

X8 PROJECT



TOKENS THAT SIMPLY CREATE CRYPTO SAFETY

Token Generation Event Whitepaper

www.X8Currency.com

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1. DICTIONARY

X8C – X8C is a symbol for the X8currency product, which is a cryptocurrency. This cryptocurrency will be referred to as the X8C currency token in this whitepaper (ERC-20).

X8X – X8X utility token is a license token for direct access to X8currency (ERC-20).

ioNectar – ioNectar is a platform and a technology for automatic execution of trading actions and comprehensive access to brokers and banks using B2B FIX Protocol.

ARM AI – Automatic Reserve Management AI is a set of algorithms performing professional portfolio risk management on traditional trading accounts developed by ioNectar.

FIX Protocol - The Financial Information eXchange (FIX) protocol is an electronic communications protocol initiated in 1992 for international real-time exchange of information related to the securities transactions and markets.

TGE – Token Generation Event is an activity during which tokens are created and distributed.

X8 AG – Unregulated Swiss company from the Canton of Zug, also known as the Crypto Valley, dealing in IT and software solutions for financial portfolio applications. X8 AG is the issuer of X8X utility tokens.

X8 Capital AG – Regulated Asset Management Company and the issuer of X8C currency tokens. The company is under formation.

FIAT - Fiat money is a currency without intrinsic value established as money by government regulation. It has an assigned value only because the government use its power to enforce the value of a fiat currency.

KYC – Know your customer (KYC) is the process of a business identifying and verifying the identity of its clients.

VIX - The CBOE Volatility Index, known by its ticker symbol VIX, is a popular measure of the stock market's expectation of volatility implied by S&P 500 index options. It is colloquially referred to as the fear index or the fear gauge.

TIER 4 Datacentre - Tier 4 datacentre is considered as most robust and less prone to failures. Tier 4 is designed to host mission critical servers and computer systems, with fully redundant subsystems (cooling, power, network links, storage etc) and compartmentalized security zones.

FINMA - The Swiss Financial Market Supervisory Authority (FINMA) is the Swiss government body responsible for financial regulation. FINMA has three core responsibilities: licensing, supervision and, where necessary, enforcement. It can also issue subordinate technical regulations. However, FINMA is primarily a supervisory authority which monitors supervised institutions' compliance with the law.

SRO - A self-regulatory organization (SRO) is a non-governmental organization that has the power to create and enforce industry regulations and standards. SROs must be recognised by FINMA for their activities in the context of combating money laundering and the financing of terrorism. SROs are supervised from the date on which they are recognised.

2. ABSTRACT

This paper describes the platform for a proven, safe, liquid and secure cryptocurrency that has the potential to solve issues for more than 3,5bn people worldwide, who need a reliable and stable instrument for wealth preservation and payments. This is the population directly using the top 8 traditional fiat currencies every day. Based on the Ethereum platform, our cryptocurrency utilizes smart contracts that solve the decades-old problems of big currency market drops and inflation, which is the world's single largest economic challenge. The concept revolves around a technology developed for professional portfolio risk management, which uses automatic processes to protect the value of reserves and produces a highly convertible cryptocurrency product.

The paper explains:

- Target scenarios which the X8C currency token focuses on to deliver benefit to its users
- The workings of the token model
- Steps to apply the solution in blockchain

3. MISSION STATEMENT

We will provide the crypto market with an advanced value preservation solution. We already have a solution which works in the traditional financial business of portfolio risk management. Our mission is to offer blockchain as a service to deliver the most sophisticated, safe and stable instrument for payments.

4. VISION

New stable money could be one of the biggest potential benefits to arise from crypto. There are a few different means of providing stable portfolio solutions. However, blockchain has the potential to deliver it directly to the end user without too many intermediary steps. If there would be a new kind of revolutionary currency, solving the issues of the global economy, blockchain technology is the best channel to deliver it to the global market. In the next 10 years blockchain will be the definitive space from where such a thing will emerge. The market will accept the solutions that can address stable money issues most systematically.

5. PROBLEM

On the one hand the financial environment shows banks that pay 0% or negative interest on saving deposits. On the other hand, central banks need to print money and create inflation required for growth. Brokers, intermediaries and payment system providers charge additional costs. The cumulative results for end users are that holding or



transacting money is costly. Finally, inflation is the single largest problem, which destroys 50% of money's value quickly – in a decade or two – if it does not work actively for the saver.

Many try to solve the problem of wealth degradation with asset management, gold, commodities and various other assets as alternatives, yet due to specific or limited practicality, liquidity or risk of each class, they cannot become a substitute for a stable monetary solution.

6. X8C CURRENCY TOKEN

a. BUSINESS IDEA AND CONCEPT

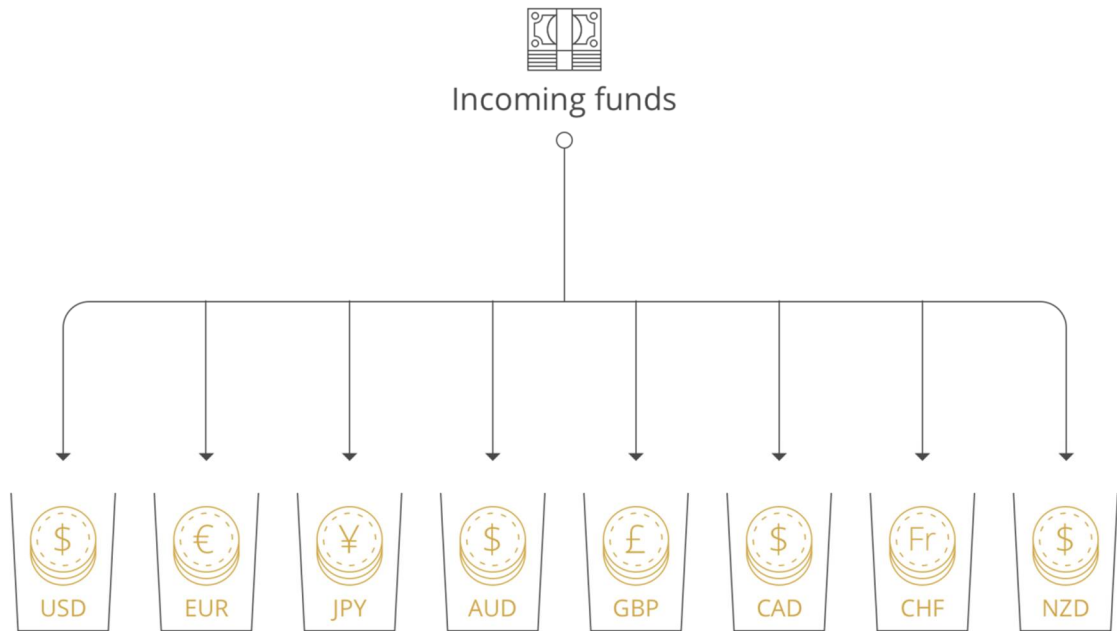
We have developed the solution that provides the missing link, that can fight abrupt market drops, inflation and the negative effect they create for users. The solution is that money you have saved will be worth the same amount in 10 years as it is today. The opportunity is in how much more money is and will be worth, when you keep it at arm's length from inflation and speculation.

The approach to this is systematic and driven by unique portfolio risk management financial technology. It has been proven in a real production environment. It enables the creation of a safe, hyper-liquid and secure foundation for an instrument like a cryptocurrency. For this solution to be available to 3,5 billion people this principle is applied as a cryptocurrency model on blockchain technology.

All in all, the business idea of the project includes creating and producing a stable cryptocurrency backed by traditional fiat currency reserves and creating the ultimate solution for global payments. The diversification and 100% backing of the reserves creates safety and the strong foundation necessary for a cryptocurrency, while our fintech technology is continuously working to find the best exchange rates for the elements in the reserve in order to preserve value over longer periods of time. The technology driving the portfolio is ARM AI (Automatic Reserve Management Artificial Intelligence), developed by ioNectar and is described in the technology whitepaper (<http://bit.ly/2shdOZs>). We named this product the X8currency.

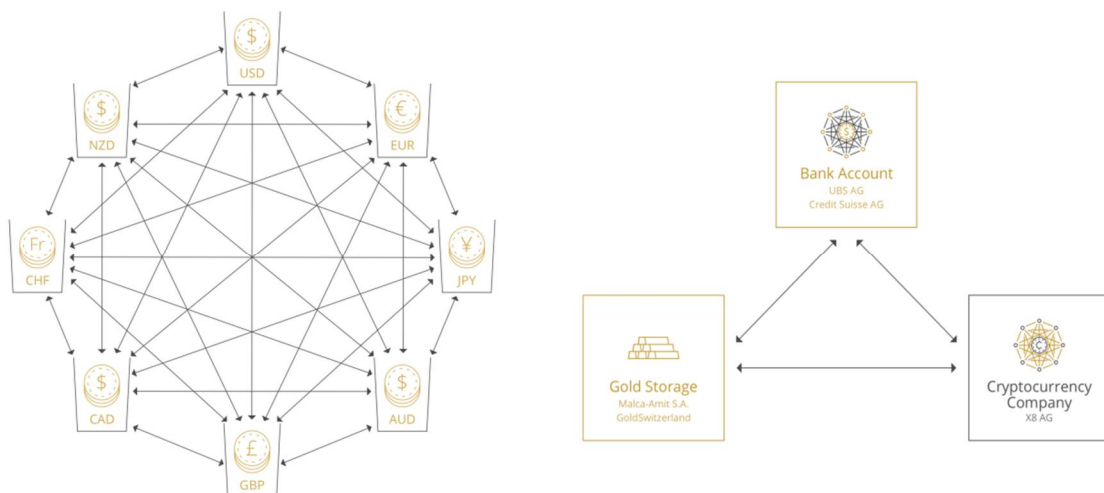
b. HOW X8C CURRENCY TOKEN WORKS

X8currency consists of the top 8 global currencies plus physical gold reserve. When an investor wants to buy this product, he can buy it with fiat currencies or with cryptocurrencies. When our system receives an incoming transaction, it uses its own technology to automatically diversify the amount of the payment into proportions of EUR, USD, JPY, GBP, CAD, AUD, CHF, NZD and gold – the X8currency basket. This money becomes a part of the reserves. The system also diversifies the reserves across up to 8 different brokers and banks using Financial Information Exchange Protocol. The result is that of maximum possible risk diversification.



This diversified basket of currencies and a diversified network of banks and brokers prevent a scenario of significant loss and protect an investor from individual currency price fluctuations or individual bank/broker failure. Bank reserve deposits are further reinsured to create the safest possible cryptocurrency package. Bank reserve deposits will be reinsured with the Swiss Re, the leading global reinsurer.

Ratios of currencies in the diversified basket are optimized with the Automatic Reserve Management AI technology, so that the basket remains stable and is able to fight off the effect of inflation with a small but safe natural rate of up to 1-3% p.a..





currency

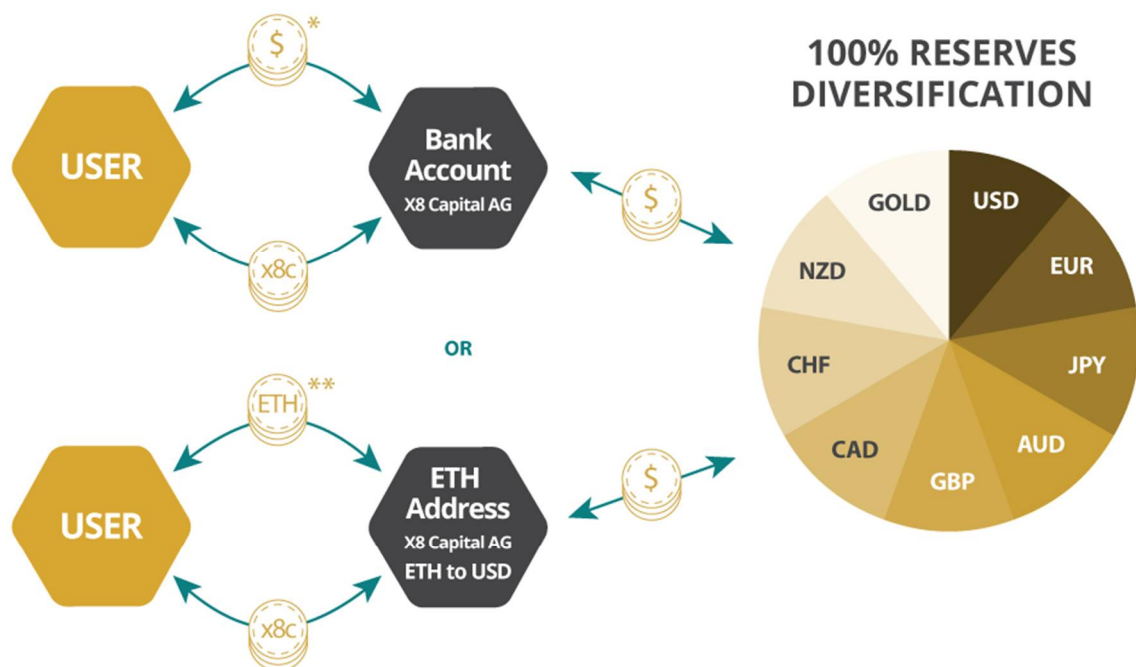
c. TOKEN MODEL

The X8 Project created 2 tokens to achieve its purpose. The main product is the cryptocurrency token, in the whitepaper referred to as X8C currency token. The second product is the X8X utility token, which acts as a software license for direct access to the system and enables zero fee trading and fair value exchange for X8C currency tokens in the system.

X8C CURRENCY TOKEN

X8C CURRENCY TOKEN WILL NOT BE THE SUBJECT OF A TGE. The X8C currency token will have the symbol X8C. It operates on Ethereum technology (ERC-20 standard).

- The X8C currency token does not have an arbitrary limit regarding the volume of tokens that can be created. Ethereum sets a maximum technical limit of the amount of X8C currency tokens to 2^{256} .
- Each token comes into existence with a user making a purchase of it with a cash payment to the X8C currency token issuer. Each token unit is fully backed by fiat cash & gold cash reserves.
- During the lifetime of an individual X8C currency token the cash and gold reserves backing it are managed by ARM AI, a technology developed by ioNectar.
- At the point, when a user decides to sell his X8C currency tokens back to the issuer, the reserves backing the tokens are exchanged for the user's X8C currency tokens.
- Once the exit transaction is completed these X8C currency tokens are destroyed by the issuer.



* Any major fiat currency accepted for traditional entry / exit.

** ETH & BTC accepted for crypto entry / exit.

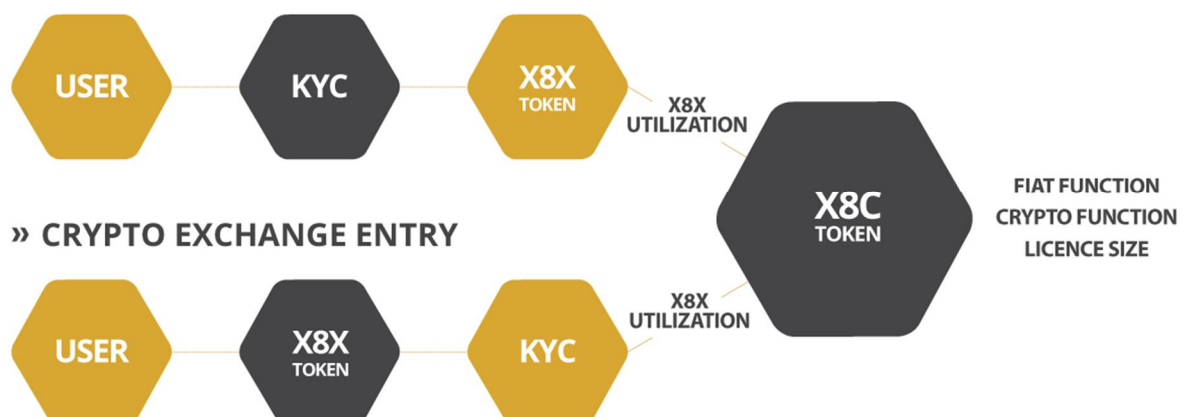
X8X UTILITY TOKEN

For this qualification process the X8C currency token issuer X8 Capital AG, currently under formation, uses the X8X utility token, with the symbol X8X. X8X utility token also operates on Ethereum technology (ERC-20 standard).

Following multiple legal consultations across various jurisdictions, X8 Team is fully confident that X8X utility token falls under the classification of a utility token and NOT a security. X8X utility token acts like a membership coupon that grants access to the X8C currency token. To further explain that the X8X utility token is without any doubt a UTILITY Token, we summarize its description, function and characteristics, hereafter:

- The X8X utility token will have a fixed and limited supply of 100.000.000 tokens. There will be no additional X8X utility tokens created in the future. Tokens will be created during the TGE described in the TGE roadmap.
- The X8X utility token performs as an entry ticket and is required to qualify for direct access to the X8C currency token. Verified KYC enables clients to participate/contribute in the TGE – X8X utility token.
- X8X utility token is a link to a software sublicense for the use of ARM AI technology service through the X8currency product.
- The amount of X8X utility tokens held by a user dictates how much X8C currency tokens a user can obtain from the issuer X8 Capital AG, company currently under formation. The ratio for calculating the X8X utility token requirement for a certain allotment size of X8C currency tokens is $X8X = \sqrt{X8C}$, or $X8X^2 = X8C$.
- The X8X utility token does not have an expiry date. As long as a user holds X8X utility tokens with the X8C currency tokens issuer, it allows the user to use the entry and exit facility of X8C currency token as many times as one wants.

» TGE ENTRY



As there is no burning of tokens anywhere at any point in the process, X8X utility tokens remain in circulation at all times. The level and scope of X8X utility token utilization in the system through the use of the X8C currency token will drive the scarcity factor for the X8X utility token in the market.

The issuer of the tokenized license or the X8X utility tokens and the issuer of the X8C currency tokens are separate corporate entities. Both entities are Swiss corporate entities described in the corporate infrastructure section. Corporate entities are separated in order to protect from conflict of interest. The separated structure enables the most transparent overview of performances, easier auditing and accountable service payments.

d. PROJECT USE CASES (X8C currency token)

UPCOMING TOKEN GENERATION EVENTS FROM THIRD PARTIES

TGEs, popularly referred to as ICOs, are the part of the crypto market which the X8currency product can transform the most. TGEs are raising funds in a cryptocurrency such as BTC or ETH. The goal for TGEs is to attract and maintain funding available for the execution of their underlying project. This includes costs like salaries, rents, IT hardware, etc. Funding needs to suffice for the entire period of the project – typically between 2 to 4 years. If a TGE raises funds in a volatile cryptocurrency, which can drop by 50% or more, such a TGE and its project is in danger. If that happens, funds run out more quickly, which can be before the project is complete.

This is the danger that TGEs can avoid by raising their TGE funds in the X8C currency token avoiding any costs with X8X utility tokens. TGE funds that are raised in the X8C currency token will stay safe and retain their stable value throughout the entire duration of the project. That way project's runway stays stable and project funding can be planned with precision and certainty.

CONTRIBUTORS TO THIRD PARTY TGEs

People look for new projects with good ideas and products. They contribute during TGEs of the projects they want to support. Nevertheless, during a TGE the tokens sent by the supporter can be locked for a period of time until the project sets the token conversion rate for the TGE, for example in ETH. Despite approaches to minimize the unwanted risk it still makes contributors feel like they are on their own. They are not sure at what value they will convert the tokens right up to the last moment.

TGEs will be able to significantly improve the situation for their contributors when choosing to raise funds in the X8C currency token, because the stability of the X8C currency token enables very easy conversion rate planning and by using X8X utility tokens no additional costs. Contributors will be able to know the conversion rate and the amount of tokens they will receive for their contributions with minimum influence from market volatility. Contributors simply want the decision about the contribution amount to be completely in their hands and under their control without market uncertainty linked to it. The X8C currency token provides that.

PRIVATE INDIVIDUALS – TRADITIONAL SAVERS

If you are a private individual, who travels a lot or works internationally, you are well aware of fluctuations in prices of currencies. When the Brexit event happened, people who work in the UK, especially those who work there as foreigners, learned that in real terms their savings and salaries have been reduced by 10% - 20% during the course of a single day.

Such a situation can be avoided by saving your money in X8C currency token, which is not dependent on price fluctuations of individual currencies. During the Brexit event the X8 portfolio lost less than 2% and regained a positive movement shortly thereafter, while on the other hand GBP continued to depreciate even further. With X8C currency token any saver can be protected, so that losses from such and similar scenarios don't affect him or her.

CRYPTO INVESTORS

There is a strong case for a stable cryptocurrency to be used even by crypto market investors, who speculate to achieve high returns. There are many who invested into cryptocurrencies early on and are sitting on big profits.

If such an investor decides he or she wants to lock in profits, an investor must convert a cryptocurrency back into cash. The X8C currency token works beautifully for this very purpose. Because the X8C currency token is cash and gold backed it is an ideal safe haven option, which enables investors to exit bubbles and move into cash without the need to leave crypto.

FINANCIAL INSTITUTIONS

Financial institutions are facing the market situation from a different perspective. For an entity like a pension fund, an important aspect of investing is liquidity and low costs. Markets that cannot offer efficient entry and exit for large order sizes are not appropriate for institutions. These investors are afraid that they could remain trapped in a market which is moving rapidly against them.

X8C currency token solves this situation. If relevant regulation will be revised, pension funds will be able to use X8C currency token because it is a hyper liquid instrument and a cryptocurrency which is safe and stable and, at the same time fights inflation. In this way a pension fund avoids the risk of less liquid and more volatile bond markets and also solves the negative bank deposits interest problem.

MERCHANTS

Merchants are looking to accept payments in cryptocurrencies like Bitcoin because of crypto payment system benefits. Nevertheless, as a merchant you are taking risks with accepting such a currency because the price can change quickly. If the business has narrow operating margins, those can evaporate in front of your eyes during the sale of the product. Price drops can be that sudden and significant.

When a merchant decides to accept X8C currency tokens, the merchant solves his problems. With the X8C currency token any merchant can achieve his margins safely without dangerous currency speculation and the merchant can focus on the sale. X8C currency token is the most stable instrument, plus it offers the benefits of crypto technology and is therefore an ideal instrument to be used in payments.

e. PROJECT USE CASES (X8 utility token – X8X)

TGEs: SECURING A STABLE CURRENCY FUNCTION FOR A TGE

TGEs require a predictable runway for their project, yet they are predominantly depending on a highly volatile cryptocurrency for their funding. TGE plans also have different durations and cost dynamics creating further uncertainty about how to ensure stable and predictable funding for a particular period. The risk is borne by TGEs and should be managed according to each individual business profile.

With the X8X utility token TGEs can meet their needs for a stable currency function most cost efficiently. It is a ticket that provides direct access to a safe, stable and liquid X8C currency token. TGEs can calculate the required qualification level for a certain X8C currency token allotment size in advance and then use it at will and at any time according to their needs and without fees.

PRIVATE INVESTORS: STANDBY AVAILABILITY FOR FAST CRYPTO/FIAT TRANSITIONING

Private investors want to improve their safety by preparing themselves for the best and fastest possible exit from the market if and when they will need it. They want to be able to make quick transitions from their crypto investment portfolio into the safety of fiat cash. Nevertheless, they don't want to pay expensive fees every time they do the reallocation.

In markets, reaction is key, and history has shown that it can be too late to start preparing for negative market scenarios after uncertainty has already intensified. It is best to have a fast and flexible transition on standby at all times and that is by holding X8X utility tokens. The X8X utility token opens up a direct and fast route for direct entry into and exit from the X8C currency token at reserves' full fair value, independent of X8C currency



token liquidity on crypto exchanges. An X8X utility token holder can repeat the fiat/crypto transitioning process, which saves fees every time and with every use.

FINANCIAL INSTITUTIONS: REDUCING COSTS FOR LARGE SCALE TRANSACTION ACTIVITY

Financial institutions usually have to organize larger teams when entering a new business, they engage financial transactions on a continuous basis and spend more resources to support and maintain activity. Often also acting as wholesale agents, financial institutions and large distributors need to find something in it for themselves and their ability to develop new business lucratively.

The X8 system helps to negotiate best terms for larger clients of the X8C currency token because at larger sizes the X8X utility token requirement percentage is lower. In larger X8C currency token transactions, additional increases in the amount of X8C currency token requires a smaller additional amount of X8X utility token the higher we look on the scale. The cost to utilize a safe, stable and liquid cryptocurrency therefore does not, in principle, increase beyond the value of its utility for a large client such as a financial institution.

LARGE DISTRIBUTORS: EARNING ACTIVE INCOME FOR LARGE DISTRIBUTORS

The principle of economies of scale integrated into the X8X utility token helps large businesses so that they can find a place where they can play an active role. For their performance there must be incentive which enables these participants to pursue activities that are in common cause with the X8 project. High quality distribution results in a better reward according to the token formula. Large distributors can achieve the best effect with their own skills, knowhow, work and their existing business infrastructure.

If a large distributor buys 100.000 X8X utility tokens and sells them to 1.000 smaller buyers of equal size, every small buyer buys 100 X8X utility tokens. With this amount each buyer is eligible to trade up to 10.000 of X8C currency tokens. In total all 1.000 small buyers are able to use up to 10.000.000 of X8C currency tokens. The large distributor can obtain the same access for 10M X8C currency tokens with only 3162,28 X8X utility tokens. The broader and more even the distribution the more quickly and at a lower market capitalization of X8C currency tokens all of the X8X utility tokens become utilized and therefore attain their proper utility value.

SPECULATORS & TRADERS: PROTECTION AGAINST VOLATILITY SEASONS

During crypto market uncertainty the crypto safe havens will receive increased demand. Because in volatile times the benefit of stability is larger, the safe haven fees are usually sensitive to levels of uncertainty about crypto prices. Since the X8X utility token



guarantees zero fee trading with a safe haven cryptocurrency throughout various stages of market cycles the token protects the buyers from volatility seasons, which can otherwise negatively influence the availability and the safe haven fee schedule.

For holders of X8X utility tokens the cost will remain the same throughout the holding period of the X8X utility token. Holders will always need the same amount of X8X utility tokens to access our safe haven cryptocurrency regardless of the volatility in the crypto market. Seasons in volatilities in the crypto market during the holding period will not make the use of the X8C currency token any more expensive to him or her. This utility value of the token offers a stable reference for the speculator and enables the speculator to focus on trading and searching for opportunities without worrying about changing trade conditions.

f. CORPORATE INFRASTRUCTURE

Issuer: Issuer of the X8currency tokens will be X8 Capital AG. The Company is under formation in Zug, Switzerland. It will be a FINMA regulated Company.

X8 Capital AG will be the issuer of X8currency. X8 Capital AG will create X8C currency tokens, hold and manage cash reserves and allow a direct exit window for X8C token holders who also hold the X8X utility token. X8 Capital AG also removes X8C currency tokens from issuance after X8C currency tokens have served their purpose. X8 Capital AG will deal with clients who will have completed the qualification process for direct X8C currency token access.

X8 AG, a Swiss Company incorporated in Zug, was established to administer and regulate all aspects of the X8 TGE and to provide IT and software solutions for financial portfolio applications.

g. IP OF THE PROJECT

The technology behind the X8currency is a set of computer algorithms. These computer algorithms together make up the ioNectar portfolio risk management platform. The mechanism provided in the platform is called Automatic Reserve Management AI – ARM AI. The license for the use of the technology will be issued by X8 AG, Zug. X8 AG

The X8C currency token issuer X8 Capital AG, company in formation, will be granted with an exclusive license to use the technology and algorithms of the ARM AI for use and application in blockchain. X8 Capital AG will sublicense its users (X8C currency token users) through the mechanism of the X8X utility token. Each X8X utility token will represent a sublicense, which will allow the utility token holder to access the X8currency product directly and use entry/exit functions to this technology.

7. BUSINESS MODEL

The entire business model of the X8 project is tokenized. In the absence of fees in the model the X8X utility token plays the role of an indicator of business activity with the X8C currency token.

The X8X utility token is a KYC token and is an entry ticket to:

- zero-fee X8C currency token trading directly with the issuer
- buy & sell X8C currency token at full fair value
- direct access to X8C currency token liquidity w/o crypto exchange
- use of the ticket more than once – without expiry
- link to IP sub-license

The X8X utility token is useful especially when crypto market prices fluctuate to the downside and buyers are willing to buy this token to be able to protect their assets from negative trends as quickly as possible. User cannot buy X8C currency tokens directly from the issuer without holding X8X utility tokens.



8. MARKET

This chapter describes how business activity with the X8C currency token is connected to the X8X utility token and how it might drive developments in the X8X utility token market.

TOKEN SUCCESS FACTORS

The X8 token model enables new market development for contributors and supporters without passive value distribution mechanisms. Because any user needs the X8X utility token first in order to trade a certain amount of X8C currency tokens from the issuer, X8X behaves as a license. It is the entry product of the system. The price of this license will be determined freely by the market.

Nevertheless, even though X8X holders and supporters will have subjective participation in the formation of the X8X market, there are objective and observable factors, which will measure the success of this token model:

- the overall average trade size of the X8C currency token,
- the level of X8X utility token utilization and its scarcity,
- crypto market capitalization development and the level of cautiousness.



AVERAGE X8CURRENCY ALLOTMENT

If a user wants to use X8C currency token, the token model calculates the level of X8X utility token requirement for any requested X8C currency token allotment size.

The $X8X = \sqrt{X8C}$ formula shows that with increasing X8C currency token allotment size the relative required amount of X8X utility token decreases. Therefore, users with larger allocations will be able to afford to pay higher prices for the X8X utility token.

This table below shows how the price of the utility token can change when investors will start to increasingly use the X8C currency token. The table is purely hypothetical. Every user has his or her own threshold and tolerance for the cost to buy the access license to a safe haven. The market will find its own equilibrium for the price of the entry ticket set by all the users. Users will set the prices freely not necessarily reflecting hypothetical scenarios in the table chart.

Average activity level		Evaluation example A		Evaluation example B	
X8C amount	X8X amount	1% of value	X8X price	3% of value	X8X price
100 €	10	1 €	0,10 €	3 €	0,30 €
1.000 €	32	10 €	0,32 €	30 €	0,95 €
10.000 €	100	100 €	1,00 €	300 €	3,00 €
100.000 €	316	1.000 €	3,16 €	3.000 €	9,49 €
1.000.000 €	1.000	10.000 €	10,00 €	30.000 €	30,00 €
10.000.000 €	3.162	100.000 €	31,62 €	300.000 €	94,87 €
100.000.000 €	10.000	1.000.000 €	100,00 €	3.000.000 €	300,00 €

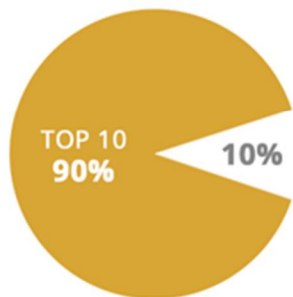
SCARCITY DUE TO UTILIZATION

When the market will accept and start adopting X8currency, an increasing amount of X8X utility tokens will be bought by users to access the safe haven and to start using X8C currency token functionality. However, the issuance volume of X8X utility tokens is fixed and no more than 100.000.000 will exist.

As a result, the scarcity effect will grow and by the time all X8X utility tokens will be utilized, users in the market will want to charge for the internal utility value of the X8X utility token. This internal utility value will reflect the level of value preservation and some protection against inflation which the X8C currency token will be able to offer to its users. This level can be between 1-3% p.a. created by ARM AI.



MARKET CAPITALIZATION
\$160B



X8CURRENCY
\$16B



ARM AI (per year)
\$160M - \$480M



Cumulatively this value can amount to \$160M - \$480M in just one year if X8currency would gain 10% market share in overall market capitalization. If X8X utility tokens (sublicenses) will have very high and stable utilization, this will be an important reference for finding the utility value of the system in dollars.

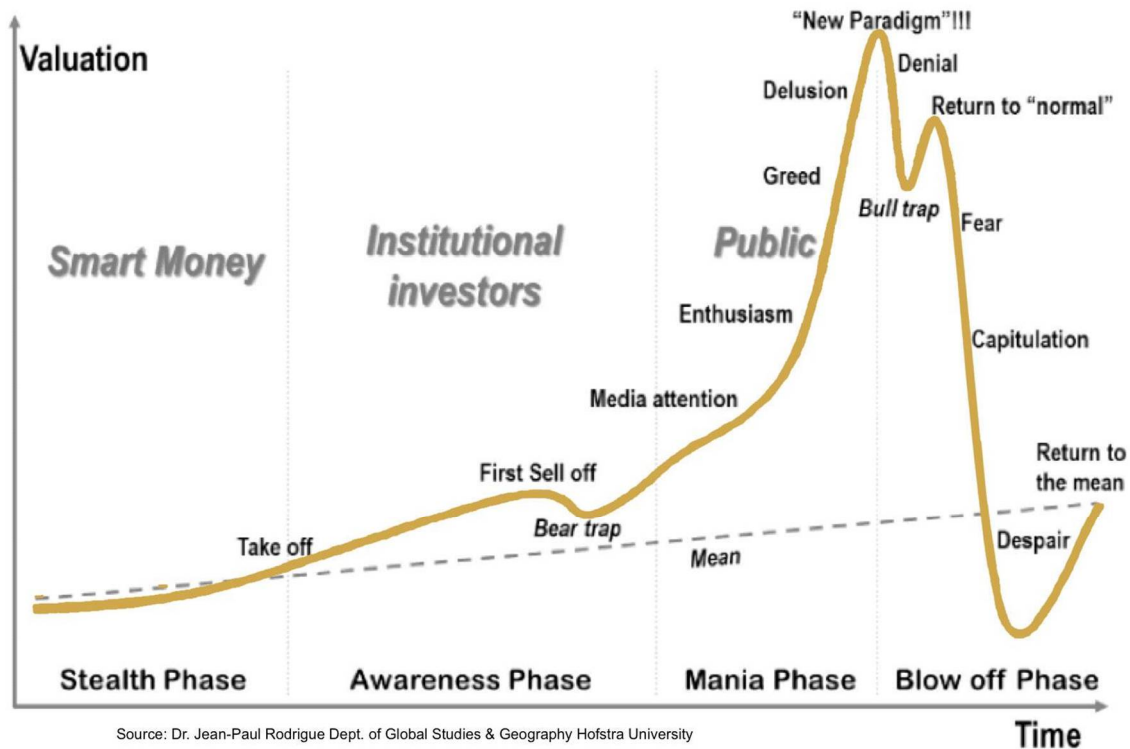
MARKET CAP AND FEAR PREMIUM

Inevitably, the developments in the X8X utility token market will also depend on the size of the entire crypto market, in which our product will compete. Trends show that a lot of additional new liquidity is about to enter the crypto market.

The source of this new liquidity will increasingly come from financial institutions, who have not yet participated with significant shares so far because of investment policy rules adopted before the crypto market existed as an asset class. Efforts are being expended on the part of institutions to change the outdated asset class categorizations, which will enable crypto market capitalization to go from billions to trillions.



An additional increase in crypto market size will bring bigger opportunities for existing crypto investors to take their profits. The average level of risk aversion is also higher among institutional investors, who want to play it safe when dealing with larger volumes. This creates the market for liquid safe haven instruments and it is a place where we can grow our market share.



Currently the market cycle is still in its “Stealth Phase”, approaching “Take off” point as shown in the next chart. With the lack of regulatory certainty and fully compliant, liquid and stable crypto alternatives there is only minimum speculative institutional presence in the crypto market. This participation characteristic shows overall how early in the cycle the crypto market and blockchain technology is really positioned.

VALUE REFERENCE POINTS

The equation for our contributors and supporters states that in order to achieve the best possible value for the user, it is best to deliver a working product to the market with the lowest possible costs. Because the project will create a fixed amount of 100,000,000 X8X utility tokens, the level of funds raised during the TGE inevitably translates into production cost level per X8X utility token. This in turn determines how competitive the utility service will be in the market.

The X8 project creates a completely tokenized business model, where all costs for the utility service set up are covered with the funds raised during the TGE. This means that after the funds will be spent during a 3-year runway, the entire business activity will transition into the tokenized domain, which will keep structure competitive and highly cost effective. This is also

the best way to promote our tokens and what they offer. Users therefore will know they will always be able to obtain our utility service for its fair value.

RELATIVE VALUE

In 2017 the majority of fundraising for start-ups has been recorded as coming from crypto investors for the first time. Bitcoin holders have become a dominant force in this field, taking over the reins from traditional VC investors. Nevertheless, Bitcoin users see the environment from the perspective of their cryptocurrency.

Bitcoin started with a market capitalization of less than **\$2 million** and was able to multiply by more than 5.000 times in around 8 years. The key point is, can a new product be offered to the crypto market with the potential to grow and develop a new market in a similar way to that of Bitcoin going forward?

Only if this cognitive link can be made and the answer is yes, can there then be a good chance that Bitcoin holders will become interested in a new product and accept it. The low initial starting level for the project and the product plays an important role. Projects that can sustain their development through various incremental stages of development demonstrate an inherent capability to succeed in the market. It also points to an ability to develop strategically and to sustainably grow without too many resources required.

Starting at a low level also has another positive effect. It ensures highest availability of the product in the market and the broadest possible distribution of users worldwide. That holds true even if users value the service more during phases when the market is fearful of large crypto market price drops. This means that more of the users will be able to enjoy full flexibility that the expiry-free X8X entry ticket gives to them.

PROJECTIONS

Crypto market capitalization is projected to grow further, yet relative growth will be larger in the stable money segment. This segment will start gaining on the share that long-only instruments populate.

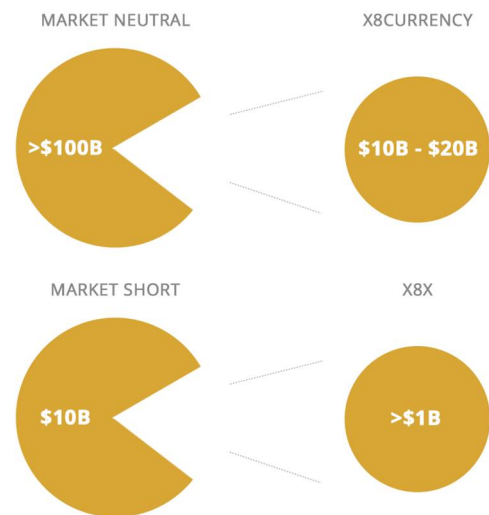
- More than 10% of total crypto market capitalization will be allocated from speculative long-only investments into stable and conservative investments during 2018-2019.
- In 2-5 years conservative investments will match the level present in the current densely populated speculative area. The majority of money will come from new liquidity sources such as TGE's/ICO's, institutions and traditional investors.
- More than \$100B in additional market capitalization will be created in various stable instruments. X8currency targets a 5-10% market share in the segment with the X8C currency token



Together with the neutral market segment, another market segment will start to grow.

- By the year 2020 1%-5% of total market capitalization will be in crypto tokens that in will move in an independent or opposite direction to the general market. Total capitalization of this market segment will reach \$10B.
- X8X utility token, which has the ability to behave as a benchmark volatility index, is targeting a 10% or larger market share (similar to VIX). We are positioning the X8X utility token to be the market leader in this segment.

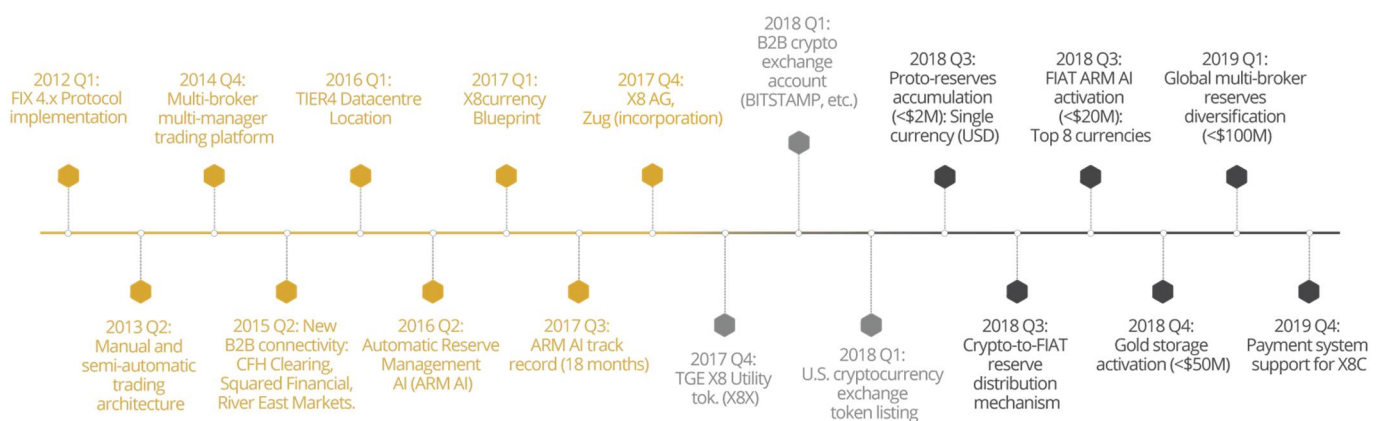
DENSE (33%)		EMPTY (66%)	
...	...	STABLE MONEY POTENTIAL	EMPTY CRYPTO MARKET AREA
10	XMR		
9	IOTA		
8	NEO		
7	XEM		
6	DASH		
5	LTC		
4	BCH		
3	XRP		
2	ETH		
COUNT	BTC	TETHER	
CAP	>\$100B	\$0,5B	\$0
TYPE	LONG	NEUTRAL	SHORT



The X8C currency token will target the neutral market segment with the following 3-year amount of assets under management (AUM) projection:

- \$100.000.000 AUM - 2018
- \$1.000.000.000 AUM - 2019
- \$10.000.000.000 AUM – 2020

9. ROADMAP



COMPLETED MILESTONES

2012 Q1

Already in 2012 the team established a technology for B2B interconnectivity with banks and brokers. The team has been working with FIX Protocol for many years and has become proficient in establishing professional grade connectivity to financial institutions. This has been advanced further, so that multi-broker account structure could serve manual trading, which is the traditional style, and some semi-automatic trading functions for larger orders, which can take longer to be executed in full.

2014 Q4

For the team and the project it was crucial to progress further and established a multi-broker control, which can be very efficiently delivered through the format of a comprehensive trading platform. The advantages of virtualizing the control over any account combination across multi-bank or multi-broker structures through the platform meant the manager saves a lot of time, because the manager can scroll through accounts that exist with different providers very quickly and can trade for any of them without changing windows on the screen. This functionality was the strongest focus during late 2013 and 2014.

2015 Q2

After completion it led to implementations of additional B2B connections. CFH Clearing, London, Squared Financial, Dublin and River East Markets connections were added to the system. The architecture was put into live operations and served live client accounts with the providers. The hardware requirement grew and as a result we decided to move on to assemble a small but efficient server cluster in a secured TIER-4 datacentre location.

2016 Q1

In January of 2016 we successfully established a small-scale but high quality production capacity and practical implementation of a service. Operations from the datacentre enable fastest response and maximum up-time of all the trading connections with our B2B partners. The secure environment is also the best environment for the longevity of the system itself because of the high power supply, cooling and fire protection standards of the datacentre.

2016 Q2

During the entire time our long term focus has always been on asset management and portfolio risk management. The trading platform is the necessary foundation stone one needs to effectively perform asset management, yet this is a well-researched area and there are many trading platforms. However, none of the solutions offered precise portfolio risk management control. Our aim has always been to deliver that to the manager in real-time. It represents the essence of more than 10 years of research and development. From December of 2015 to June of 2016 we were gradually introducing

ARM AI – Automatic Reserve Management AI. Initially we started live trading with the diversification base and aggregate portfolio risk management. We continued and completed the process with live implementation of ultra-deep precision calculations, which maximizes micro accuracy of the ARM AI and brings it to its optimal efficiency.

2017 Q1

This technology applies the manager's perspective onto portfolio risk management of the account and executes it fully automatically on command. It is a professional tool for a professional portfolio manager or a skilled financial expert. The technology has been in operation on live institutional accounts for the first year and has been proven during circumstances like the Brexit event, when the British currency dropped by nearly 20% in a short amount of time. Another GBP flash crash event after the Brexit vote also proved that the portfolio structure can remain safe and stable when a supposed “fat finger” sent GBP tanking in world capital markets by 10% in less than 5 minutes. The diversification effect in the portfolio always remained dominant and ARM AI activity during these events consistently produced a net positive effect independently of any individual currency movements.

APPLYING THE TECHNOLOGY

The X8currency blueprint has been a consequence of our fintech development into covering all economically sound applications of the technology. One such application is in traditional B2B account management. However, the external and objective entry hurdles for the full service dictate that it is effective and accessible for HNWI's and institutional clients only. Another application of the technology through a prepackaged trading signal service reduces the entry hurdle so that it can be available for medium size accounts. This extends our reach in the field and we can service clients, who don't require a highly customizable portfolio solution, yet have an available trading account that they wish to activate. Nevertheless, the entry hurdle for the user can be reduced even further to a minimum when applying technology on a cryptocurrency model.

CRYPTOCURRENCY

Reserve management under one multi-account structure allows reserves to accumulate incrementally from a number of individual cryptocurrency users. The cryptocurrency product has the ability to circulate and be used in very low amounts once created. That is a key element for wider adoption of the product. We created the X8currency blueprint to target this, up to now, almost uninhabited part of the crypto market space most precisely from a long-term perspective and to have the best position to gain market share.

FUTURE MILESTONES

X8 AG, ZUG (5.12.2017)

An important milestone is the incorporation of X8 AG, Zug and in the future X8 Capital AG, Zug, in Switzerland. This will provide the global business platform, which will also



comply with all the rules and regulations in the blockchain and cryptocurrency space. Crypto Valley in Switzerland is one of the best places in the world for cryptocurrency operations.

X8 AG is be a non-regulated company providing software solutions for financial analytics and processes of the portfolio risk management, while X8 Capital AG will be a licensed asset management entity and will hold accounts with traditional brokers and crypto currency exchanges for asset management operations and X8currency business execution. The company will also comply with US rules and regulations.

X8 AG and X8 CAPITAL AG (company under formation) are setting the highest standard in the crypto-fintech space in terms of compliance and AML procedures. In fact, they implement strict AML/KYC procedures when it comes to on-boarding and accepting clients and handling client funds.

CRYPTO ENTRY/EXIT (Q1 2018)

With the completed company incorporation milestone and the TGE milestone, the project will be able to continue with the opening of a corporate account with a crypto exchange. The plan is to implement a regulated corporate service by Bitstamp as one of the first in this group. We already have an established contact with this crypto exchange. Since Bitstamp is FIX Protocol compliant, an account with Bitstamp will directly open an execution channel for ETH or BTC entry and exit in and out from the reserves of the X8currency product. That is another key element in moving toward actual market presence of the X8C currency token. Once the basic account infrastructure is in place, it will be possible to start linking X8X utility tokens and X8C currency tokens and their functions to the accounts.

X8X LISTING ON A CRYPTO EXCHANGE (Q1 2018)

X8 Project is planning to strengthen the path toward listings on various crypto exchanges by a broad community base and a broad diversification of X8X utility tokens. Our main position however will be the compliance that we will bring with us and be able to apply for listings on U.S. crypto exchanges as well as others. During Q1 2018 we plan to be successful with at least one of the bigger known crypto exchanges.

Implemented Bitstamp connectivity and implemented links from both tokens to functions of the account system will mean that the X8C currency token will already be able to start to operate. Even though this cryptocurrency will start from 0 reserve level, it will be technically available and on the market, because it will be able to convert ETH into USD on the crypto exchange. During 2018 Q2 the project will continue with the implementation and proceed with testing of the functionality. Early stages will create first few real X8C currency tokens for testing purposes done by the issuer.

PROTO RESERVES ACCUMULATION (Q3 2018)

After live start, the reserves will start to build up with each ETH payment sent to the auto-conversion smart contract address. Received ETH will be sent to our crypto exchange wallet and converted on the crypto exchange for fiat currency and vice-versa. As the amount of the reserves will grow, they will go through several formation stages before the system will gradually activate all components. This early formation process is called Proto-reserves accumulation.

During the earliest stage the X8currency portfolio will start with a US dollar account and will use nominal 1:1 convertibility until the reserves reach a level beyond 2 million USD. X8currency cannot diversify a global portfolio until the mass of the reserves is sufficient to perform diversification of the reserves across the top 8 fiat currencies and gold and then further across more than one broker. Proto-reserves accumulation predicts that full portfolio diversification will be achieved at 100 million USD.

FIAT DIVERSIFICATION (Q3 2018)

At a level above 2 million USD the reserves can be diversified across major fiat currencies effectively. However, before the reserves can start to be actively managed as a dynamic portfolio with changing currency ratios, the reserves must increase beyond the threshold level where ARM AI can satisfy broker minimum trade size when making small incremental adjustments during each small currency market price change. This starts at 20 million USD in reserves volume.

CRYPTO-TO-FIAT ARM AI ACTIVATION (Q3 2018)

A Crypto-to-Fiat reserves distribution mechanism is necessary to automatically transfer reserves coming in from crypto to the broader global account network, where they can be managed in the currency market by the ARM AI. The process will also work in the opposite direction. This link will create everything necessary for the market capitalization of the X8C currency token to be completely dynamic in both directions and actively working in the market during each reserve unit's lifetime.

GOLD STORAGE ACTIVATION (Q4 2018)

At over 50 million USD in reserves the portfolio can already accommodate gold holdings very effectively. There are costs linked to gold storage and cash gold holding management, which prohibit economic viability for low amounts. These costs become manageable when working with around 5 million USD worth in gold cash, which also enables e-Gold ARM AI – electronic intraday portfolio adjustments, which save costs of buying and selling physical gold intraday.

GLOBAL MULTI-BROKER DIVERSIFICATION (Q1 2019)

The final step towards full global diversification of actively managed reserves will be completed when the level of reserves and the system will enable real-time multi-broker dynamic diversification of reserves inflow. This will further increase the safety of reserves and will protect the process from technical downtime by any individual broker or from individual broker business failure. Multi-broker diversification will also increase X8C currency token's liquidity capability because the system will be able to exchange larger amounts into various currencies more quickly, combining the liquidity available through multiple broker channels.

PAYMENT SYSTEM SUPPORT (Q4 2019)

When the full-scale operating global portfolio basket will enable seamless transitions in every direction and will offer an unmatched standard of safety and protection against market shocks, it will become a global platform capable of providing a valuable service in everyday payments. Because of its safe nature, 100% cash and gold backing and full compliance with regulations it will have the best position to establish links with payment systems. This is a milestone element, which opens up X8currency product for broader adoption by a vast variety of target audiences, looking for a proven, safe, liquid and secure payment instrument.

10. TEAM

a. FOUNDERS

GREGOR KOŽELJ

Linkedin: <https://www.linkedin.com/in/gregor-ko%C5%BEelj-19075434/>

Gregor is behind some of the main design features of the ioNectar platform. Gregor combine his natural investment perspective with advanced contemporary technology capabilities into a winning philosophical balance. His accumulated experience comes from working as a portfolio manager in the institutional environment, advising funds, HNWIs and specialists in foreign exchange and other markets. He also has advanced FIX Protocol knowledge, extensive experience in matrix computer programming and is proficient in portfolio risk management.

TOMAŽ LEPOŠA

Linkedin: <https://www.linkedin.com/in/tomaz-leposa/>

Tomaž, with his long-term experience in business, is responsible for executing the sales strategy and tactics. The focus is to drive the business forward in creating stronger

relationships, converting more prospects in gaining potential clients, increasing sales, creating operational efficiency, and lastly creating a fun and motivational environment.

ALY KULAUZOVIĆ

Linkedin: <https://www.linkedin.com/in/aly-kulauzovic-66461113b/>

His experience with entrepreneurship, business organization and sales management has given him a valuable insight into business processes and development. His approach to team management and integration makes business operation a smooth and exciting experience.

FRANCESCA GRECO

Linkedin: <https://www.linkedin.com/in/francescagg/>

Francesca is a Lawyer with a long experience as a Director in Private Equity Funds and has been providing strategic legal and financial advice through her companies in Dubai, London, Zurich and Brussels. She also advises companies on Government Relations and Regulatory Affairs. She is Director of X8 AG and she is responsible for relations with the Swiss financial institutions and Regulators (FINMA, SRO, Zug Canton, etc).

RUDOLF P. STROEBL

Linkedin: <https://www.linkedin.com/in/rudolfstroeb/>

Rudolf Ströbl is a financial expert and program-developer with over 20 years of experience in various projects involving precious metals, options, equities and digital currencies. He has also developed models and algorithms in the Forex Markets. Currently he is the Managing Director of FX & Project Management GMBH in Switzerland.

b. LEAD DEVELOPERS

SIMON HOHLER

Linkedin: <https://www.linkedin.com/in/simonhohler/>

Simon is a seasoned computer expert with an extensive range of programming skills in different computer languages. As the CTO of ioNectar he knows the area of the platform client and manages technological releases of the product. He is creativity driven with insight in new products development and is behind different original aspects of the platform.



ERVIN MARGUČ

Linkedin: <https://www.linkedin.com/in/ervinmarguc/>

Ervin is a specialist in IT. He brings together his broad technical proficiency from computer science and manages all the main IT administration perspectives of ioNectar. Work in specialized software and electronics product solutions is his passion which he has been following. Through persistent expansion of his ability Ervin repeatedly proves that he is an IT authority.

ALEN OBERSTAR

Linkedin: <https://www.linkedin.com/in/alen-oberstar-9815a3b0/>

An IT expert with years of participation in the world of cryptocurrencies. His experience in computer programming and knowledge of IT is a valuable contribution to the company. The products of ioNectar gave him an opportunity to employ his skills in a new and exciting way. He is also responsible for ICO communications.

ERGIM RAMADAN

Linkedin: <https://www.linkedin.com/in/ergim-ramadan-033b54140/>

A computer programmer proficient in several computer languages. He is involved in developing the key components of the ioNectar technology. He is eager to use his knowledge to build bridges between blockchain technology and the world of traditional finance.

c. GENERAL TEAM

DAVID PREŽELJ

Linkedin: <https://www.linkedin.com/in/david-prezelj/>

With a background in social sciences and a focus on the collapse of complex systems, he welcomed the opportunity to explore issues of financial stability. His passion for research led him to become one of the main contributors to the company's xfeed. He is also in charge of TGE communications.

LENART KMETIČ

Linkedin: <https://www.linkedin.com/in/lenart-kmetic/>

Lenart manages and supervises legal aspects of the company's business. With experience in a law office, he finds working in the area of finance an opportunity to expand his skills and understanding of legal dimensions of finance.

SOFIA KULAUZOVIĆ

Linkedin: <https://www.linkedin.com/in/sofia-bisaki-kulauzovic/>

Sofia is in charge of visual presentations and design strategies at ioNectar. The dedicated and enthusiastic team around her created the right environment for her to express her artistic sensibilities and passion for aesthetics in every aspect of the company's presentations.

PHIL LAWRENCE

Linkedin: <https://www.linkedin.com/in/phillawrence/>

An expert problem solver and specialist in commercial negotiation, Phil Lawrence has been a most welcome assistant in the formation of the company's strategies. He is the Managing Director of an R&D company developing smart textile technologies.

URBAN ALJANČIČ

Linkedin: <https://www.linkedin.com/in/urban-aljančič-747aba153/>

Urban is a long-time cryptocurrency enthusiast with a passion for ICO/TGE research. With his expertise in developing and leading teams he has developed a strategic plan to achieve the successful launch of the X8 TGE project. His strategic vision has assisted in bringing together the existing talents of the X8 team in a coherent manner.

d. ADVISORS

OLAF CHALMER

Linkedin: <https://www.linkedin.com/in/olaf-chalmer-3b921315/>

Olaf Chalmer is a financial advisor with decades of experience in the banking sector who, among other things, offers guidance to investors in the financial sector. Currently he is the president of Swiss Management Ltd, a consulting company oriented towards clients from Eastern Europe.

MIKKEL THORUP

Linkedin: <https://www.linkedin.com/in/mikkel-thorup-2682375/>

A progressive investment professional with more than 2 decades of experience in top level banks. Mikkel is advising globally on interest rate and FX risk and manages alpha driven G10 portfolios. He is running an independent trading & advisory business, is also a specialist in market making and sits on several investment management boards.

PETER KRISTENSEN

Linkedin: <https://www.linkedin.com/in/peter-kristensen-30b136a/>

Peter Kristensen is the CEO of JP Integra LLC US, an international finance service group providing administrative and management services to owners and managers of international private capital.

MARCUS VON GOETZ

Linkedin: <https://www.linkedin.com/in/markus-von-goetz-10709b86/>

Marcus von Goetz is a seasoned bond specialist and trader. During his career he held key bond trading positions at several prominent financial institutions. He is also a financial advisor for larger market participants. Currently his expertise is available to institutional clients and venture capital entrepreneurs through VG&S Business Development.

PETER MERC

Linkedin: <https://www.linkedin.com/in/peter-merc-ph-d-550b212/>

With a background in finance and an enthusiasm for blockchain technology attorney Peter Merc PhD is the ideal legal consultant for TGEs. He is a member of the supervisory board of Slovenian systemic bank and cofounder of Lemur Legal, a legal company promoting digital transformation. He helps transform TGEs in legally compliant enterprises.

SIMON COCKING

Linkedin: <https://www.linkedin.com/in/simon-cocking-20540135/>

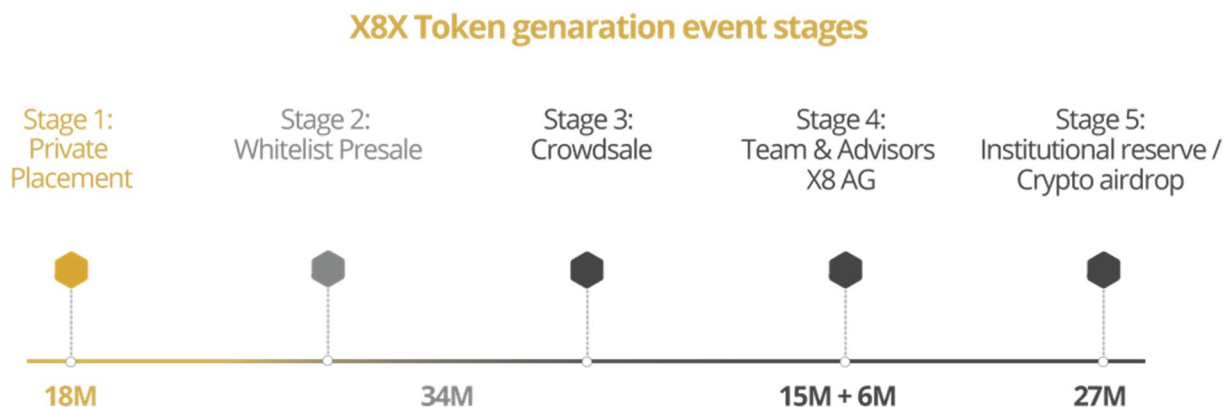
Simon Cocking is a seasoned business mentor to TGEs and a senior editor at Irish Tech News. He is also an experienced public speaker at events including TEDx and Web Summit. He is a crypto connoisseur and has to date successfully advised and mentored 18 TGEs. He has also founded six prosperous companies.

11. TOKEN SALE (TGE – TOKEN GENERATION EVENT)

X8X UTILITY TOKEN

a. TOKEN GENERATION EVENT STAGES

Chronologically, the token generation event will be spread over 5 stages. At each stage a particular amount of X8X utility tokens will be generated. The Private Placement stage is the only stage during which FIAT cash deposit is accepted. Private Placement investors will receive 18 million X8X utility tokens.



Next, Ethereum (ETH) payments will be accepted from whitelisted addresses, which will announce their contribution and undergo KYC in order to participate in a pre-sale.

- Ethereum sale volume: 34 million X8X utility tokens will be sold to ETH investors
- Price: 0,1EUR per token to raise 3,4 million EUR in ETH
- Sequence: Presale / Crowdsale
- Tokens not sold during the Whitelist Pre-sale, will be sold in the Crowdsale
- A portion of tokens not sold by the end date of the Crowdsale is added to the portion allocated for institutional reserve or crypto airdrop.

After the completion of the Ethereum sale the team and advisors will receive 15 million X8X utility tokens. X8 Capital AG will receive 6 million X8X tokens.

After stage 4 of the TGE there will be 27 million X8X utility tokens left in the reserve for institutional buyers. This reserve will be used for an airdrop distributed over a 3-year period in case the project does not find institutional buyers for this portion of tokens.

b. TOKEN DISTRIBUTION

X8X UTILITY TOKEN

Token distribution of the X8X utility token is designed to have a broad reach and will include various types of supporters of different sizes. Every part of the token distribution plays an important role in the process of adoption of the product and stable liquidity of the X8X utility token itself as well.

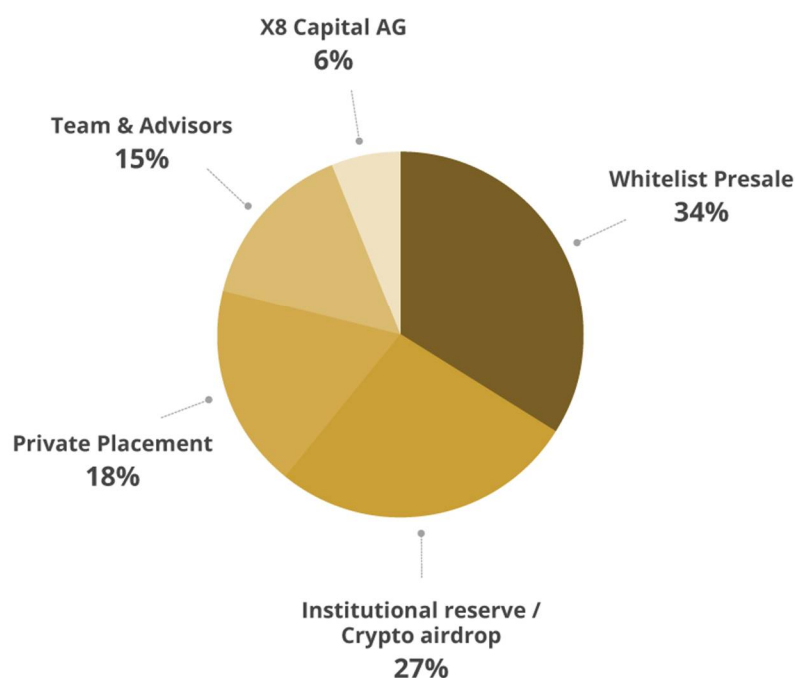
PRIVATE PLACEMENT

During the private placement the project accepted supporters and contributors who are close to the project and know in our area of business. This includes professional investors, high net worth individuals, financial businessmen and entrepreneurs. Our strongest base comes from a network of people, who have a detailed knowledge of the workings of the traditional financial sector, but have a strong interest in blockchain technology.

WHITELIST PRE-SALE

The blockchain community is an important part in building a successful product. Broader adoption of the cryptocurrency product can only happen if the community can be engaged with a significant share. 34% of all tokens will be sold during the pre-sale for ETH contributors. The whitelist process will increase the ability of a larger number of community members with smaller contributions to be able to participate in the process. This broadens the diversification of tokens. The crowdsale process will open up for the part of the tokens not sold during the whitelist pre-sale process.

X8X token generation event distribution



TEAM & ADVISORS

Team members will receive 10% of X8X utility tokens. Tokens will be released to team members based upon weighting for individual tasks and time spent with the project. Sales of tokens from the Team wallet will initially be locked for a period of 24 months. Each month members of the team will be awarded with an amount of tokens, which will also gradually be released for free trading after 12 months for each package one receives. Our core team consists of members with an IT background, specialized financial know-how and knowledge about blockchain.

The advisors team will receive 5% of X8X utility tokens. Advisors will receive a minimum of 0,1% of X8X utility tokens each and will be able to obtain up to 0,5% of the total X8X utility token amount depending on their individual career. All advisors will have their tokens locked for 6 months. A substantial part of our advisory board has a strong focus in traditional financial business and has been cooperating with us on a long-term basis. We will expand it further into other areas in order to bring additional skills from marketing, blockchain, legal, community management, crypto exchange management and others to our project.

X8 CAPITAL AG, ZUG

X8 Capital AG will receive 6% of the tokens. The tokens of X8 Capital AG will be locked for 24 months. After that tokens will be gradually released on a monthly basis. X8 Capital AG will be able to use the tokens as a reserve for covering operational costs and will help sustain long-term service after the initial 3-year runway period.

INSTITUTIONAL RESERVE / CRYPTO AIRDROP

27% of the tokens will be reserved for future institutional buyers. It is in the interest of the X8currency to have a broad diversification of its support base. One of them is the institutional base. Institutions will be able to buy larger quantities of X8X utility tokens from the project. The offered price minimum will be 0,1EUR. If the price on crypto exchanges will be higher than 0,1EUR per X8X utility token, we will offer tokens to institutions at the market price.

Each year the project has to fulfil a quota of tokens, sold to institutions:

- Year 1: 7.000.000 X8X utility tokens
- Year 2: 10.000.000 X8X utility tokens
- Year 3: 10.000.000 X8X utility tokens

Any unfulfilled part of the yearly quota gets airdropped on the crypto market.

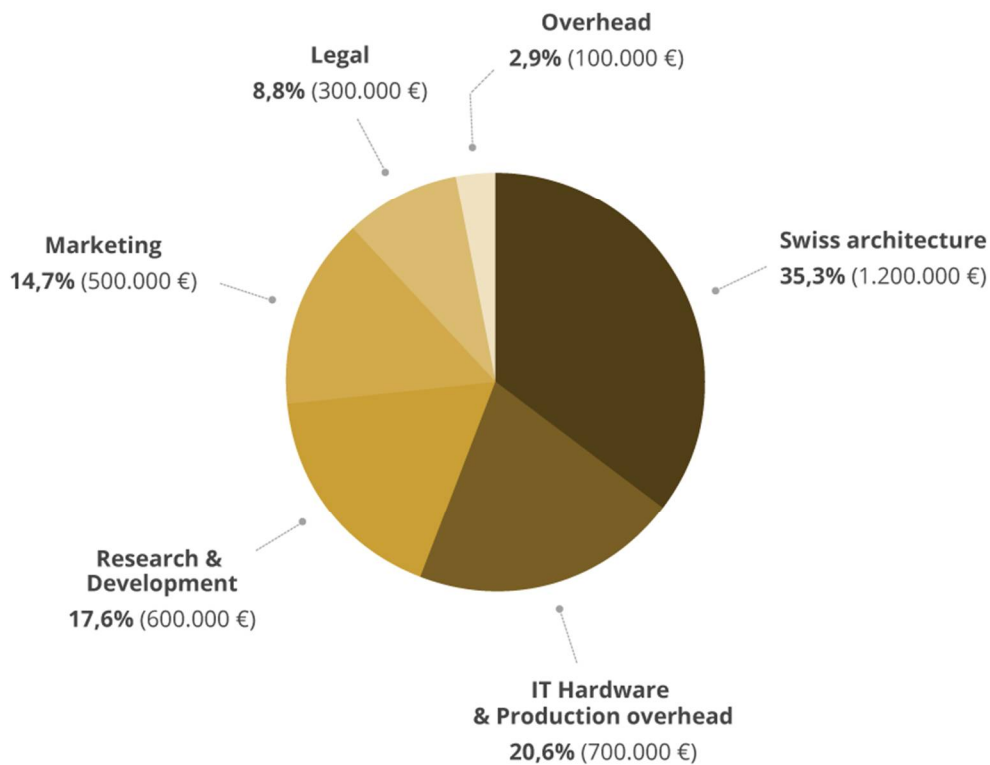
- 50% of the quota will be dropped on ETH and BTC wallets with active balances.
- 50% of the quota will be dropped on existing X8C and X8X holders' wallets.

X8C CURRENCY TOKEN

All tokens are minted on the spot with each payment to the X8 Capital AG bank account (for direct FIAT purchases), or to an X8C smart contract (for direct ETH purchases). The user will receive X8C currency tokens immediately after he or she completes the transaction. User can sell X8C currency tokens back to the issuer. In this case the issuer exchanges the reserves back for the X8C currency tokens. X8C currency tokens, which have served their purpose, are then burned. The price of X8C will be calculated by the system using the input data of the level of reserves and the amount of tokens issued. There will be no other limitation regarding X8C currency token distribution, except for the previously mentioned X8X utility token requirement ($X8X = \sqrt{X8C}$, or $X8X^2 = X8C$).

c. FUNDS DISTRIBUTION

X8 Project Funds Distribution



* funds distribution @ 3,4 mio EUR TGE - 3 year runway and 10 year production sustainability.

d. FUNDS ALLOCATION DESCRIPTION

The pie chart shows fund distribution at a maximum cap level of 3,4 million EUR. Cost allocation predicts a 3-year runway for all of the elements. The largest portion is allocated for the costs of the Swiss architecture and IT hardware and production overhead, followed by research and development, marketing and legal.

SWISS SETUP

Swiss architecture is a major part in our budget and it is where X8currency can work most well from. Benefits of Swiss architecture are global reach and ultimate safety. Funds will be used to finance setup and architecture running costs. This also includes all costs to maintain licensed status and required work with the regulator. We project that the allocated budget for this element (1.200.000 EUR) will support the 3-year runway and activity plan of the company X8 Capital AG. All expenses of the company will be paid from this budget, which means that X8 Capital AG costs will not burden the X8currency reserves.

IT EXPENSES

Expenses for IT hardware represent another major individual category. IT hardware is part of production assets of X8 and overheads for keeping systems running 24/7. This includes costs to run redundant hardware in certified locations, plus all services required to sustain production level from a mechanical perspective. Security is included. There is no mining in the X8 system. Hardware performs its own task and will perform it just as effectively after starting use. Hardware capacity can last up to 10 years in operations and in redundant setups for even longer.

RESEARCH & DEVELOPMENT

Next, a sufficient amount of R&D funding will help X8 implementation and its technological lead in the area of portfolio risk management. This includes implementation of strong blockchain support and operational fusion of traditional and blockchain technology for this area of finance. Proper smart contract management, development and maintenance, strategic capability to tokenize financial investment services, multi-broker X8 setup development and maintenance, payment technology integration, X8 services plus the additional blockchain part of 3-way ARM AI are the main elements of the R&D category.

MARKETING

Marketing is the fourth largest element in the funds distribution. Because of the significance the crypto airdrop has in the token distribution, the marketing share can use it to leverage its effectiveness. The crypto airdrop therefore becomes a part of the marketing budget, which marketing can use to lower the costs of getting the message across to a very broad, yet still highly focused, target audience. This element will also enable broader engagement with the community, which is critical for this type of product. Marketing will be focused on the broadest possible adoption, in which institutions will also be able to participate.

LEGAL

Legal will receive 300.000EUR from the raised budget. This budget will enable our legal team to fund its daily activities. The plan will include cost of IP protection, like the trademark registration costs for nations within G10 and other major markets. The plan for this part of the budget includes all legal expenses required to put X8 infrastructure into place, with the exception of legal costs linked to establishing the Swiss setup, which has its own dedicated budget. Runway for this part of the budget is 2 years.

OVERHEADS

Overheads conclude the projects funds distribution with a fixed 100.000 EUR planned for the general costs of operating a business. Accounting costs, office material costs, telecom services, utility costs and security will be funded from this source.

12. DISCLAIMERS

Please keep in mind that this document is provided for your information only and that under no circumstance should it be considered an effort by X8 AG to either promote or sell stocks or securities on its platform or on any other related or associated company's platform. Please note, this is to be treated as a draft, and is subject to change once the TGE will begin.

X8 Utility Tokens are not securities

Buyers comprehend and fully accept the fact that X8 Utility Tokens are not securities under any circumstance, neither are they registered with any government entity as a security. Buyers comprehend and fully accept the fact that ownership of X8 Utility Tokens does not grant them the right to expect or to receive proceeds, revenue, or other payments or returns arising from the attainment, holding, administration or disposal of, the exercise of, the redemption of, or the expiry of, any right, interest, title or benefit within the X8Currency platform or properties.

X8 Utility Tokens are not to be considered an investment

Although the X8Currency team will do its best to proceed with the project described within this whitepaper and complete it at the best of its ability, unforeseen circumstances might not allow the completion of the project in whole or partially. X8 Utility Tokens can never be considered an official or legally binding investment of any kind and purchasing the token is done at own risk.

No form of warrantee of proceed or revenue provided

The purchase of X8 Utility tokens is done at the buyer's own risk and under no circumstance should the buyer hold X8 AG and accountable for any kind of losses as there are no warranties that the X8 Utility token will in fact increase in value or hold its value. Unforeseen circumstances such as war, strike, riot, crime, or any kind of natural disaster or even any other unforeseen events over and above the control of the X8 Utility token's developers could, at all times, badly affect, even irreversibly so, the token's price.

Risks associated with regulation

TGE/ICOs and blockchain-based cryptocurrencies are mostly unregulated at present. Efforts are being made by various regulatory bodies around the world including central banks and governments to supervise, regulate or even restrict the cryptocurrency market. Such actions will greatly affect the functionality and value of the X8 Utility Token as well as that of other cryptocurrencies.

Risks associated with new technology

X8 tokens and cryptocurrency tokens in general are a relatively new and untested technology. Due to this nature, technology-related unforeseen events may occur at any time. Buyers comprehend and fully accept all types of related risks involved.

Ethereum related risks

X8 Utility Tokens will be issued on the Ethereum platform thus being dependant on it. The functionality of the X8 Utility Tokens will be severely affected should the Ethereum protocol malfunction or fail.

Risks associated with quantum computers

Despite the efforts made by the blockchain community to safeguard the security of cryptocurrency technology, the potential development and deployment of quantum computers or any other kind of advanced types of computers in the future may put this security at risk. In such a case, the X8 Utility Tokens may be affected as well.

No fund insurance provided.

Any and all types of funds collected during PRE-SALE and TGE are in no way insured. Funds may lose their value in whole or completely without warning. There is no legal entity or insurance company, private or public, to turn to should something goes wrong with the funds provided.

Fund refunds

In case our pre-sale campaign and distribution of X8 Utility Tokens is cancelled, the funds collected by X8 AG will be returned back to the wallets of their respective providers.

Pre-sale

X8 AG bears no responsibility to cover any claims made by its pre-sale promoting/marketing associates.

Integration

This whitepaper does not constitute an official agreement of any kind and the information provided herein is for informational purposes only. Project parameters, dates, specifications provided as well as other details technical or not are subject to change without prior notice.