The E-Commerce eNFT® Infrastructure

powered by *Polkadot.*

Whitepaper

Version 1.3.6

"I could absolutely imagine a decentralized Amazon. We've seen the pieces. They're not all connected to one another. They're not all but out or remotely mature, but I could imagine an open platform of many different actors with different roles."

– Joseph Lubin, CEO ConsenSys Systems

"Splyt is opening doors for innovative businesses and entrepreneurial individuals to achieve their potential. The use cases for improving efficiency, transparency and security across the industry are as endless as our imaginations."

– Cyrus Taghehchian, CEO Splyt

Contents

Abstract

Splyt presents a model for a decentralized e-commerce ecosystem regulated by the internal mechanisms of the system and governed by consensus. The new standard will be called the TCP/eNFT: The Transmission Control Protocol for E-Commerce Non-Fungible Tokens. eNFT technology will soon become the backbone of all e-commerce transactions. This means that Splyt is not a marketplace; rather, it is a marketplace of marketplaces. The Splyt protocol provides online businesses with fundamental e-commerce technology infrastructure and marketing reach through the global, blockchain-based inventory system. While most blockchain tech is built to create an insulated market, Splyt provides a Plug and Play option to accommodate existing business, slowly phasing out outdated sales structures in favor of trust and transparency. Markets can plug in the Splyt SDK into their existing platform with simple tools, or new webstores can be created on the Splyt Core platform. Each product uploaded into the global inventory is assigned a newly minted eNFT. This eNFT is stored on the blockchain and carries with it its data, history, and even seller-defined protocols for its use. An eNFT is proof of authenticity, which can help dismantle the knock-off industry. They can be listed on multiple markets, and the global inventory is updated upon purchase, preventing out-of-stock sales. Affiliates can list any eNFT in the global inventory on their market, and a smart contract will self-distribute funds upon successful sale. The owner of the eNFT then collects their payment and dropships the item. This process completely automates a host of manual tasks and time-consuming negotiations. Among these trackable data points include resales over the lifetime of the product, which helps brands monitor retained value over time. SHOPX tokens are used as the internal currency and to facilitate various functions that protect market integrity. Sellers must deposit tokens in order to create an eNFT and list an item, Validators are rewarded with tokens for verifying listings, Arbitrators are rewarded with tokens for successfully mediating disputes, and developers are paid to update the open source technology with tokens after the community stakes tokens in order to take part in the voting process about which updates to make. The completely automated and streamlined process protects integrity, empowers small brands and markets, allows anyone to become an affiliate, and drastically reduces costs. Decentralization is key to creating a fair, equitable, and powerful e-commerce ecosystem.

Today's E-Commerce Market Potential

In less than 25 years, the e-commerce industry has emerged as an integral method for acquiring retail goods and services. Consumers have rapidly incorporated online services into their shopping habits. The number of Americans who shop online has gone from 20% in 2000 to 79% in 2016. The industry's revenue growth reflects this incredible rate of consumer adoption. American e-commerce revenues increased from $25B (0.8% of all retail commerce) in 2000 to $453B (8.9% of all retail commerce) in 2017[1]. Approximately 15% of all American shoppers now purchase something online weekly. The industry's global revenue reached nearly $9.1T USD[2] in 2019.

But while e-commerce makes it easier for consumers to purchase items without the need for a brick-and-mortar storefront, an oligopolistic pattern is emerging. The top ten companies in the US e-commerce space account for $290B[3]. 44 cents of every dollar spent in US e-commerce passed through Amazon in 2017 (up from 38 cents in 2016) across all of its services, with another 14 cents of every dollar spent going through the next three largest players [4]. These companies leverage strong marketing presences and operational infrastructure to inhibit newcomers from threatening their dominance of the e-commerce space.

This massive shift in retail spending did not happen in a vacuum: entire sub-industries have emerged to facilitate the online shopping experience. As the internet evolved to drive changing consumer behavior, so did the nature of marketing, customer service, inventory management, delivery and fulfillment, product and service reviews, customer behavioral analysis, and payment systems to facilitate it.

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[1] https://www.census.gov/retail/e-commerce/historic_releases.html

[2] https://www.grandviewresearch.com/industry-analysis/e-commerce-market

[3] https://www.emarketer.com/Article/Worldwide-Retail-e-commerce-Sales-Will-Reach-1915-Trillion-This-Year/1014369

[4] https://www.emarketer.com/Report/US-e-commerce-Sales-2017-Top-10-Companies/2002164

Splyt Core Reimagines E-commerce

E-commerce is well beyond the need for a complete overhaul. But this assumes that it was ever properly calibrated to begin with. As the internet evolved and e-commerce emerged as a dominant market force, standards and protocols were guided by necessity and personal interest. Lack of planning and vision has allowed a select few players to rise to the top, with Amazon in a commanding and overpowering lead.

- **Splyt Core introduces the TCP/eNFT**: The Transmission Control Protocol for E-Commerce Non-Fungible Tokens. This brand-new protocol outlines the guidelines and procedures that will reinvent global e-commerce. A "Splyt" economy; decentralized and infinitely scalable with the flexibility needed to overcome any changes and obstacles that may develop along the way. All while providing a fair and balanced ecosystem that empowers the smallest brands while gracefully accommodating the largest brands with Plug and Play functionality.

- **Automating Tasks to Integrate Trust:** The power of eNFT's and smart contracts on the blockchain coupled with Splyt Core functionality automates the e-commerce experience, removing guesswork, removing the middleman, removing inefficiencies, and building trust into the inner workings of the system. Double sale, inventory management, affiliate contracts, negotiations, product authenticity/knockoffs, product markups/scalping, User reputation, and Seller integrity are all managed simply by participating. Instead of relying on individuals, we can instead trust the platform.

- **Decentralizing to End Censorship:** There are many positive takeaways to Amazon's business model, which is why it has come to dominate the industry. However, centralized ownership allows for unethical censorship of any product or seller on their platform. Amazon regularly removes competing items, and even copies and replaces them. Removing an item from a decentralized market does

very little to harm a brand that is listed on fifty different websites.

- **Combining the Old and New**: Replacing Amazon and creating a new, more fair e-commerce environment does not mean ignoring the successes of the past. Decentralized control and ownership of a streamlined, centralized system will create the best of both worlds. Warehouses, delivery fleets, and automated fulfilment processes will continue to reduce costs and continue to invite small, underfunded brands towards the Splyt Core platform.

The Decentralized eNFT Based Global Inventory

Splyt Core relies on eNFT's to catalogue and monitor its global inventory on a blockchain. These E-commerce Non-Fungible Tokens are unique identifiers assigned to each and every item. Because they are stored on a blockchain, they cannot be duplicated or tampered with. This simple function carries a vast array of capabilities and is the basis of how the new economy will run.

- eNFT's are stored with two sets of data: Sales data and meta data. Market and sales data is purely sales relevant, and metadata is purely search relevant.
- Market and sales data is stored on-chain while all other metadata is stored on a datastore layer - either decentralized (i.e. IPFS) or centralized (i.e. MongoDB).

When a seller uploads an item into Splyt Core, a unique eNFT is assigned to that item for the duration of its lifetime in the ecosystem. When an eNFT is purchased from any market, the blockchain is updated and the item is removed from available digital inventory. This makes it impossible to purchase an item that is out of stock. This also allows eNFT's to be immediately restocked on any market that had previously listed it. This also indicates to the buyer that, no matter which market he or she is shopping in, they are always getting the best price.

For example, a Seller uploads an item into the eNFT database. Five markets (e-commerce stores, influencers, affiliates, etc.) add the item to their website. When one market sells the item, each other market has the item removed from their inventory. The previous Buyer then reuploads the item for resale. All five markets immediately have their inventories refreshed without pressing a button. None of this requires any interaction between Sellers and their various Affiliates.

The eNFT Lifecycle

As a product is bought and sold and moves through the Splyt ecosystem, the eNFT remains attached. There are several different opportunities to capitalize on here. Buying and selling can be tracked, tracing consumer behavior. This free information can help brands react quickly to market trends. It will also be possible for a Seller to attach a resale fee for any future sale of a freshly minted eNFT. These measures will help deter scalpers from buying and reselling for high prices. And even if they did, it would only be to the original Seller's benefit.

As Splyt becomes more widely adopted, buyers and sellers alike will develop large eNFT "wallets" that represent their purchase history. These accumulated eNFT's can be bought, sold, and eventually even traded with a single click. If a user wants to resell an eNFT, they need only to press a button, and it will automatically restock on any market that had previously listed it. The restocked eNFT will carry its purchase history with it, showing up as "used" or "previously owned" in market inventories.

Simple convenience and functionality alone will discourage users from reuploading products as their own with a newly minted eNFT. But if that disincentive fails, their purchase history will be sufficient proof of fraud should the need for proof arise.

The eNFT Pallet on Polkadot

Polkadot, in contrast to Ethereum, requires fewer validators, which results in shortening the transaction finality time (12 - 60 seconds). Polkadot's Parachains (parallel blockchains)

are meant to process more transactions than a single blockchain, spread across multiple computers. Their governance decision can be made on-chain, which enables upgrades without hard forks. With this, Splyt can easily adapt and upgrade as technologies improve, ensuring we are continuously at the forefront of industry.

Polkadot is built on Substrate which uses "pallets," modular blocks of code, and ships with FRAME for runtime development. Substrate developers can make their own pallets, reuse ones that have already been made, or they can use up to 50 pre-made pallets that come with Substrate. Below is a pallet written in Rust, the language Parity used to create Substrate:

```rust
//! # Splyt eNFT Protocol

pub trait Asset<AssetID> {


    enum AssetTypes { NORMAL, FRACTIONAL }
    enum Statuses { NOT_MINED, ACTIVE, IN_ARBITRATION, EXPIRED, SOLD_OUT, CLOSED, OTHER }

    type SellerAddress;
    type ListOfMarketPlacesAddress;
    type AssetID;
    type Term;
    type AmountFunded;
    type TotalCost;
    type ExpirationDate;
    type KickBackAmount;
    type Title;
    type InitialStakeAmount;
    type Contributions;
    type Arbitration;
    type InventoryCount;

    fn set_status(Statuses);
    fn get_marketplace_by_index(index: u32);
    fn get_marketplace_length()
    fn add_marketplace(marketplace: address)
    fn add_inventory(quantity: u32)
    fn subtract_inventory(quantity: u32)
  fn set_inventory(qty: u32)
    fn is_only_affiliate() -> bool


```

```
}


pub trait Order<OrderId> {

    struct Contribution {
        contributor: address;
        amount: u32;
        date: u32;
    }

    struct Order {
        version: u32;
        orderid: u32;
        asset: address;
        buyer: address;
        quantity: u32;
        paidamount: u32;
        status: Statuses;

        reason: Reasons;
        contribution: Contributions;



    }

    enum Statuses { NA, PIF, CLOSED, REQUESTED_REFUND, REFUNDED, CONTRIBUTIONS_OPEN,
CONTRIBUTIONS_FULFILLED, OTHER  }
    enum Reasons { NA, DEFECTIVE, NO_REASON, CHANGED_MIND, OTHER }

    type Version;
    type Orders;
    type FractionalOrders;
    type OrderIdByIndex;
    type Index;

    fn save (orderid: u32, asset:address, buyer:address, quantity:u32, paidamount:u32) ->
bool;
    fn set_status (orderid: u32, status: Statuses) -> bool;
    fn get_status (orderid: u32) -> Statuses;
    fn get_paid_amount (orderid: u32) -> u32;
    fn get_asset_address (orderid: u32) -> address;
   fn get_quantity (orderid: u32) -> u32;
    fn get_total_contributions (orderid: u32) -> u32;
    fn save_fractional (orderid: u32, asset: address, contribution: address, amount: u32,
status: Statuses) -> bool
    fn add_contribution (orderid: u32, contributor: address, amount: u32, status: Statuses);

    fn get_factional_order_id_by_index (assetaddress: addresss) -> u32;
    fn get_buyer (orderid: u32) -> address;
    fn get_asset (orderid: u32) -> address;
```

```
    fn get_order_by_order_id (orderid: u32) -> Order;

}



pub trait OrderManager<OrderMangerID> {

    enum Statuses { PAID, CLOSED, REQUESTED_REFUND, REFUNDED, ARBITRATION, OTHER }
    enum Reasons { DEFECTIVE, NO_REASON, CHANGED_MIND, OTHER }

    type OrderData;
    type SplytManager;


    fn purchase (orderid: u32, assetaddress: address, quantity: u32, tokenamount: u32,
marketplace: address) -> bool;
    fn create_order (orderid: u32, asset: Asset, quantity: u32, tokenamount: u32);
    fn is_fractional_order_exists (asset: address) -> bool;
    fn contribute_order (orderid: u32, asset: Asset, tokenamount: u32);
    fn set_status (orderid: u32, status: Statuses) -> bool;
    fn get_status (orderid: u32) -> Statuses;
    fn calc_distribution (totalcost: u32, length: u32, kickbackamount: u32) -> u32;
    fn approve_refund (orderid: u32) -> Statuses;
    fn request_refund (orderid: u32) -> Statuses;
    fn get_total_contributions (orderid: u32) -> u32;
    fn set_splytmanager (address: address);
    fn get_data_contract_address () -> address;
    fn get_data_contract (orderdata: address) -> OrderData;
    fn get_fraction_order_id_by_asset_address (asset: address) -> u32;
    fn get_order_info_by_order_id (orderid: u32) -> OrderData;
    fn get_order_info_by_index (index: u32) -> OrderData;
    fn get_contribution_length (orderid: u32) -> u32;
    fn get_contribution_by_order_id_and_index (orderid: u32, index: u32) -> u32;



}
```

# The Splyt Core Token: SHOPX

The applications of the SHOPX token do well to mirror Splyt Core's primary functions:

1. As the internal method of exchange, tokens enable users to access Splyt Core to buy and sell inventory, stored as eNFT's, on the global inventory blockchain.

2. When listing an item, the Seller must deposit tokens in order to mint a new eNFT that will then be assigned to their item. This procedure is used to prevent spam and fraudulent behavior.

3. Tokens will be used to compensate Validators and Arbitrators whose jobs are to regulate integrity, as well as fund future development.

4. Tokens represent each user's voice in the self-governing system. Staking tokens allows users to vote for new regulations and network updates. Staking more tokens for a longer period of time gives the user a bigger voice.

The Splyt Connector

Splyt Core makes adoption simple with easy-to-implement tools. Any website can enable Web 3 capabilities, such as smart contracts, digital tokens, and decentralized web services. These factors work together to help the buyer, seller, marketplace, or any other e-commerce participant to improve his, her, or its experience and maximize value in any Splyt Core transaction.
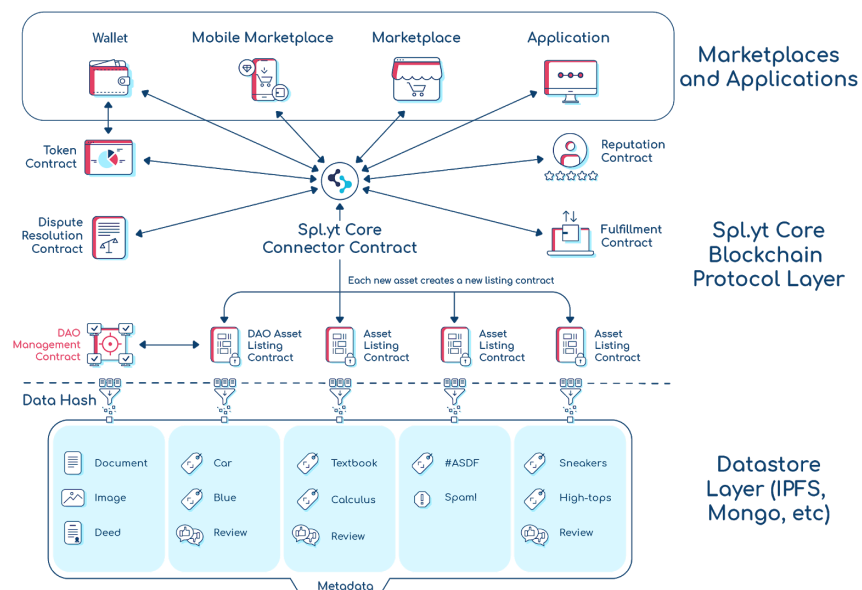
Markets connect their web stores to Splyt Core using one of our clients for Shopify, Woo Commerce, Magento, and or an SDK to connect their e-commerce store and upload

inventory to the blockchain as an eNFT. It maintains the live inventory updates across all platforms on which their products are placed.
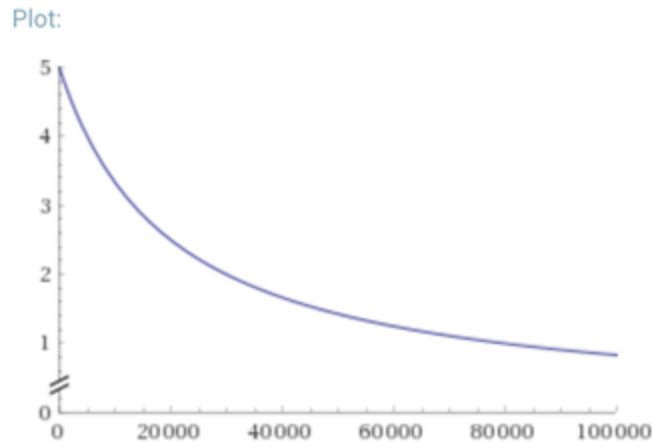
Seller Integrity

Sellers must deposit a small number of SHOPX tokens to mint an item under an eNFT to deter spam and fraudulent listings. Frontloading fees in this way may increase Seller anxiety, but it reduces fees overall and promotes integrity. A few things can happen to these deposited SHOPX tokens. They can be returned to the seller upon a successful sale, or they can be sent to the buyer/arbitrators depending on successes or failures exhibited throughout the transaction. The arbitration process will be discussed in the Arbitrator section.

Splyt Core does not use fixed or linearly-calculated deposits (based on the price of the item) because those methods would be inconsistent across various circumstances. For example, a fixed Deposit amount may discourage low-value item Sellers to use the Splyt Core system altogether while Sellers listing higher-value assets might not be adequately disincentivized from engaging in bad behavior given the potential payoff. Linearly-calculated Deposits are also imperfect because legitimate high-value item Sellers may find it uneconomical or unaffordable to place a large capital deposit in escrow without any guarantee of return.

Instead, Splyt Core calculates required Deposit amounts with the following formula for first-time Sellers:

$$f(x) = 1{,}000{,}000{,}000{,}000{,}000 / (x + 200{,}000{,}000{,}000)$$

This formula optimizes the accessibility for Sellers to use the Splyt Core system across all listing prices, as demonstrated by the following curve:

Plot:

Where Y-axis is Deposit % and X-axis is price of goods

A Return Policy with Dual Functionality

One more layer of Seller integrity is the return policy. A successful purchase does not immediately result in the fulfilment of a Smart Contract. Escrowed funds will not be released to the Seller until the Return Policy timeframe has ended. This automates the refund process, making it instant and effortless. This also alleviates Buyer anxiety by ensuring the possibility of a quick, guaranteed refund should the need arise. Their funds are waiting in the cloud as collateral for a satisfactory exchange. The escrowed payment also puts increased pressure on the Seller to make sure the sale goes through as planned.

If a Seller wants to retrieve the escrowed funds sooner, they will have the option to take out a DeFi Loan against the amount escrowed minus interest. When the return policy expires, those funds are then released to the lender. The p2p lender can choose any loan request available and make a decision based on the Seller's reputation. To help manage risk, loan requests will be accompanied by an email to the Buyer to inquire into satisfaction. Yes, maybe, and no indicate low, medium, and high risk loans.

Affiliate Marketing and Sales Bounties

Current affiliate marketing dynamics are completely inefficient and riddled with fraud. Scams and lost revenue and time runs both ways. Unethical affiliates can use web-crawlers or bot click-through hits to leech money from brands. Often the larger brands turn to established affiliate networks like ClickBank or ShareASale who then charge enormous commissions. On the other hand, it can be hard for brands to accurately compensate affiliates through affiliate links or coupon codes. Legitimately directed traffic and sales get lost or even ignored.

The power of eNFT's and smart contracts standardizes and automates the affiliate marketing process. When a Seller puts an eNFT up for sale, they will have the ability to embed a sales bounty based on a percentage of the sale. For example, if a Seller lists a product for 100 SHOPX tokens, they might attach a 10 SHOPX bounty to incentivize Affiliates to list their product as well. If an Affiliate completes the sale, the 10 tokens are automatically transferred to their account, while the Seller takes the remaining 90 and dropships the item to the Buyer.

```
// Calculate how much seller gets after affiliate bounty taken out
function calcDistribution() public view returns (uint, uint) {
    uint bountyWitheld = bountyAmount / listOfMarketPlaces.length;
    uint sellerGets = totalCost - bountyWithheld * listOfMarketPlaces.length;
    return (bountyWitheld, sellerGets);
}

function releaseFunds() public {
    if (isFunded()) {
      TrackerInterface trackerContract = TrackerInterface(tracker);
       uint mpGets;
       uint sellerGets;
       (mpGets, sellerGets) = calcDistribution();
       trackerContract.internalRedeemFunds(this, seller, sellerGets);
```

```
        for (uint i = 0; i < listOfMarketPlaces.length; i++)
            trackerContract.internalRedeemFunds(this, listOfMarketPlaces[i], mpGets);
    }
}
```

As mentioned before, this process requires zero interaction between Sellers and Affiliates. No possibility of fraud on either side, no possibility of time lost. No negotiation.

Affiliates and Collective Commerce

Currently, brand collaborations can be hard to navigate, and many companies only spend time working with celebrities or influencers. This leaves a lot of potential Affiliates behind. Creating a personalized Splyt Core webstore is as easy as browsing different brands and inventories, clicking to add products you love, and Splyt Core handles the rest. A fashion marketer can style specific looks and outfits without ever speaking to the respective brands.

Splyt Core gives these small marketers a unique opportunity to curate a selection of products that serves the wants and needs of their individual communities. Through collective commerce, communities can support each other and their webstores by selling each other's products and promoting each other's products and webstores without the need of writing contracts or creating their own infrastructure. Also, having a product listed across multiple stores helps prevent larger markets or conglomerates from censoring individuals at their discretion.

Simplifying this process and negating the need of having an inventory may also see the end to MLM schemes and other parasitic marketing scams that prey on small communities. These people are prepared to work hard and know their target audience, but don't have access to the products and inventories that would empower them to make a difference where it is needed the most.

Brand Empowerment

Brands connect their web stores to Splyt Core's blockchain catalog database, creating a global self-updating inventory from which all participating e-commerce stores and affiliates can select other brands to cross-sell on their own web stores. E-commerce stores and other affiliates become the new "wholesalers," promoting, selling, and growing brand exposure for other brands. This creates brand exposure in new audiences and sales that would have otherwise not been made for the brand. Splyt collapses the e-commerce supply chain creating a true peer-to-peer system at every stage of the supply chain.

Splyt Core will both increase positive brand exposure and decrease unwanted exposure. Removing bureaucracy and simplifying the listing process will allow markets to curate small brands who are innovating in ways their larger competitors cannot or will not. These brands may not have the infrastructure required to market themselves properly or to handle large amounts of orders. However, the globally updated database will prevent sales out of stock and allow these small brands to scale comfortably without getting overloaded.

Conversely, some brands may not want to be associated with certain images or products. Any Seller will have the ability to dissociate their eNFT with other eNFTs that carry undesired meta-data. For example, an eco-friendly seller of baby products may not want to be in the same market as guns or alcohol. This will help maintain brand image across entire markets and the entire lifespan of the product within the Splyt Core ecosystem. Sellers simultaneously relinquish control of their products to the design of the system while maintaining a tighter control then they ever had before.

DeFi Inventory Lending

Splyt Core aims to provide multiple new paths towards growth and productivity for current and emerging brands. Inventory lending drastically reduces risk for the lender

and opens up potential credit lines for brands with no credit history or bad credit history. Without access to capital, it becomes nearly impossible for these emerging brands to compete with established brands. This becomes a problem when consumer demand starts trending towards small brands with strong ethics or sustainable practices.

The Splyt Core Finance (DeFi) protocol creates collateral-based loans that aren't dependent on sales history or credit. If a brand seeks a loan, their assets are minted as eNFT's and moved into a Splyt Core warehouse as collateral. Now that their inventory is on the blockchain, accumulated sales data can be used to assess risk/value and determine the loan percentage against the inventory. For example, a lender can then loan out $10k against $40k of inventory, knowing that they can quickly liquidate the appropriate amount of assets if the borrower defaults.

Based on the sales data, the lender and borrower negotiate interest rate and the loan repayment deadline. During the deadline, money from items sold in the warehouse go to repay the loan plus interest and a 1% transaction fee to Splyt Core. The borrower can repay the loan directly at any time. If the loan is not paid within the deadline, the lender can then liquidate the items in the warehouse until the rest of the loan is paid. The liquidation speed is calculated by the ratio of inventory proportionate to the loan vs the inventory value determined when the loan was granted.

Splyt Core will have a flash sale e-commerce store that utilizes the affiliate sales protocol. This flash sale store is specifically created for liquidating the collateralized assets against loans. It will also serve as a digital sample sale store for brands looking to move lingering inventory from seasons past to omit the existing waste problem within the fashion industry. Brands can even automate this process with meta data indicating the current season and the upcoming sale season. This dual-function will ensure consistent traffic in the flash sale e-commerce store.

As Splyt Core develops, measures will be taken to ensure the flash sale store is utilized correctly. Users must be encouraged to clear these inventories without relying on them,

and Sellers must be encouraged to place old or off season products here without worrying about customers waiting for a sale to occur.

Global Marketplace Reputation

The main problem with traditional review systems is that they are managed internally. Reviews on one website do not carry over to other sites listing the same product. This can have both a positive and negative effect on the brand, and always has a negative effect on the buyer. This is because both good and bad reviews can go unnoticed. This is valuable information for buyers and sellers alike and spreading reviews across multiple websites may not paint an accurate picture of each product. Also, a large number of reviews grouped together always looks more impressive than a handful spread thin.

Splyt Core's product and user reputations follow them across all marketplaces, helping products accumulate a large and accurate pool of reviews while disincentivizing malicious or fraudulent user behavior. No one wants to be haunted by a bad reputation.

1. Individual User Reputation: Individual Users (including brands) will have basic reputations based on their buying and selling activity. Successful transactions raise User reputation. Established sellers will also be rewarded for their good reputations with lower listing deposit fees. Users lose reputation in three ways:

- After purchasing an item from the User, a Buyer can dispute the purchase. Disputes lost this way lowers the User's rating. (Discussed in the Dispute Resolution and Market Agents section)
- Listing a fraudulent/spam item, being flagged, and then losing arbitration to a Validator lowers the User's rating. (Discussed in the Validator section)
- Being purchased from and then losing a dispute on the purchased item lowers the User's rating. (Dispute Resolution)

2. Product Reputation: Upon purchase and delivery, the Buyer can immediately rate the item. That rating is stored in the eNFT meta data. To further incentivize the rating system,

Users can be rewarded by the Seller for leaving quality reviews. More expensive items receive larger rewards, though all rewards will be comparatively small, likely in the form of tokens or loyalty discounts.

3. Market Reputation: Markets will receive basic reputations based on User experience. Just like Users can incentivise ratings on their products, affiliate-run markets can incentivise ratings on their stores.

4. Community Driven Balance: As Splyt develops, rating rewards can be subsidized by the token pool. The community can vote to increase rewards for rating underrated products and markets to encourage a decentralization motive within the system. New products and marketplaces will see their reputations grow quickly as customers rush to fill in the gaps. These layers together will create the strongest review and reputation system possible.

5. Real World Application: This all may sound a bit convoluted, but it can be outlined very simply: A Buyer may find themselves browsing markets, and decides to visit one with a good reputation. There, they select an item of interest. This item's Seller has a fantastic 95% reputation, but the item itself has a mediocre three star rating. A similar item listed side-by-side has a User with a mediocre 60% rating, but the item has a five star rating. The first item also has thousands of reviews, while the second has only a few. The Buyer decides to buy the three star item because he knows the Seller is trustworthy. They also flag the other item for potential fraud.

The Buyer decides not to rate the market on their way out because they in fact did not like it as much as other Users did, and doesn't plan to return to capitalize on loyalty rewards. But they do rate the item upon delivery because the rating was appropriate for the price paid, and the Seller offers competitive rating rewards. The Seller's reputation then increases, and overall very little effort was made on the Buyer's part to facilitate the inner workings of the system.

Dispute Resolution and Market Agents

Any transaction agreement may create a dispute between its parties after the agreement has been executed. E-commerce transactions are no exception, and anyone who frequently buys or sells items online has appealed to a marketplace for a refund for sub-satisfactory service, to contest a malicious review, or to report fraudulent listings. Because decentralized services do not inherently provide such dispute resolution mechanisms, a method must be created.

Arbitrators, Validators, and the Double Staking method will be used as a last resort to completely solidify market integrity.

Splyt Core handles dispute resolution based on the double staking method. The risk/reward involved in a typical litigation process encourages prosecution when faced with the promise of a large payout. The same factors discourage bad faith behaviors under threat of losing assets. The double staking method automates this same motivation on a small scale. The steps are as follows:

1. Seller makes the required deposit on their listing. Let's say 5 tokens.
2. Buyer opens a dispute after purchasing.
3. Seller has 48 hours to either concede their 5 tokens to the Buyer or double stake their deposit. They stake 5 more tokens for a total of 10.
4. Buyer has 24 hours to either back down or match the total stake, 10 tokens
5. At any point in the process, the parties can come to a personal agreement without losing tokens.
6. Arbitrator steps in and evaluates the claim. Both parties present their evidence within 48 hours, and the Arbitrator reviews within 72 hours.
7. The winner of arbitration gets their tokens back and half of the loser's tokens. The arbitrator gets the other half (in this case, the winner gets 15 and the arbitrator gets 5)

Ideally, the arbitration process should be avoided at all costs. Sellers will not want to risk time and money by posting a fraudulent listing. Not only should arbitration be avoided, but the buying process should be as smooth and as transparent as possible to create an atmosphere of trust that cannot be undermined by an unlucky arbitration that, for whatever reason, did not have the desired outcome. The goal for the Seller is to create an environment where losing an arbitration is nearly impossible due to the air-tight nature of their operations. And as mentioned before, payment does not release from escrow until the return period has ended, which puts even more pressure on Sellers to ensure high quality service from start to finish.

However daunting it may sound to become a Seller on the Splyt platform, selling with integrity is as easy as avoiding outright fraud. These measures are used to prevent bad actors from disrupting a fair, open market and driving up prices.

Arbitrators

The arbitration process is anonymous and random, to protect identities. Arbitrators participate because of the financial incentive and a shared desire to hold the community accountable.

In order to be considered an Arbitrator, one must stake tokens; the higher one stakes, the higher the financial value of dispute you can be a candidate for. Arbitrators will be chosen at random once the network can accommodate for it. To prevent higher staked Arbitrators from receiving a higher number of random claims, a time-weighted system will be used to ensure equal distribution of claims. The longer an Arbitrator has gone without a claim, the higher chance they will be given to receive the next one.

Just like any other actor in the system, Arbitrators will have reputations that affect their frequency of selection. This reputation is calculated in three ways: timely responses to claims, reviews from the disputed parties, and bonuses/penalties for ruling in the favor of users with good/bad reputations. In other words, they must respond to and settle claims

within the timeframe of the dispute, which will be a three-five day window. The involved parties will have the opportunity to send an anonymous review of the process. And finally, Arbitrators who carelessly vote in favor of parties with bad reputations will be shown to have weaker judgement.

Validators

Users will also have the opportunity to become Validators. These agents stake tokens into the Validator Fund as collateral towards good faith behavior. They operate through the double staking/arbitration procedures described above.

When a spam/fraudulent listing is posted, Splyt users have the ability to mark the listing as such. In current systems, a high ratio of spam:views causes listings to be disabled. Splyt Core instead sends that flagged listing to a random Validator, who can then dispute the listing based on the double stake method.

1. Validator stakes equal tokens against the Seller's deposit.
2. Seller can either back down and forfeit their tokens or double stake.
3. Validator can either back down and forfeit their tokens or double stake.
4. Dispute gets sent to Arbitrator.

A Validator's reputation is based on a simple calculation: wins vs losses. Seller-forfeited disputes count as half wins, and Validator-forfeits count as half losses. Should their reputation fall low enough, not only will the Validator have lost tokens during disputes, but will also lose the tokens staked in the Validator Fund and be forced to resign, unable to join again.

The Decentralized Amazon Replacement

The Splyt team recognizes that virtually every project begins centralized. Until that time when the system naturally becomes fully decentralized, the entity referred to as The

Foundation will guide that process.

The Foundation is a Non-profit entity to avoid the influence of stockholder interests and expects Splyt Core to be significantly decentralized at the time SHOPX tokens are distributed to participants. The Foundation firmly believes that the true value of blockchain-based systems is the power to create consensus-enforced protocols that ensure a product or system's network effect is distributed nearly proportionately among all stakeholders, without any intermediary controlling decision-making and reaping oversized benefits.

Therefore, the Foundation strives for every material decision that affects the Ecosystem to be made by consensus. The Foundation believes that with interest by the community, it can achieve the necessary protocols and infrastructure to reach the point where it will be a relatively insignificant contributor in the decision-making process and the overall evolution of Splyt Core because of the vast number of participants in the consensus-driven decision making process. We hope to achieve this goal within seven years.

Governance Protocol and Decentralized Development

The Foundation believes in the power of open-source software as a driver of development, involvement, innovation, and adoption. All software created by the Foundation will be available on GitHub (or similar type of publicly orchestrated repository) under an open-source license to aid in use, contribution to, or legal analysis of Splyt Core. Although the Foundation controls its repository, it encourages others to initiate their own coordinated efforts to help drive Splyt Core's accessibility and success.

All future development features can be voted by Splyt users. In order to take part in these quarterly voting periods, users once again stake tokens. The power of your voting

stake is calculated by three factors: the number amount, the time you are willing to lock up that amount, and a diminishing return for large numbers.
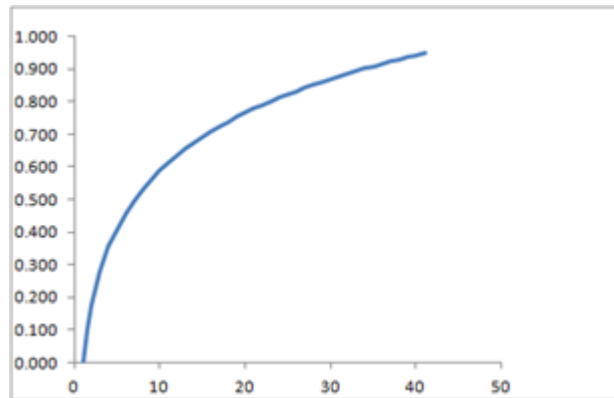
X-axis represents tentative number of accumulated tokens in order to obtain 1 unit of voting rights represented on Y-axis

Decentralized, consensus based governance is integral to Splyt Core's continuing longevity and integrity far, far into the future. Creating and maintaining a fair voting process will prevent degradation of the system and allow our ecosystem to evolve and scale as time goes on. Splyt Foundation's governance mechanism is available for every network participant that is willing to stake tokens as the measure of their voice. Participation is crucial to each individual who not only believes in the longevity of the Foundation, but who understands that their input has a direct impact on the output of a system that affects their daily life.

A final note on the various forms of token staking: Deposited tokens, staked tokens, and the lockup period for voting encourages dedication to the system and reduces volatility of the token while also maintaining a large pool of high-value tokens that can be utilized by Splyt Core's various services and reward programs. These and other functions, such as the return policy, all come full circle within the system, serving multiple different functions and creating an air-tight flow.

Maison Du: Splyt's First Use Case

Maison Du will be the first use case on the Splyt blockchain platform. Maison Du is focused on the luxury industry, an industry expected to be a $115B e-commerce market by 2025. The luxury industry is rapidly moving online, reactive to the pandemic climate. Many industry leaders have stepped back and challenged out-dated sales models and focused conversations around how to create a more supportive marketplace for emerging luxury brands. This creates a very large marketplace hungry for solutions, with Maison Du pioneering with a global blockchain database which revolutionizes the sales and partnerships models.

Luxury brands traditionally must go through and pay wholesale stockists for customer acquisition. Stockists set advantageous profit-share terms for themselves and don't synchronize inventory, creating a logistics nightmare and a space hard to scale in for emerging brands. With the move online, brands are competing for market share against big-name multi-brand e-commerce retailers. Maison Du and Splyt are creating solutions for brands to grow their sales and brand awareness through stylists, affiliates, and drop-ship terms with larger e-commerce stockists. Maison Du is launching with approximately 2,000 stylists, affiliates, and luxury brands.

Migrating from Ethereum to PolkaDot

Splyt Core platform was built on the Ethereum network, as the first project to introduce a public sidechain as a scalable network solution for eNFT (e-commerce NFT) tokens. As the industry and technology evolve and improve, we believe that the Ethereum network alone no longer enables sustainable growth in size and quality for Splyt.

E-commerce platforms should be able to accommodate high volume and frequency transactions without compromising speed and reliability. Crunching an e-commerce platform on the Ethereum live blockchain network will very likely increase transaction costs, while slowing down the transaction speed with very limited controllability.

To resolve this issue, Ethereum 2.0 has adopted sharded blockchain protocols to achieve scalability. And all and every shard in Ethereum 2.0 employ the same state transition function (STF), which the Ethereum Wasm ("eWasm") interface for smart contracts.[5]

Despite this update, Ethereum 2.0 still has some shortcomings. Ethereum 2.0 requires a large number of validators that results in slowing down the transaction finality time (6 minutes - 12 minutes),[6] a time which pales in comparison to the process time for Polkadot. In its governance process, Ethereum 2.0 is expected to be off-chain, which requires coordination for a hard fork to update the network. Ethereum 2.0 also requires blockchain network builders to use a single interface like eWasm, which allows very limited controllability on each blockchain.

Polkadot, in contrast, requires fewer validators that results in shortening the transaction finality time (12 - 60 seconds). Polkadot's parachains (parallel blockchains) are meant to process more transactions than a single blockchain, spread across multiple computers. Polkadot's governance decision can be made on-chain, which enables Polkadot upgrades without hard forks[7]. With this, Splyt can easily adapt and upgrade as technologies improve, ensuring Splyt is continuously at the forefront of industry.

While Ethereum focuses on distributed finance and smart contract execution, Polkadot is intended to enable building entire blockchains and integrating these blockchains with each other. Polkadot better enables scalable blockchain infrastructures[8]. It is intended to enable cross-blockchain transfers of data and assets, in addition to tokens, and to communicate and interact with a larger network. By utilizing Polkadot's bridges in conjunction with parachains, the Splyt ecosystem can accept, validate, and execute an NFT utilizing any blockchain currency. This enables easier buying, selling, and trading of NFT's and eNFT's for end users, expands our consumer audience, and provides more cost-efficient solutions.

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[5] https://wiki.polkadot.network/docs/en/learn-comparisons-ethereum-2#docsNav
[6] https://wiki.polkadot.network/docs/en/learn-comparisons-ethereum-2#docsNav
[7] https://www.coindesk.com/polkadot-defi-next-ethereum
[8] https://www.purestake.com/blog/ethereum-vs-polkadot/

Noting the primary function of Polkadot, in comparison to Ethereum, it is the natural and obvious transition to migrate Splyt over to Polkadot. Polkadot's mission to maintain true decentralized governance best aligns with the Splyt ethics and goals as a business. Polkadot best enables extensive flexibility and autonomy to build a sustainable decentralized e-commerce ecosystem to meet Splyt users' needs. It is a network that creates security through the community, but enables independent use cases with few limitations.

Splyt will continuously research Polkadot and keep users updated on any progress and changes on the Ethereum-Polkadot migration.

Frequently Asked Questions

Why decentralization?

The call for a decentralized "free market" has been growing louder as we begin to realize the strengths of such a system. It isn't until now that conceptualization has been able to join with innovative technology to create a model that is global, scalable, able to withstand complexity and change, and highly resistant to fraud. Splyt Core is the first and only entity of its kind.

The power in decentralization comes in multiple parts. First, with the right mechanics, many different processes can be automated. Not only does this include tedious manual tasks, but even person to person communication can be avoided by relying on the functions of the system instead. Second, attention and resources aren't pooled in one area, creating oligopolistic entities that can censor individuals and dictate terms. Finally, new rules and system updates can be decided by consensus, ensuring that only the most efficient protocols are implemented, unmotivated by personal gain.

Why nonprofit?

The nonprofit, non-stock corporate entity model is well suited to avoid influences that may corrupt its mission of serving token-holders and users through a decentralized protocol. For-profit entities favor maximizing profits, which are not aligned with users and customers, society, or even useful products' survival. Concepts like profit maximization, executive fiduciary duties, and pressures from forces like hostile takeovers can promote informational asymmetry, aggressive exploitation of steep bargaining leverage, oligopolistic markets, and psychological manipulation of users and customers through advertising. If true decentralization of control for the benefit of customers is the goal, a profit orientation simply is not the most aligned model for success.

Is Splyt Core a marketplace?

Splyt Core is not a market place. It is a marketplace of marketplaces. Think of Splyt as the TCP/eNFT: the conceptual model and set of communications protocols used in e-commerce. It is a self-enforced system that streamlines tasks and resources within the e-commerce industry. Markets can either plug into the Splyt platform or can start fresh within it.

Why blockchain?

Blockchain is currently the only way to create a platform that is decentralized and immune to data corruption and system-wide hacks. It's not enough to create a fair and equitable economy on theory alone. It's possible to imagine and plan such a concept, but the only way to have it work as intended is for the technology and machinery to be functionally decentralized.

Are eNFT's corruptible? Can someone screenshot my art and steal it?

eNFT's are only as fallible as the blockchain itself, and blockchain is as secure as it gets. eNFT's are stored on the chain.

Further, a copy of a piece of digital art could possibly be resold, but without the authentic, verified eNFT to match, no serious buyer will consider it to be a genuine copy. Unverified copies of artwork will have no resale value, so it isn't a serious concern.

What sets Splyt apart from similar projects from the past and present?

Most other companies have been building tech with the expectation that users will completely abandon the current system in favor of their own. But even a flawless, revolutionary platform will never be adopted if users are expected to drop everything and jump ship at the same time. Also, large companies have little incentive to bleed profit during the transition while they're already at the top of their own ecosystem.

Splyt offers a Plug and Play option that is crucial towards bringing this tech to the mass market. Large companies won't face the inefficiencies of a massive change in protocol, but will also be able to keep up with and accommodate the changing landscape.

Why now?

Timing is crucial, and we need to move before this window of opportunity narrows.
On the surface, the US only officially recognized cryptocurrency in 2020. It's as legitimate as it has ever been. More importantly, blockchain technology itself has only recently advanced to the point where it is viable and scalable enough to accommodate widespread adoption.

Upon closer observation, it is clear to see that everyone is now online as a result of Covid. Not only that, but the free time we have been given, along with the increase in e-commerce, has dramatically increased the awareness around business transparency and the implications of online marketing. Retail giants have cornered the market and are now taking advantage of their position. The public is hungry for solutions.

LEGAL DISCLAIMER

PLEASE READ THIS SECTION (AND THE WHITEPAPER GENERALLY) CAREFULLY. YOU SHOULD CONSULT YOUR LEGAL, FINANCIAL, TAX, AND OTHER PROFESSIONAL ADVISOR(S) BEFORE TAKING ANY ACTION IN CONNECTION WITH THIS WHITEPAPER.

This whitepaper is intended to present relevant information to potential purchasers (the "**Purchasers**" and, each, a "**Purchaser**") in connection with the proposed offering (the "**Token Launch**") by Splyt Core, an exempted company incorporated with limited liability in the Seychelles ("**Splyt Core**"), of cryptographic tokens with the symbol 'SHOPX' (the "**Tokens**"), including information about the smart contract connected to the Tokens (the "**Splyt Core Smart Contract**") and the decentralized platform and marketplace operated by Splyt Core Foundation, a foundation company incorporated in the Seychelles ("**Splyt Core Foundation**" or "**Foundation**" and together with Splyt Core "**Splyt Core**", "**we**" or "**us**"), in connection with the Tokens (the "**Splyt Core Platform**").

The information contained in this whitepaper is not intended to be exhaustive and the statements included in this whitepaper are not intended to be relied upon or create or form part of a contractual relationship (unless the context otherwise requires).

Nothing in this whitepaper shall be deemed to constitute a prospectus of any sort, a solicitation for investment or investment advice nor does it in any way pertain to an offering or a solicitation of an offer to buy any securities in any jurisdiction. This whitepaper is not composed in accordance with, and is not subject to, laws or regulations of any jurisdiction which are designed to protect investors. To the maximum amount permitted by applicable law, each of Splyt Core, Splyt Core Foundation and their respective directors and officers (collectively, the "**Associated Parties**" and each an "**Associated Party**") expressly disclaim and shall not be liable for any and all responsibility for any direct or any indirect, special, incidental, consequential or other losses of any kind, in tort, contract or otherwise (including but not limited to loss of revenue, income or profits, and loss of use or data), arising out of or in connection with (i) the Purchaser's acceptance of or reliance on any information contained in this whitepaper, (ii) any error, omission or inaccuracy in any such information or (iii) any action resulting therefrom.

All statements, estimates and financial information contained in this whitepaper, made in any press releases or in any place accessible by the public and oral statements that may be made by Splyt Core or any Associated Party that are not statements of historical fact, constitute "forward-looking statements". Nothing contained in this whitepaper is or may be relied upon as a promise, representation or undertaking as to the future performance or policies of Splyt Core.

Further, Splyt Core disclaims any responsibility to update any of those forward-looking statements or publicly announce any revisions to those forward-looking statements to reflect future developments, events or circumstances, even if new information becomes available or other events occur in the future.

This whitepaper, and any sale of Tokens referred to in this whitepaper, will be subject to and governed by any definitive agreement for the purchase of such Tokens. Such agreement will be delivered by Splyt Core to the prospective Purchaser after its receipt of such documents or materials as Splyt Core may require from such Purchaser in connection with the satisfaction of its AML and KYC procedures (as defined in the *Important Notices* section below).

Where there is any inconsistency between such terms and conditions of purchase and this whitepaper, the terms and conditions of purchase shall prevail and govern.

IMPORTANT LEGAL NOTICES

The acquisition of Tokens involves a high degree of risk. Before acquiring Tokens, it is recommended that each Purchaser conduct its own careful examination of all relevant information and risks about Splyt Core, the Splyt Core Platform and Tokens and, specifically, the disclosures and risk factors set out below. If any of the following risks actually occurs, Splyt Core, the Splyt Core Platform, the Tokens and the Purchaser's Tokens may be materially and adversely affected, including the Purchaser's Tokens being rendered worthless or unusable.

The acquisition of Tokens from Splyt Core does not present an exchange of cryptocurrencies for any form of shares or equity interests in Splyt Core, and a holder of any Tokens, issued by Splyt Core is not entitled to any guaranteed form of dividend or other revenue right. Holders of Tokens are only entitled to the use of the Splyt Core Platform and certain other rights within the Splyt Core Platform in accordance with the terms set out herein.

The Tokens are available to Purchasers in exchange for certain other cryptographic tokens or fiat currency (subject to Splyt Core's anti-money laundering ("**AML**") and "know your customer" ("**KYC**") procedures being satisfied (including as to source of funds)) and Splyt Core does not provide any exchange of the Tokens for fiat currency. Splyt Core also does not provide custodial or wallet services for the Tokens.

No regulatory authority has examined or approved of any of the information set out in this whitepaper. No such action has been or will be taken under the laws, regulatory requirements or rules of any jurisdiction. The publication, distribution or dissemination of this whitepaper does not imply that any such applicable laws, regulatory requirements or rules have been complied with.

Any person or entity, including anyone acting on its behalf, being based, being a citizen or resident, domiciled, located or incorporated where applicable laws prohibit or restrict distribution or dissemination of Splyt Core's materials, acquiring Tokens or accessing the Splyt Core Platform including, but not limited to, the United States of America and any of its territories, the Seychelles , New Zealand, Canada, People's Republic of China, Singapore, Republic of Korea or any other country that prohibits the sale of Tokens shall not use the Splyt Core Platform or acquire Tokens, otherwise this person assumes all the responsibility arising from the continued use of the Splyt Core Platform and/or Tokens.

All statements, estimates and financial information contained in this whitepaper, made in any press releases or in any place accessible by the public and oral statements that may be made by Splyt Core or any associated party that are not statements of historical fact, constitute "forward-looking statements". Nothing contained in this whitepaper or such other statements is or may be relied upon as a promise, representation or undertaking as to the future performance or policies of Splyt Core.

Further, Splyt Core disclaims any responsibility to update any of those forward-looking statements or publicly announce any revisions to those forward-looking statements to reflect future developments, events or circumstances, even if new information becomes available or other events occur in the future.

The Tokens may be placed on third-party exchanges, giving future Purchasers an opportunity to openly buy Tokens. A user seeking to enter the Splyt Core Platform following the Token Launch will have to buy Tokens on such exchanges. Conversely, Tokens may be sold on such exchanges if the holder of Tokens would like to exit the Splyt Core Platform ecosystem. Existing laws on the circulation of securities in certain countries, such as the United States of America, People's Republic of China, South Korea, Canada and Singapore, may prohibit the sale of the Tokens to the residents of those countries. In addition, proposed transfers of the Tokens may be blocked by Splyt Core in circumstances where the proposed transferee has not already completed Splyt Core's KYC and AML procedures (including, without limitation, verification of

identity and source of funds) to its satisfaction. Purchasers should be aware of the restrictions on their subsequent sale.

The Tokens are not redeemable at the option of a Purchaser and are in essence "closed-ended". The Tokens are non-refundable.

There is a 250k USD Token purchase amount minimum.

Splyt Core is not currently required to register with the Seychelles Monetary Authority because the Tokens are not shares, trust units or partnership interests and accordingly are not currently considered equity interests for the purposes of the Mutual Funds Law (2019 Revision) of the Seychelles ("**MFL**"). Additionally, as the Tokens are not redeemable it would, in any event, be considered 'closed-ended'. Purchasers must appreciate that the Seychelles Monetary Authority has therefore not reviewed this whitepaper and have not passed any judgment on the merits of Splyt Core or acquiring the Tokens. The Seychelles Monetary Authority will have no oversight of the operations of Splyt Core or the Tokens.

This whitepaper does not constitute an offer of the Tokens to the members of the Public in the Seychelles . "**Public**" for these purposes does not include a sophisticated person, a high net worth person, a company, partnership or trust of which the shareholders, unit holders or limited partners are each a sophisticated person, a high net worth person any exempted or ordinary non-resident company registered under the Companies Law (2018 Revision) or a foreign company registered pursuant to Part IX of the Companies Law (2018 Revision) or any such company acting as general partner of a partnership registered pursuant to the provisions of the Exempted Limited Partnership Law (2018 Revision) or any director or officer of the same acting in such capacity or the Trustee of any trust registered or capable of registering pursuant to the provisions of the Trusts Law (as Revised).

The Seychelles Government has not yet proposed or passed any legislation expressly regulating crypto currencies, cryptographic tokens, initial coin offerings or token generating events and its regulatory intentions are unclear. Each Purchaser should be aware that any new laws imposed in the Seychelles (or amendments to the existing laws of the Seychelles , such as the MFL) could, among other things: (i) prohibit the sale, purchase or transfer of the Tokens or otherwise make holding them illegal, (ii) require Splyt Core to register itself or the Tokens with the Seychelles Monetary Authority and become subject to its supervision or (iii) adversely affect or destroy the value of a Purchaser's Tokens, and that such new laws or amendments could be imposed very quickly and without warning.

NOTICES FOR PARTICULAR PURCHASERS

Notice to prospective Purchasers is People's Republic of China: For residents of the People's Republic of China (which, for the purposes of this whitepaper, does not include Hong Kong, Macau, and Taiwan) only: the Tokens may not be marketed, offered or sold directly or indirectly to the public in the People's Republic of China (the "**PRC**") and neither this whitepaper nor any corresponding agreement for the purchase of the Tokens ("**Purchase Documents**"), which has not been submitted to the PRC securities and regulatory commission, nor any offering material or information contained herein relating to the Tokens, may be supplied to the public in the PRC or used in connection with any offer for the subscription or sale of the Tokens to the public in the PRC. The information contained in this whitepaper and the Purchase Documents will not constitute an offer to sell or an invitation, advertisement or solicitation of an offer to buy any Tokens within the PRC.

Notice to prospective Purchasers in Singapore: This whitepaper has not been registered as a prospectus with the monetary authority of Singapore under the Securities and Futures Act, Chapter 289 of Singapore. Accordingly, this whitepaper and the Purchase Documents and any other document or material in connection with the offer or sale, or invitation for subscription or purchase, of the Tokens may not be

circulated or distributed, nor may the Tokens be offered or sold, or be made the subject of an invitation for subscription or purchase, whether directly or indirectly, to persons in Singapore.

Notice to prospective Purchasers in the United States: No offer to sell or solicitation of any offer to buy Tokens shall be accepted or made to any resident of the United States or any prospective Purchaser who is in the United States at the time of payment of the purchase amount or date of execution or delivery of the definitive purchase documents.

For residents of any country subject to sanctions from the Seychelles , including without limitation Belarus, Burundi, Central African Republic, Cuba, Iran, Libya, North Korea, the Philippines, the People's Republic of China, Somalia, Sudan and Darfur, Syria and Zimbabwe will not be permitted to enter into the purchase documents or other otherwise purchase Tokens.

DISCLOSURES REGARDING THIS WHITEPAPER

Accuracy of Information, No Consent of Parties Referenced in Whitepaper

This whitepaper includes market and industry information and forecasts that have been obtained from internal surveys, reports and studies, where appropriate, as well as market research, publicly available information and industry publications. Such surveys, reports, studies, market research, publicly available information and publications generally state that the information that they contain has been obtained from sources believed to be reliable, but there can be no assurance as to the accuracy or completeness of such included information.

Save for Splyt Core and its respective directors, executive officers and employees, no person has provided his or her consent to the inclusion of his or her name and/or other information attributed or perceived to be attributed to such person in connection therewith in this whitepaper and no representation, warranty or undertaking is or purported to be provided as to the accuracy or completeness of such information by such person and such persons shall not be obliged to provide any updates on the same.

Neither Splyt Core nor any of the Associated Parties has conducted any independent review of the information extracted from third party sources, verified the accuracy or completeness of such information or ascertained the underlying economic assumptions relied upon therein. Consequently, neither Splyt Core nor its directors, executive officers and employees acting on its behalf makes any representation or warranty as to the accuracy or completeness of such information and shall not be obliged to provide any updates on the same.

Terms Used

To facilitate a better understanding of the Tokens being offered by Splyt Core for purchase, and the businesses and operations of Splyt Core, certain technical terms and abbreviations, as well as, in certain instances, their descriptions, have been used in this whitepaper. These descriptions and assigned meanings should not be treated as being definitive of their meanings and may not correspond to standard industry meanings or usage.

Words importing the singular shall, where applicable, include the plural and vice versa and words importing the masculine gender shall, where applicable, include the feminine and neuter genders and vice versa. References to persons shall include corporations.

Forward Looking Statements

All statements, estimates and financial information contained in this whitepaper, made in any press releases or in any place accessible by the public and oral statements that may be made by Splyt Core or any Associated Party that are not statements of historical fact, constitute "forward-looking statements". Some of these statements can be identified by forward-looking terms such as "aim", "target", "anticipate", "believe", "could", "estimate", "expect", "if", "intend", "may", "plan", "possible", "probable", "project", "should", "would", "will" or other similar terms. However, these terms are not the exclusive means of identifying forward-looking statements. All statements regarding Splyt Core's financial position, business strategies, plans and prospects and the future prospects of the industry which Splyt Core is in are forward-looking statements. These forward-looking statements, including but not limited to statements as to Splyt Core's revenue and profitability, prospects, future plans, other expected industry trends and other matters discussed in this whitepaper regarding Splyt Core are matters that are not historic facts, but only predictions.

Such forward-looking statements involve known and unknown risks, uncertainties and other factors which may cause actual events or results, performance or achievements to differ materially from the estimates or the results implied or expressed in such forward-looking statements. These factors include, amongst others:

- changes in political, social, economic and stock or cryptocurrency market conditions, and the regulatory environment in the countries in which Splyt Core conducts its respective businesses and operations;
- the risk that Splyt Core may be unable to execute or implement its business strategies and future plans;
- changes in interest rates and exchange rates of fiat currencies and cryptocurrencies;
- changes in the anticipated growth strategies and expected internal growth of Splyt Core or the Splyt Core Platform;
- changes in the availability and fees payable to Splyt Core in connection with its respective businesses and operations and/or the Splyt Core Platform;
- changes in the availability and salaries of employees who are required by Splyt Core to operate the respective businesses and operations and/or the Splyt Core Platform;
- changes in preferences of the customers of Splyt Core;
- changes in competitive conditions under which Splyt Core operates, and the ability of Splyt Core to compete under such conditions;
- changes in the future capital needs of Splyt Core and the availability of financing and capital to fund such needs;
- war or acts of international or domestic terrorism;
- occurrences of catastrophic events, natural disasters and acts of God that affect the businesses and/or operations of Splyt Core and/or the Splyt Core Platform;
- other factors beyond the control of Splyt Core; and
- any risk and uncertainties associated with Splyt Core and its business and operations, the Tokens, the Token Launch, the Splyt Core Platform and the underlying assets (each as referred to in this whitepaper).

Nothing contained in this whitepaper is or may be relied upon as a promise, representation or undertaking as to the future performance or policies of Splyt Core. Further, Splyt Core disclaims any responsibility to update any of those forward-looking statements or publicly announce any revisions to those forward-looking statements to reflect future developments, events or circumstances, even if new information becomes available or other events occur in the future.

No further information or update

No person has been or is authorised to give any information or representation not contained in this whitepaper in connection with Splyt Core and its business and operations, the Tokens, the Token Launch and the underlying assets (each as referred to in the whitepaper) and, if given, such information or representation must not be relied upon as having been authorised by or on behalf of Splyt Core. The Token Launch (as referred to in this whitepaper) shall not, under any circumstances, constitute a continuing representation or create any suggestion or implication that there has been no change, or development reasonably likely to involve a material change in the affairs, conditions and prospects of Splyt Core or in any statement of fact or information contained in this whitepaper since the date hereof.

Restrictions on Distribution and Dissemination of whitepaper

The distribution or dissemination of this whitepaper or any part thereof may be prohibited or restricted by the laws, regulatory requirements and rules of any jurisdiction. In the case where any restriction applies, you are to inform yourself about, and to observe, any restrictions which are applicable to your possession of this whitepaper or such part thereof (as the case may be) at your own expense and without liability to Splyt Core or the Associated Persons.

Persons to whom a copy of this whitepaper has been distributed or disseminated, provided access to or who otherwise have the whitepaper in their possession shall not circulate it to any other persons, reproduce or otherwise distribute this whitepaper or any information contained herein for any purpose whatsoever nor permit or cause the same to occur.

Language of whitepaper

This whitepaper may have been prepared in multiple languages. In the event of any inconsistencies between one version and another, the English language version shall prevail.

RISK FACTORS, DISCLOSURES, ACKNOWLEDGEMENTS AND WARRANTIES BY PURCHASERS AND OTHER NOTICES

RISK FACTORS AND DISCLOSURES

IMPORTANT NOTICE: PROSPECTIVE PURCHASERS SHOULD CAREFULLY CONSIDER THE RISKS INVOLVED IN DETERMINING WHETHER PURCHASING THE TOKENS IS A SUITABLE INVESTMENT, CERTAIN OF WHICH ARE SUMMARISED BELOW.

In this section, unless the context otherwise requires, the risk factors and disclosures set out below shall also be deemed to apply in relation to Splyt Core Tokens as if references to Tokens were references to Splyt Core Tokens.

The risk factors set out below are in addition to those set out in the Confidential Private Placement Memorandum which should be read in its entirety.

<u>DISCLOSURES REGARDING TOKENS</u>

Nature of Tokens

Except as explicitly set out in this whitepaper, Tokens do not have any rights, uses, purpose, attributes, functionalities or features, express or implied, including, without limitation, any uses, purpose, attributes, functionalities or features on the Splyt Core Platform. Splyt Core does not guarantee and is not representing in any way to a Purchaser that the Tokens have any rights, uses, purpose, attributes, functionalities or features. The purchase of Tokens does not provide a Purchaser with rights of any form with respect to Splyt Core or its revenues or assets, including, but not limited to, any voting, distribution, redemption, liquidation, proprietary (including all forms of intellectual property), or other financial or legal rights; is not a loan to Splyt Core; and does not provide the Purchaser with any ownership or other interest in Splyt Core.

Tokens are non-refundable

Splyt Core is not obliged to provide Purchasers with a refund for any reason and Purchasers will not receive money or other compensation in lieu of a refund. The Tokens are also not redeemable at the option of the Purchaser. Statements set out in this whitepaper are merely expressions of Splyt Core's objectives and desired work plan to achieve those objectives. and no promises of future performance or price are or will be made in respect to Tokens, including no promise of inherent value, and no guarantee that Tokens will hold any particular value.

Tokens are provided on an 'as is' basis

The Tokens are provided on an "as is" basis. The Associated Parties and each of their respective directors, officers, employees, shareholders, affiliates and licensors make no representations or warranties of any kind, whether express, implied, statutory or otherwise regarding the Tokens, including any warranty that the Tokens and the Splyt Core Platform will be uninterrupted, error-free or free of harmful components, secure or not otherwise lost or damaged. Except to the extent prohibited by applicable law, the Associated Parties and each of their respective directors, officers, employees, shareholders, affiliates and licensors disclaim all warranties, including any implied warranties of merchantability, satisfactory quality, fitness for a particular purpose, non-infringement, or quiet enjoyment, and any warranties arising out of any course of dealings, usage or trade.

Tokens may have no value

The Tokens may have no value and there is no guarantee or representation of liquidity for Tokens. Splyt Core is not and shall not be responsible for or liable for the market value of the Tokens, the transferability and/or liquidity of the Tokens and/or the availability of any market for Tokens through third parties or otherwise.

Lack of development of market of Tokens

There are no warranties that Tokens will be listed or made available for exchange for other cryptocurrency and/or fiat money. It shall be explicitly cautioned that if Tokens are made available on an exchange, such exchange, if any, may not be subject to regulatory oversight, and Splyt Core does not give any warranties in relation to any exchange services providers. Because there has been no prior public trading market for Tokens, the Token Launch may not result in an active or liquid market for Tokens, and the price of Tokens may be volatile. Token holders may not be able to dispose of Tokens easily and where no secondary market develops, a Token holder may not be able to liquidate at all. Proposed transfers of the Tokens may be blocked by Splyt Core in circumstances where the proposed transferee has not already completed Splyt Core's KYC and AML procedures (including, without limitation, verification of identity and source of funds) to its satisfaction. Purchasers should be aware of the restrictions on their subsequent sale.

Risks relating to highly speculative prices

The valuation of cryptocurrency in a secondary market is usually not transparent, and highly speculative. The Tokens do not hold any ownership rights to Splyt Core's assets and, therefore, are not backed by any tangible asset. The value of Tokens in the secondary market, if any, may fluctuate greatly within a short period of time. There is a high risk that a Purchaser could lose its entire contribution amount. In the worst-case scenario, Tokens could be rendered worthless.

Force Majeure

The Token Launch and the performance of Splyt Core's activities set out in this whitepaper and the development roadmap may be interrupted, suspended or delayed due to force majeure circumstances. For the purposes of this whitepaper, "force majeure" shall mean extraordinary events and circumstances which could not be prevented by Splyt Core and shall include: changes in market forces or the technology, acts of nature, wars, armed conflicts, mass civil disorders, industrial actions, epidemics, lockouts, slowdowns, prolonged shortage or other failures of energy supplies or communication service, acts of municipal, state or federal governmental agencies, other circumstances beyond Splyt Core's control, which were not in existence at the time of Token Launch.

Insurance

Unlike bank accounts or accounts at financial institutions, Tokens are uninsured unless you specifically obtain private insurance to insure them. Thus, in the event of loss or loss of utility value, there is no public insurer or private insurance arranged by Splyt Core to offer recourse to a Purchaser.

<u>GOVERNMENTAL DISCLOSURES</u>

Splyt Core is not a regulated mutual fund

Splyt Core is not regulated as a mutual fund for the purposes of the Mutual Funds Law (2019 Revision) of the Seychelles ("**MFL**") on the basis that Tokens are not shares and Splyt Core is therefore not a registrable mutual fund. In addition, the Tokens are not redeemable at the option of the Purchaser and so the Tokens and Splyt Core are considered 'closed-ended'. Accordingly, neither a copy of this whitepaper nor details about Splyt Core have been filed with the Seychelles Monetary Authority ("**CIMA**"). Because

Splyt Core is not a regulated mutual fund, Splyt Core is not subject to the supervision of CIMA and Splyt Core is not required to have its accounts audited nor submit such accounts to CIMA.

If Splyt Core were regulated as a mutual fund under the MFL, it would need to comply with regulatory requirements designed to protect investors, including the requirement to limit the minimum aggregate Token purchase amount to US$100,000 or its equivalent in any other currency in order for it not to be licensed or administered by a licensed mutual fund administrator. Splyt Core would also need to pay a prescribed initial registration fee.

These are matters which would be required in connection with an initial registration under the MFL. Splyt Core would also then have ongoing obligations under the MFL following its initial registration, including the obligation to file with CIMA prescribed details of any changes to this whitepaper; to file annually with CIMA accounts audited by an approved auditor and a fund annual return; and to pay a prescribed annual fee.

If Company were a regulated mutual fund, it would also be subject to the supervision of CIMA, and CIMA would have wide powers to take certain actions if certain events occur.

Risk of unfavourable regulatory action in one or more jurisdictions

The regulatory status of cryptographic tokens, digital assets, and blockchain technology is undeveloped, varies significantly among jurisdictions and is subject to significant uncertainty. It is possible that certain jurisdictions may adopt laws, regulations, policies or rules directly or indirectly affecting the Bitcoin and Ethereum network, or restricting the right to acquire, own, hold, sell, convert, trade, or use Tokens. Developments in laws, regulations, policies or rules may alter the nature of the operation of the blockchain network upon which the Tokens are dependent. There can be no assurance that governmental authorities will not examine the operations of Associated Parties and/or pursue enforcement actions against Associated Parties. All of this may subject Associated Parties to judgments, settlements, fines or penalties, or cause Associated Parties to restructure their operations and activities or to cease offering certain products or services, all of which could harm Associated Parties' reputations or lead to higher operational costs, which may, in turn, have a material adverse effect on the Tokens and/or the development of the Splyt Core Platform.

Purchaser bears responsibility of legal categorization

There is a risk that Tokens might be considered a security in certain jurisdictions, or that they might be considered to be a security in the future. Splyt Core does not provide any warranty or guarantee as to whether the Tokens will be a security in the jurisdiction of the Purchaser. Each Purchaser will bear all consequences of Tokens being considered a security in their respective jurisdiction. Every Purchaser is responsible to confirm if the acquisition and/or disposal of Tokens is legal in its relevant jurisdiction, and each Purchaser undertakes not to use Tokens in any jurisdiction where doing so would be unlawful. If a Purchaser establishes that the purchase or use of Tokens is not legal in its jurisdiction (or would only be legal if the company had taken additional steps such as registration or licensing), it should not acquire Tokens and immediately stop using or possessing Tokens.

Acquiring Tokens in exchange for cryptocurrency will most likely continue to be scrutinised by various regulatory bodies around the world, which may impact the usage of Tokens. The legal ability of Splyt Core to provide or support Tokens in some jurisdictions may be eliminated by future regulation or legal actions. In the event that Splyt Core determines that the purchase or usage of Tokens is illegal in a certain jurisdiction, Splyt Core may cease operations in that jurisdiction, or adjust Tokens in a way to comply with applicable law.

Purchaser bears responsibility for complying with transfer restrictions

Tokens may be placed on third-party exchanges, giving future purchasers and users an opportunity to openly buy Tokens. A user seeking to enter the Splyt Core Platform following the Token Launch will have to buy Tokens on such exchanges. Conversely, Tokens may be sold on such exchanges if the holder of Tokens would like to exit the Splyt Core Platform ecosystem. Existing laws on the circulation of securities in certain countries, such as the United States of America, China, South Korea, Canada and Singapore, may prohibit the sale of the Tokens to the residents of those countries. When buying Tokens, Purchasers should be aware of the restrictions on their subsequent sale.

GENERAL SECURITY RISKS

Risk of theft and hacking

Token generation events and initial coin offerings are often targeted by hackers and bad actors. Hackers may attempt to interfere with the Purchaser's digital wallet, whether located on the Splyt Core Platform or otherwise, (the "**Purchaser's Wallet**"), the Splyt Core Smart Contract or the availability of Tokens in any number of ways, including without limitation denial of service attacks, Sybil attacks, spoofing, smurfing, malware attacks, or consensus-based attacks. Any such attack may result in theft of a Purchaser's Tokens.

Private keys

Tokens purchased by a Purchaser may be held by a Purchaser in the Purchaser's Wallet or vault, which requires a private key, or a combination of private keys, for access. Accordingly, loss of requisite private key(s) associated with Purchaser's Wallet or vault storing the Tokens will result in loss of such Tokens. Moreover, any third party that gains access to such private key(s), including by gaining access to login credentials of a hosted wallet or vault service Purchaser uses, may be able to misappropriate Purchaser's Tokens. Splyt Core is not responsible for and shall be held harmless in respect of any such losses.

Failure to map a public key to Purchaser's Wallet

Failure of the Purchaser to map a public key to such Purchaser's Wallet may result in third parties being unable to recognize buyer's Token balance on the Ethereum blockchain when and if they configure the initial balances of a new blockchain based upon the Splyt Core Platform.

Risk of incompatible wallet service

The wallet or wallet service provider used for the acquisition and storage of the Tokens has to be technically compatible with the Tokens. The failure to assure this may result in the Purchaser not being able to gain access to its Tokens.

Risk of weaknesses or exploitable breakthroughs in the field of cryptography

Advances in cryptography, or other technical advances such as the development of quantum computers, could present risks to cryptocurrencies, Ethereum and Tokens, which could result in the theft or loss of Tokens.

Internet transmission risks

There are risks associated with using Tokens including, but not limited to, the failure of hardware, software, and internet connections. Splyt Core shall not be responsible for any communication failures, disruptions, errors, distortions or delays you may experience when using the Splyt Core Platform and Tokens, howsoever caused. Transactions in cryptocurrency may be irreversible, and, accordingly, losses due to fraudulent or accidental transactions may not be recoverable. Cryptocurrency transactions are deemed to

be made when recorded on a public ledger, which is not necessarily the date or time when the transaction is initiated.

Splyt Core PLATFORM DISCLOSURES

No guarantee that the Splyt Core Smart Contract will be developed

Each Purchaser acknowledges, understands and agrees that such Purchaser should not expect and there is no guarantee or representation or warranty by Splyt Core that:

- the Splyt Core Platform will ever be adopted;
- the Splyt Core Platform will be adopted as developed by Splyt Core and not in a different or modified form;
- a blockchain utilizing or adopting Splyt Core will ever be launched;
- Splyt Core Tokens will ever be made available or be exchangeable for Tokens; and
- a blockchain will ever be launched with or without changes to the Splyt Core Platform and with or without a distribution matching the fixed balance of Initial Tokens (as defined below).

Furthermore, the Tokens initially generated upon the Token Launch ("**Initial Tokens**") will not have any functionality or rights on the Splyt Core Platform and holding Initial Tokens is not a guarantee, representation or warranty that the holder will be able to use the Splyt Core Platform, or receive any tokens utilized on the Splyt Core Platform, even if the Splyt Core Platform is launched and the Splyt Core Smart Contract is adopted, of which there is no guarantee, representation or warranty made by Splyt Core.

Risks associated with the Splyt Core Smart Contract and associated software and/or infrastructure

The Splyt Core Smart Contract is based on the Ethereum blockchain. As such, any malfunction, unintended function or unexpected functioning of the Ethereum protocol may cause the Tokens and/or the Splyt Core Platform to malfunction or function in an unexpected or unintended manner.

The Ethereum blockchain rests on open source software, and accordingly there is the risk that the Splyt Core Smart Contract may contain intentional or unintentional bugs or weaknesses which may negatively affect Tokens or result in the loss or theft of Tokens or the loss of ability to access or control Tokens. In the event of such a software bug or weakness, there may be no remedy and Token holders are not guaranteed any remedy, refund or compensation.

On the Ethereum blockchain, timing of block production is determined by proof of work so block production can occur at random times. For example, Ether transferred to Splyt Core's recipient digital wallet address in the final seconds of a distribution period may not get included for that period.

Purchaser acknowledges and understands that the Ethereum blockchain may not include the Purchaser's transaction at the time the Purchaser expects and the Purchaser may not receive the Tokens the same day the Purchaser sends Ether, Bitcoin or fiat currency. The Ethereum blockchain is prone to periodic congestion during which transactions can be delayed or lost. Individuals may also intentionally spam the Ethereum network in an attempt to gain an advantage in purchasing cryptographic tokens. The Purchaser acknowledges and understands that Ethereum block producers may not include the Purchaser's transaction when the Purchaser wants or the Purchaser's transaction may not be included at all.

Ether, the native unit of account of the Ethereum blockchain may itself lose value in ways similar to the Tokens, and also other ways. More information about Ethereum is available at http://www.ethereum.org.

Irreversible nature of blockchain transactions

Transactions involving Tokens that have been verified, and thus recorded as a block on the blockchain, generally cannot be undone. Even if the transaction turns out to have been in error, or due to theft of a user's Tokens, the transaction is not reversible. Further, at this time, there is no governmental, regulatory, investigative, or prosecutorial authority or mechanism through which to bring an action or complaint regarding missing or stolen cryptocurrencies and digital tokens. Consequently, Splyt Core may be unable to replace missing Tokens or seek reimbursement for any erroneous transfer or theft of Tokens.

Amendments to protocol

The development team and administrators of the source code for Ethereum blockchain or the Splyt Core Smart Contract could propose amendments to such network's protocols and software that, if accepted and authorized, or not accepted, by the network community, could adversely affect the supply, security, value, or market share of Tokens.

Risk of mining attacks

As with other decentralized cryptocurrencies, Ethereum blockchain, which is used for the Tokens, is susceptible to mining attacks, including but not limited to double-spend attacks, majority mining power attacks, "selfish-mining" attacks, and race condition attacks.

Any successful attacks present a risk to the Tokens, expected proper execution and sequencing of Tokens, and expected proper execution and sequencing of Ethereum contract computations in general. Despite the efforts of Splyt Core and Ethereum Foundation, the risk of known or novel mining attacks exists. Mining attacks, as described above, may also target other blockchain networks, with which the Tokens interact with and consequently the Tokens may be impacted also in that way to the extent described above.

COMPANY DISCLOSURES

Legal structure of Token generator

Splyt Core is an exempted company incorporated in the Seychelles pursuant to the Companies Law (Revised) of the Seychelles . An exempted company is a body corporate which has a separate legal personality capable of exercising all the functions of a natural person of full capacity irrespective of any question of corporate benefit, and having perpetual succession. The constitution of an exempted company is contained in two documents, the memorandum of association and the articles of association (the "**Articles**"). The Articles typically provide that there must be at least one director of a Seychelles company. Generally, the Articles will specify that the management of a Seychelles company is the responsibility of, and is carried out by, its board of directors. If the Articles permit it, a Seychelles company may indemnify officers and directors of the company from all liabilities and expenses incurred by search persons in the performance of their duties.

The memorandum of association of a Seychelles company must specify the authorised share capital of such company. The memorandum of association will state the aggregate amount of the authorised share capital, together with details of the number of shares into which it is divided and the par value of those shares. As a Token holder, you are not a party to the memorandum of association or the Articles and are not entitled to any right or interest in or to shares of Splyt Core and have no rights to appoint or remove the board of directors of Splyt Core.

Because Tokens confer no governance rights of any kind with respect to the Splyt Core Platform or Splyt Core, all decisions involving Splyt Core's products or services within the Splyt Core Platform or Splyt Core itself will be made by Splyt Core at its sole discretion. These decisions could adversely affect the Splyt Core Platform and the value and/or utility of any Token you own.

Dependence on management team

The ability of the Splyt Core Platform project team which is responsible for maintaining a competitive position of the Splyt Core Platform is dependent to a large degree on the services of a senior management team. The loss or diminution in the services of members of such senior management team or an inability to attract, retain and maintain additional senior management personnel could have a material adverse effect on the Splyt Core Platform and the value of the Tokens. Competition for personnel with relevant expertise is intense due to the small number of qualified individuals, and this competition may seriously affect Splyt Core's ability to retain its existing senior management and attract additional qualified senior management personnel, which could have a significant adverse impact on the Splyt Core Platform and the value of the Tokens.

Risks related to reliance on third parties

Even if completed, the Splyt Core Platform will rely, in whole or in part, on third-parties to adopt and implement it and to continue to develop, supply, and otherwise support it. There is no assurance or guarantee that those third-parties will complete their work, properly carry out their obligations, or otherwise meet anyone's needs, any of which might have a material adverse effect on the Splyt Core Platform and the value of the Tokens.

Insufficient interest in the Splyt Core Platform and the Tokens

It is possible that the Splyt Core Platform or Tokens will not be used by a large number of individuals, businesses and organizations and that there will be limited public interest in the creation and development of its functionalities. Such a lack of interest could impact the development of the Splyt Core Platform and the value of the Tokens.

Splyt Core Platform development risks

The development of the Splyt Core Platform and/or Splyt Core Smart Contract may be abandoned for a number of reasons, including lack of interest from the public, lack of funding, lack of commercial success or prospects, or departure of key personnel.

Changes to the Splyt Core Platform

The Splyt Core Platform is still under development and may undergo significant changes over time. Although Associated Parties intend for the Splyt Core Platform to have the features and specifications set forth in this whitepaper, changes to such features and specifications may be made for any number of reasons, any of which may mean that the Splyt Core Platform does not meet the expectations of the Purchaser.

Other projects

The Splyt Core Platform may give rise to other, alternative projects, promoted by parties that are affiliated or unaffiliated with the Associated Parties, and such projects may provide no benefit to the Splyt Core Platform.

Disclosures relating to conflicts of interest

Any of the Associated Parties may be engaged in transactions with related parties and conflicts of interest may arise, potentially resulting in the conclusion of transactions on terms not determined by market forces.

ACKNOWLEDGEMENTS AND WARRANTIES BY PURCHASERS

Acknowledgements

By (i) accessing or accepting possession of any information in this whitepaper (or any part thereof) or (ii) transferring payment (whether in fiat currency or cryptocurrency) and agreeing to purchase the Tokens, each Purchaser agrees and acknowledges that:

- the Tokens do not and are not intended to constitute securities in any jurisdiction. This whitepaper does not constitute a prospectus or offer document of any sort and is not intended to constitute an offer of securities or a solicitation for investment in securities in any jurisdiction;
- The Tokens are meant for internal use within the Splyt Core Platform and are not intended as securities or other assets to be used for speculative trading purposes. Splyt Core does not operate an exchange for Tokens and there is no guarantee of the future value of the Tokens. Splyt Core does not take any responsibility for any trade in Tokens in or through third-party exchanges. The possibility exists that the Tokens could be worth nothing;
- this whitepaper does not constitute or form part of any opinion on, any advice to buy or sell, or any solicitation of any offer to purchase any Tokens nor shall it or any part of it nor the fact of its presentation form the basis of, or be relied upon in connection with, any contract or any investment or purchase decision;
- no regulatory authority in any applicable jurisdiction has examined or approved of the information set out in this whitepaper and the publication, distribution or dissemination of the whitepaper to you does not imply that any applicable laws, regulatory requirements or rules have been complied with;
- any agreement as between Splyt Core and a Purchaser, and in relation to any sale and purchase, of Tokens is, in the absence of Purchase Documents, to be governed by this whitepaper;
- notwithstanding any other section of this whitepaper, and to the extent permissible by applicable laws, Splyt Core shall not be liable for any indirect, special, incidental, consequential or other losses of any kind, in tort, contract or otherwise (including but not limited to loss of revenue, income or profits, and loss of use or data), arising out of or in connection with any acceptance of or reliance on this whitepaper or any part thereof by a Purchaser;
- no information in the whitepaper should be considered to be business, legal, financial or tax advice regarding Splyt Core, the Tokens or the Token Launch; and

l they should consult their own legal, financial, tax or other professional adviser regarding Splyt Core and its respective businesses and operations, the Tokens and the Token Launch.

Warranties

By (i) accessing or accepting possession of any information in this whitepaper (or any part thereof) or (ii) transferring payment (whether in fiat currency or cryptocurrency) and agreeing to purchase the Tokens, each Purchaser represents and warrants to Splyt Core as follows:

- that they have read, understood and accepted sole responsibility for the disclosed and undisclosed risks, disclaimers and other disclosures inherent in participating in the Token Launch and the purchasing of Tokens as set out in this whitepaper;
- that they are not a citizen or resident of any jurisdiction or territory into which a sale or distribution of the Token would be unlawful (each a "**Prohibited Territory**") and are not purchasing the Tokens on behalf of, whether directly or indirectly, a citizen of any Prohibited Territory;

l that they have the power to enter into, exercise any rights and perform and comply with their obligations under this whitepaper and their entry into, exercise of their rights and/or performance of or compliance with their obligations under this whitepaper including accessing, distribution or dissemination of this whitepaper, is not prohibited or restricted by the applicable laws, regulations or rules in the Purchaser's jurisdiction or country of residence, and where any restrictions in relation to the aforementioned are applicable, the Purchaser:

- accepts sole liability for non-compliance with such applicable laws, regulations and rules in the Purchaser's jurisdiction or country of residence; and
- has observed and complied with all such applicable laws, regulations and rules in the Purchaser's jurisdiction or country of residence at the Purchaser's own and sole expense;
- that all actions, conditions and things required to be taken, fulfilled and done:
- in order to enable the Purchaser to lawfully enter into, exercise their rights and perform and comply with their obligations imposed by this whitepaper and to ensure that those obligations are legally binding and enforceable; and
- for the issue of the Tokens on the terms and conditions set out in this whitepaper, have been taken, fulfilled and done;
- that all the Purchaser's obligations under this whitepaper are valid, binding and enforceable on such Purchaser in accordance with their terms;
- that the Purchaser has adequate understanding of the operation, functionality, usage, storage, transmission mechanisms and other material characteristics of cryptocurrencies, blockchain-based systems, cryptocurrency wallets or other related coin/token storage mechanisms, blockchain technology and smart contract technology;
- that the Purchaser is not exchanging cryptocurrencies for Tokens for the purpose of speculative investment or for the purpose of exchanging one form of virtual currency for another, with the present intention of delivering the Tokens to another person, in a coordinated series of steps intended to complete a single transaction;
- that the Purchaser is acquiring Tokens primarily for use in the Splyt Core Platform; and
- all of the above representations and warranties are true, complete, accurate and non-misleading from the time of the Purchaser's pre-registration (where applicable) and purchase of Tokens pursuant to the Token Launch.

OTHER NOTICES

AML and KYC

Measures aimed at the prevention of money laundering and terrorist financing will require a Purchaser to verify their identity and/or the source of funds to Splyt Core. This procedure may apply on all or any of (i) the initial purchase of the Tokens, (ii) the use of the Splyt Core Platform, (iii) the exchange of the Tokens for Splyt Core Tokens, (4) the transfer of the Tokens, (5) the receipt of any Splyt Core Tokens via the Splyt Core Smart Contract or (vi) as Splyt Core deems necessary or desirable in connection with its AML and KYC policies and procedures.

By way of example, an individual may be required to produce the original passport or identification card or copy duly certified by a public authority such as a notary public, the police or the ambassador in his country of residence, together with two original documents evidencing his address such as a utility bill or bank statement or duly certified copies. In the case of corporate applicants this may require production of a certified copy of the Certificate of Incorporation (and any change of name) and of the Memorandum and Articles of Association (or equivalent), and of the names and residential and business addresses of all directors and beneficial owners.

The details given above are by way of example only and Splyt Core will request such information and documentation as it considers is necessary to verify the identity and source of funds of a prospective Purchaser.

Each Purchaser acknowledges that Splyt Core shall be held harmless against any loss arising as a result of a failure to provide such information and documentation as has been requested by Splyt Core.

Each Purchaser further acknowledges and agrees that any failure by them to comply with Splyt Core's requests in relation to measures aimed at the prevention of money laundering and terrorist financing, may result in action being taken against the Purchaser in respect of the Tokens including, without limitation, the suspension or withdrawal of the Purchaser's account on the Splyt Core Platform or the Tokens held by them.