience to trade easily and securely. This includes the need to ensure all transactional processes are smooth and easy, not only for crypto enthusiasts and expert traders but also for mainstream traders.

It's why DXone will surpass the user experience of the exchanges currently available in the industry. We're going to provide the best tailor-made trading experiences, features and services to our customers - an exchange for the best. Doing so will mean we can generate sustainable revenues and profits, thereby meriting investors' trust as a business that offers a credible and sustainable investment opportunity to participate in the growing crypto market.

At DXone we've defined and implemented three key platform unique-selling propositions (USPs) to establish and maintain a competitive position in the market and to ensure our long-term success:

- A superb user experience tailored for all traders and their levels of experience (novice, intermediate, advanced and professional), as well as for investors
- The best opportunities to trade in an easy and efficient way cryptocurrencies, fiat currencies and tokenised assets, as well as exotic assets not available on other crypto-exchanges
- A commitment to deliver the best quality execution, withdrawals, deposits, customer support and benefits in a secure environment.

I believe the strength of our business model and platform lies in their USPs, and the crypto crypto experience, knowledge and passion of our team of platform developers and expert traders. Together, they will ensure DXone competes effectively and dynamically to gain market share. They will also encourage interest and loyalty among traders and will be attractive to investors.

Another important point to underline is that my team and I all believe in mutually beneficial relationships. That's why those who invest their trust, loyalty and financial support in DXone will have the opportunity to be financially rewarded as well as to have a real voice in our future development. So, too, will our trading customers.

Yours faithfully

Luciano Nonnis

CEO, DXone



7. RISK FACTORS

It's essential that all potential investors have a thorough understanding of the risks associated with any technological platform or financial transaction, including the buying, selling or trading of digital tokens. The purpose of this Risk Factor section is to outline some of the main risk factors associated with the DXone exchange. This section does not replace or attempt to replicate the material found in the prospectus we will prepare for approval by Liechtenstein's Financial Market Authority. This section should be read along with the risk warning on the DXone website that relates to the use of the platform.

DXone expressly assumes no guarantee for the completeness of the risks presented here. There are additional risks not discussed in this section and individual risks may arise in certain situations. Furthermore, these listed risks as well as unlisted risks may occur singularly or cumulatively.

The presentation of these risks in no way replaces any advice that may be required from relevant consultants, including but not limited to investment, legal, or tax specialists familiar with the users' needs, objectives, experience and/or knowledge and circumstances. No information here should be taken as professional advice and it does not provide substitution for the advice of qualified specialists.

We recommend that investors have in-depth knowledge and experience of the functionality of blockchains, smart contracts, and cryptocurrency tokens before investing or purchasing DX1S in accordance with this White Paper and/or any other DXone STO documentation.

This Risk Factor section is in two parts; the first relating to the operation of the DXone company and the second in relation to the security token. These two sections should not be read independently from the other, but rather should be considered together - in relation to each other, so that the factors detailed in one section are understood as being of equal importance as those in the other section.

Risks related to the company's operations

The risks in this section specifically concern company factors, including both the business plan as well as the technical platform.

- **Technical risk.** There is a risk that the DXone exchange cannot be implemented due to technical challenges, whether planned or unanticipated. The DXone exchange, smart contract systems and decentralised cloud and distributed ledger concepts in general, as well as the related software, technology and technical concepts and theories - including but not limited to blockchain, and cryptography - are currently in an early stage of development or in an ongoing development process and are therefore subject to significant operational and technological risks.
- **Regulation.** It cannot be ruled out that legal provisions - in particular provisions for the regulation of financial services - in certain jurisdictions may be applied to the platform and business model, possibly requiring a significant or complete change in DXone's business plan and/or financial projections.
- **Abandonment or failure.** The DXone exchange may be discontinued for a variety of reasons such as lack of interest from investors, lack of funding, lack of commercial success or prospects (e.g., due to competing projects). Therefore, even in the case of a partial or comprehensive development and implementation of the DXone exchange, there can be no guarantee that investors will actually or continuously receive income or that the value of the DXone token will increase or remain unchanged.

- **Hacking.** Overall, smart contract systems - including that of the DXone exchange and other technological components for or in connection with the issuance of tokens described in this White Paper - may be subject to hacker attacks, which may result in the theft or loss of tokens already assigned to investors.
- **Business plan.** There is a risk that the cost of developing and operating the platform during the start-up phase may be higher than budgeted. For example, as a result of unexpected changes, particularly in the area of financial services regulation. It cannot be ruled out that such costs may exceed the proceeds from the issuance of the DX1S prospectus, in which case a further development and thus a (full) functionality of the DXone exchange could be jeopardised.
- **Insolvency.** In the worst case scenario, the issuer may become insolvent and all business activities will cease, including the maintenance of the platform as well as any associated exchange fees.

Risks related to the DX1S security token

The risks in this section specifically relate to factors for the DX1S security token and include risks concerning its issuance as well as its purchase.

- **Regulatory risks.** Prospective purchasers or sellers of DX1S should be aware that they may be required to take specific steps to remain compliant with relevant regulations in accordance with the applicable provisions of the jurisdiction of which they are citizens, residents or whose standards are applicable for other reasons, including taxes or other fees. Legislative changes may result in a reduction of the effective income from the DX1S and may reduce a DX1S token holder's net proceeds she or he receives as a result of the sale of DX1S compared to expectations. Tokens, including DX1S, are a new type of asset.
- **Tax risks.** The classification of income or capital gains as a result of the purchase, holding or sale of tokens may be unclear in individual countries and subject to future regulation. It is the responsibility of each token holder to ensure that income and capital gains generated by the acquisition, holding or sale of the DX1S are properly taxed and/or taxed in accordance with applicable law.
- **Exchange rate risk and volatility.** Since cryptocurrencies - for example, BTC, ETH and BCH - are not subject to financial market regulators, they are subject to extremely high volatility. This volatility can adversely impact the value of both the DX1S token and any dividend payouts.
- **Value risk.** The trading price of DX1S may be volatile and fluctuate significantly due to a variety of factors, many of which are outside DXone's control. These could include changes to the adoption of cryptocurrency, the use of the DXone platform, or perceived potential sales of shares or other equity securities of DXone.
- **Dividend risks.** The projected dividend payments as a result of the exchange fees could be less than expected or cease entirely. This could occur for a number of reasons, including lower than expected adoption of the cryptocurrency industry or lower than expected use of the DXone platform, or other changes to the DXone business plan and financial projections.
- **Liquidity risks.** There is currently no public market for DX1S, and there can be no assurance that an active and liquid market for the DX1S security token will develop or be sustained after the offering.
- **Exchange listing risks.** The DX1S will not commence trading on the DXone exchange or any others until the offering is closed and after the appropriate and necessary regulatory approvals are met. Closing the offering and the future listing of DX1S on any exchange could be delayed.
- **Smart contract and programming risks.** The functionality of the DXone exchange or of any of the smart contracts that may be programmed or used for the settlement of the DX1S security token may be faulty. DXone accepts no liability and makes no representations or warranties as to their fitness for use.

CONTACT US



For more information, please email
info@dxone.com

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