

Pure-X

Pure-X DEX

Litepaper

August 2023

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1. Legal disclaimer

There are risks and uncertainties associated with Pure-X and its' operations, the tokens of Pure-X platform (further Token or Tokens), the Initial Token Sale (each as referred to in this Litepaper). You can find a description of the risk related to the Token Sale under the section 'Pure-X Platform Token Terms and Conditions', which should be read carefully. This Litepaper, any part thereof and any copy thereof must not be taken or transmitted to any country where distribution or dissemination of Token Sale or Initial Coin Offering like the one described in this Litepaper is prohibited or restricted. The Tokens are not intended to constitute securities in any jurisdiction. This Litepaper cannot constitute a prospectus or offer document for investment in securities. This Litepaper does not constitute or form part of any opinion on any advice to sell, or any solicitation of any offer to purchase any Tokens or give any help in any investment decision. You are not eligible you are not to purchase any Tokens in the Token Sale (as referred to in this Litepaper) if you are a citizen, resident (tax or otherwise) of the countries where those operations are prohibited at the period of sale.

2. Executive Summary

Decentralized Crypto Exchanges (DEXs) Landscape

- DEXs, operating on blockchain platforms, have gained traction due to their enhanced security, transparency, and user control.
- A notable shift is observed in user preferences towards DEXs, with the trade volume ratio between decentralized and centralized exchanges reaching an all-time high.

Pure-X Project Overview

- Pure-X is an innovative DEX aiming to transform digital asset trading by offering a secure, transparent, and user-centric experience.
- Distinct from centralized exchanges, Pure-X ensures users maintain full control over their assets without the need for intermediaries like KYC procedures.

Key Features of Pure-X

- **User Autonomy:** Direct wallet connection on any supported chain without KYC.
- **Funds Security:** Funds remain in the user's wallet on the Pure-X blockchain, ensuring access even in unforeseen circumstances.
- **Efficiency:** Users run their own node, part of the gasless Pure-X chain, ensuring fund safety without compromising efficiency.

Pure-X Protocol Insights

- Pure-X expands the traditional definition of a protocol, operating on a node-based system similar to major blockchain networks.
- It boasts a specialized blockchain for DEX operations, improving speed and scalability as it grows.
- The platform supports specialized API calls for efficient trading and encourages open UI development for a diverse ecosystem.

Vision of Pure-X

- A decentralized platform where nodes function as user wallets, process various order types, handle transfers, and integrate with multiple blockchains.

Architecture & Economics

- Pure-X token holders enjoy benefits like reduced commissions and increased trading limits.
- Node owners receive a share in commissions as an incentive.
- The platform plans to introduce futures trading, options trading, and tokenized asset trading in the near future.

Rollout Strategy

- Pure-X's rollout emphasizes security, user experience, and scalability, positioning itself as a leader in decentralized trading solutions.

3. Decentralized Crypto Exchanges Space Outlook

Market Overview

- DEXs have seen a surge in popularity, offering users the ability to trade directly without intermediaries, ensuring enhanced security, privacy, and control. As of August 2023, the combined market cap of DEXs stands at approximately \$836 billion/year.
- DEXs are steadily increasing their market share in terms of trade volume compared to centralized exchanges (CEXs).
- The user base for DEXs is rapidly growing, driven by the rise of DeFi and a growing preference for decentralized solutions.
- Ethereum dominates the DEX space, accounting for over 60% of the market, while Uniswap leads in trading volume with about 50%.

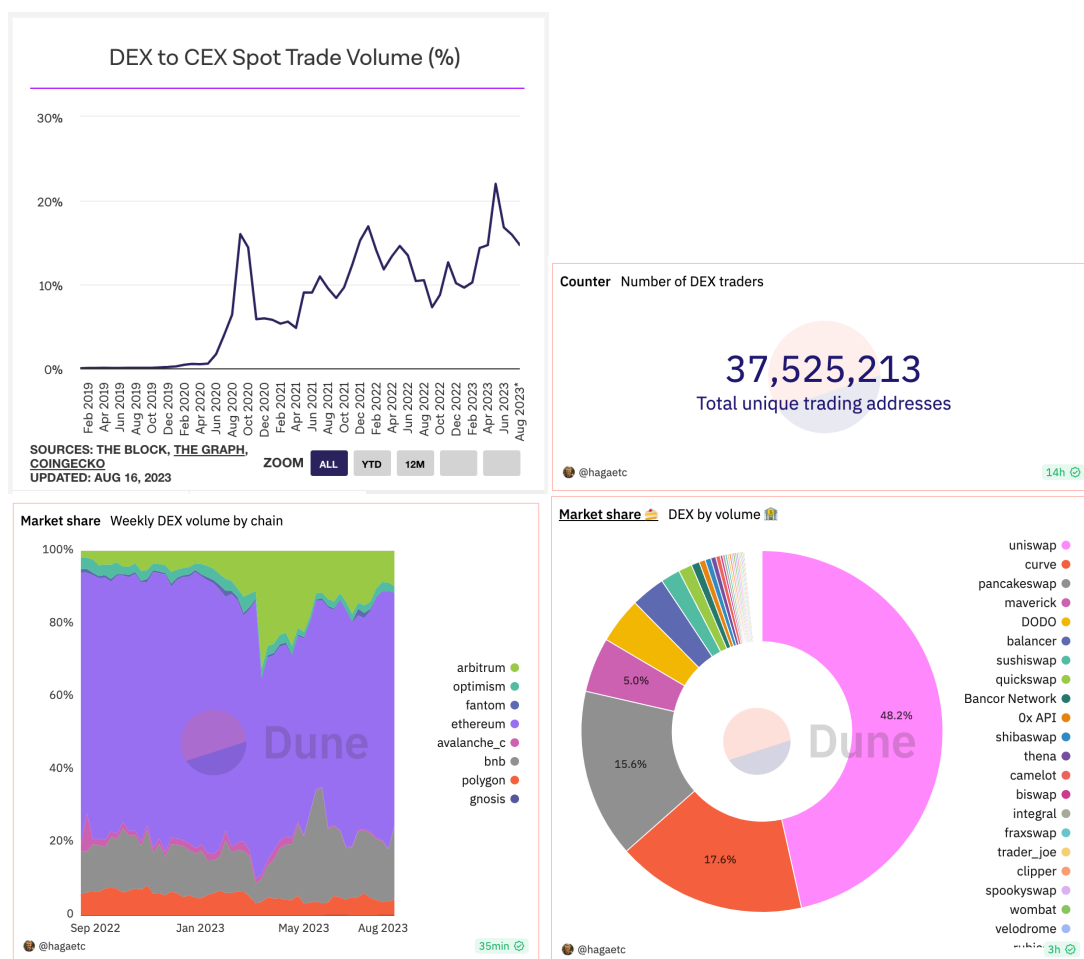


Figure 1. DEX market overview

Trends Over the Last Three Years

- Automated Market Makers (AMMs): Platforms like Uniswap and Sushiswap, utilizing AMMs, have emerged as dominant forces in the DEX landscape.
- Layer 2 Solutions: To combat rising Ethereum gas fees, DEXs are turning to Layer 2 solutions for faster, cost-effective transactions.
- Cross-chain Interoperability: DEXs are emphasizing trades across various blockchains, improving liquidity and user experience.
- Regulatory Attention: The growing popularity of DEXs has attracted regulatory scrutiny, sparking debates about potential regulatory frameworks.
- Governance Tokens: Many DEXs have introduced governance tokens, empowering the community to influence the platform's direction.
- Yield Farming: Incentives for liquidity provision on DEXs have attracted users, bolstering platform liquidity.
- DeFi Integration: DEXs are becoming central to the DeFi ecosystem, with numerous DeFi platforms incorporating DEX features.

Business Summary

The daily trading volume on DEXs has reached billions of dollars, with some days witnessing even higher volumes during volatile market conditions. User base reached 37 mln unique wallets (August 2023).

The number of unique liquidity providers has also been on the rise, indicating a growing interest in yield farming and earning passive income.

Based on last years data DEXes are on the rise. DEXs gain market share as users losing faith in centralized crypto exchanges.

Decentralized exchanges operate on the principle of peer-to-peer trading without intermediaries. They leverage blockchain technology to offer secure, transparent, and censorship-resistant trading platforms. With the broader adoption of cryptocurrencies and the rise of DeFi, DEXs are poised for further growth. However, they also face challenges in terms of scalability, regulatory concerns, and competition from centralized exchanges.

4. Pure-X Platform Description

Architecture Strategic Drivers

- **Primary Objective:** Establish Pure-X as the go-to DEX platform for listing and trading crypto assets. The long-term vision includes hosting complex DeFi products and enabling partners to launch their own trading-related products/services on the platform.
- **Scalability:** The platform is designed for high-load scenarios.
- **Flexibility:** It supports easy upgrades, feature replacements, and the development of new features.
- **Integration:** The platform can swiftly integrate with external API providers and offers advanced integration capabilities, including integration with existing blockchains and liquidity providers.
- **Anonymity:** Communication protocols ensure user anonymity, preventing IP disclosure.
- **Decentralization:** The platform operates without a central body, relying on nodes that are anonymously connected.
- **Cost-Effectiveness:** The architecture is designed to be cost-effective, minimizing development costs for the internal team and potential SAAS partners.
- **Independence:** There's a minimized dependency on specific tech stacks or cloud providers.
- **Use-Cases:** The platform supports various use-cases, from solo traders running their own nodes to hedge funds integrating with Pure-X using the Platform SDK.

Anonymity as a Key Feature

- Pure-X prioritizes user anonymity. No personal data is collected during user registration, and none is stored. The platform's consensus algorithm ensures user-related transactions remain private, accessible only to validators. The communication protocol is designed to keep IP addresses hidden, making it challenging to determine user identity based on wallet addresses.

Emphasis on Optimization

- Pure-X's internal blockchain solution allows for gasless transactions within the platform. However, if needed, assets can be transferred to external blockchains (like Ethereum or BSC) through available bridge interfaces.

In essence, Pure-X is shaping up to be a versatile, user-centric, and forward-thinking DEX platform, emphasizing anonymity, scalability, and integration capabilities.

Pure-X Token Functionality

- The Pure-X token can be freely bought and sold using cryptocurrency.
- It serves multiple purposes:
- Voting for governance and development decisions.
- Voting as a validator for platform-wide decisions, contingent on a specific number of staked tokens.
- Payment for products/services within the platform.
- Potential for other emerging use-cases.

Blockchain Layer

- Pure-X boasts its own gas-less blockchain, enabling swift transactions without any gas fees. This unique approach also facilitates the transfer of assets between different chains.
- Designed from the ground up, this layer offers specialized functionality tailored for DEX operations. Notably, users' orders or funds remain private, a feature not commonly found in popular public blockchains like Ethereum or Bitcoin.

Core Use-Cases

- Solo traders can run their own node to trade crypto assets.
- Crypto trading startups can operate a node and deploy their bots using the Platform SDK.
- Hedge funds can integrate their platforms with Pure-X using the Platform SDK.
- Both individual and business investors can function as liquidity providers, earning additional income.
- The platform's flexibility ensures the emergence of more user-cases in the future.

API Use Cases

- **Extension to DEX:** Existing DeFi or CEX platforms can integrate with Pure-X, offering their customers access to crypto trading.
- **Bot Trading:** Solo traders or small startups can utilize the API & SDK to develop and deploy trading bots.
- **Market-Making:** Solo traders or companies, especially those owning a validator, can engage in market-making on the platform, leveraging the API & SDK. Validators enjoy benefits like commission-free trading.
- **Custom Solutions:** The platform's versatile API supports the development of unique business solutions, catering to a wide range of potential ideas.

In summary, Pure-X presents a comprehensive and innovative platform, emphasizing token versatility, a unique blockchain approach, and a wide array of use-cases, all supported by a flexible API.

5. Pure-X Platform Roadmap and Tokensale Structure

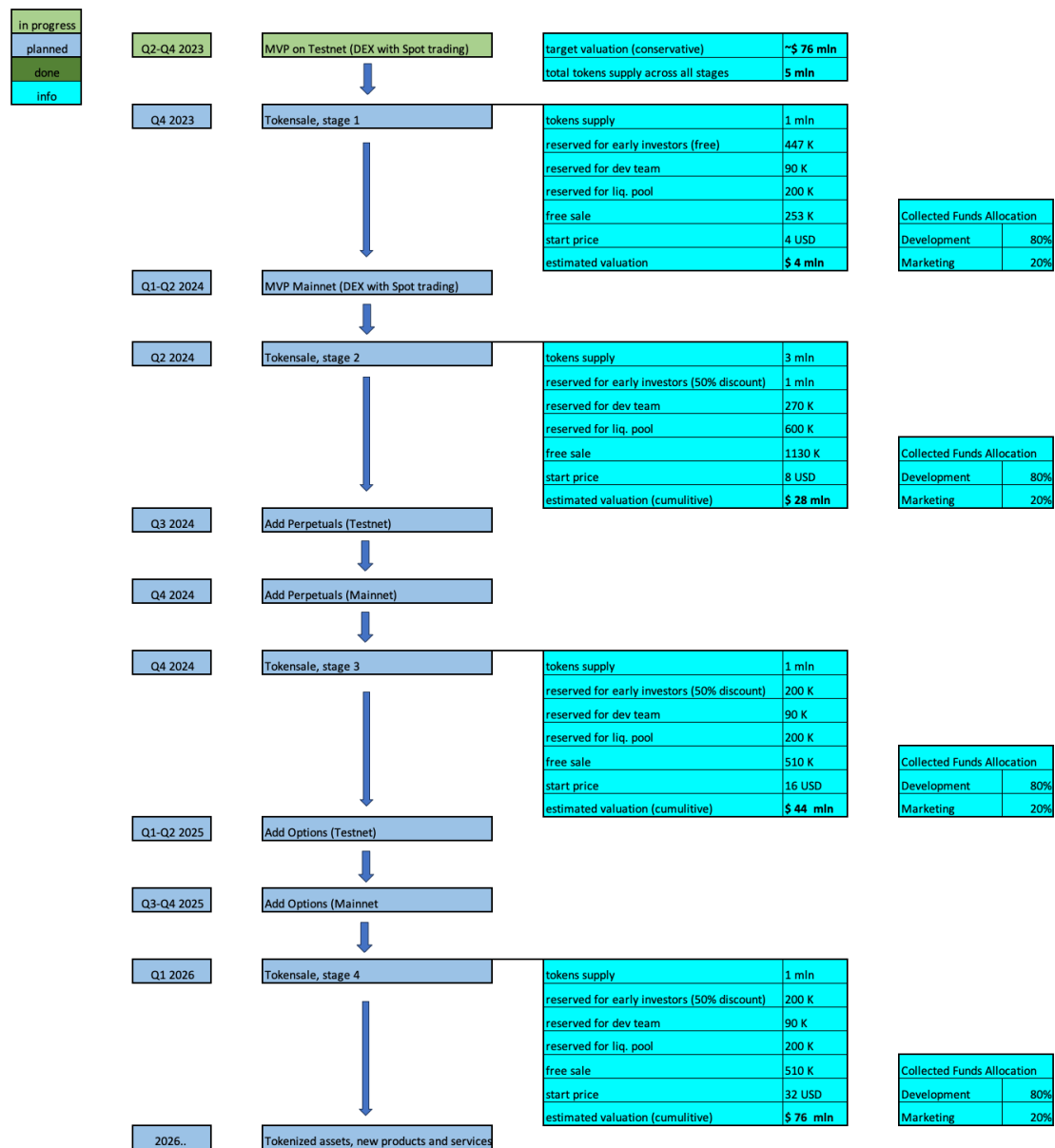


Figure 1. Roadmap and Tokensale Structure

6. Summary

Decentralized crypto exchanges have seen significant evolution, with DEXs becoming more popular due to their enhanced security, transparency, and user autonomy. These exchanges operate on blockchain platforms, allowing users to trade directly without intermediaries. Recent data indicates that the trade volume ratio of DEXs compared to centralized exchanges has reached a new peak, signaling a shift in user preferences towards decentralized platforms.

The DEX market has grown substantially, with a combined market cap of approximately \$836 billion/year as of August 2023. The user base for DEXs is expanding, driven by the rise of DeFi and the increasing demand for decentralized solutions.

Pure-X is an innovative decentralized crypto exchange designed to transform how users trade and manage their digital assets. Unlike traditional centralized exchanges, Pure-X promises a secure, transparent, and seamless trading experience, ensuring users maintain full control over their assets.

- **User Autonomy:** No need for KYC procedures; users can connect their wallets and start trading.
- **Funds Security:** Funds remain in the user's wallet on the Pure-X blockchain, ensuring safety even in unforeseen circumstances.
- **Efficiency:** With all users running their node, Pure-X guarantees a protocol that ensures fund safety without compromising efficiency.

Pure-X's protocol expands beyond traditional definitions. It operates on a node-based system, similar to Bitcoin, ensuring its resilience even if official nodes are compromised. The platform also supports specialized API calls and encourages the development of alternative user interfaces.

Pure-X envisions a platform where nodes also function as user wallets, capable of processing various order types and handling transfers. The system will also integrate with bridges to different blockchains.

Pure-X stands by principles of anonymity, openness, decentralization, mission-critical reliability, and continuous improvement.

7. Pure-X Platform Token Terms and Conditions

7.1 General information

In order to fund the development of the Pure-X platform ecosystem, token will be sold to the public (further Token or Tokens), in exchange of cryptocurrencies. Party that intends to purchase Token (Token Purchaser) is subject to the acceptance of the Risks (see 'Risks' section below). Neither these Litepaper nor any other material relating to platform or Tokens will be or have been filed with regard to legal standards such as the Federal Act on Stock Exchanges and Securities Trading law, the Financial Market Infrastructure Act, the Collective Investment Schemes Act, which are not applicable to this token sale. Therefore, laws and acts that ensure that investors are sold investments that include all the proper disclosures and are subject to regulatory scrutiny for the investors' protection, are not applicable in this case. Every Token Purchaser should receive proper advice in order to understand whether the purchase of the Token is appropriate for him or not. Anyone purchasing Tokens (Token Purchaser) expressly acknowledges and represents that she/he has carefully reviewed this document and fully understands the risks, costs and benefits associated with the purchase of Tokens.

7.2 Knowledge required

The Token Purchaser undertakes that she/he understands and has significant experience of cryptocurrencies, blockchain systems and services, and that she/he fully understands the risks associated with the token sale as well as the mechanism related to the use of cryptocurrencies (incl. storage). Pure-X Platform shall not be responsible for any loss of Tokens or situations making it impossible to access Tokens, which may result from any actions or omissions of the user or any person undertaking to acquire Tokens, as well as in case of hacker attacks.

7.3 Risks

Acquiring Tokens and storing them involves various risks for Token Purchaser, in particular the risk that team behind Pure-X Platform may not be able to launch its operations and develop its blockchain and provide the services promised. Therefore, and prior to acquiring Tokens, any person should carefully consider the risks, costs and benefits of acquiring Tokens in the context of the token sale and, if necessary, obtain any independent advice in this regard. Any interested person who is not in the position to accept or to understand the risks associated with the activity (incl. the risks related to the non-development of the Pure-X Platform) or any other risks should not acquire Tokens.

7.4 Important disclaimer

This document shall not and cannot be considered as an invitation to enter into an investment. It does not constitute or relate in any way nor should it be considered as an offering of securities in any jurisdiction. This document does not include or contain any information or indication that might be considered as a recommendation or that might be used as a basis for any investment decision. Team behind Pure-X platform is not to be considered as an advisor in any legal, tax or financial matters. Any information in the document is provided for general information purposes only and team behind Pure-X platform does not provide any warranty as to the accuracy and completeness of this information. Team behind Pure-X platform is not a financial intermediary and is not required to obtain any authorization for Anti Money Laundering purposes. Acquiring Tokens shall not grant any right or influence over Pure-X platform team and governance to the Purchasers. Regulatory authorities are carefully scrutinizing businesses and operations associated to cryptocurrencies in the world. In that respect, regulatory measures, investigations or actions may impact team behind Pure-X Platform and even limit or prevent it from developing its operations in the future. Any person undertaking to

acquire Tokens must be aware of the document may change or need to be modified because of new regulatory and compliance requirements from any applicable laws in any jurisdictions. In such a case, purchasers and anyone undertaking to acquire Tokens acknowledge and understand that neither team behind Pure-X platform nor any of its affiliates shall be held liable for any direct or indirect loss or damage caused by such changes. Team behind Pure-X platform will do its utmost to launch its operations and develop the Pure-X platform. Anyone undertaking to acquire Tokens acknowledges and understands that team behind Pure-X platform does not provide any guarantee that it will manage to achieve it. They acknowledge and understand therefore team behind Pure-X platform (incl. its bodies and employees) assumes no liability or responsibility for any loss or damage that would result from or relate to the incapacity to use Tokens, except in case of intentional misconduct or gross negligence.

7.5 Representation and warranties

By participating in the token sale, the Token Purchaser agrees to the above and in particular, they represent and warrant that they: have read carefully the document; agree to their full contents and accept to be legally bound by them; · are authorized and have full power to purchase Tokens according to the laws that apply in their jurisdiction of domicile; live in a jurisdiction which allows Pure-X team to sell Tokens through a token sale without requiring any local authorization; are familiar with all related regulations in the specific jurisdiction in which they are based and that purchasing cryptographic tokens in that jurisdiction is not prohibited, restricted or subject to additional conditions of any kind; will not use the token sale for any illegal activity, including but not limited to money laundering and the financing of terrorism; have sufficient knowledge about the nature of the cryptographic tokens and have significant experience with, and functional understanding of, the usage and intricacies of dealing with cryptographic tokens and currencies and blockchain-based systems and services; purchase Tokens because they wish to have access to the Pure-X platform limited functions for token owners in future; are not purchasing Tokens for the purpose of speculative investment or usage.

7.6 Governing and arbitration

The Token Purchaser acknowledges and accepts that the Pure-X platform token sale operation is taking place within legal environment that is still under development.

The Token Purchaser agrees to seek an amicable settlement without bringing any legal action. All disputes arising from or under these conditions shall be resolved by negotiations. The negotiations proceedings shall be conducted in English.