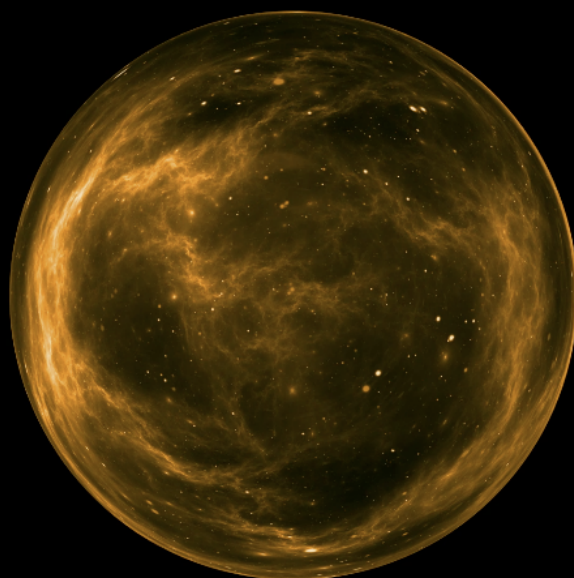


# GPEX



## **THE GLOBAL EXCHANGE FOR ALL THE POINTS YOU EARN**

GPEX, the high-speed platform moving illiquid brand points  
to highly liquid markets

[gpex.io](https://gpex.io)

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# Disclaimer

Important Notice: Please read the following sections carefully.

This white paper (“White Paper”) has been issued by GPEX Inc. (henceforth “Project”). No part of this White Paper is to be reproduced, distributed, disseminated or otherwise transmitted.

## General Disclaimer

This White Paper is a work in progress and will be updated with more details from time to time. More details about the Project and token usage may be added from time to time in a series of updates which will be noted on Project’s official website at [gpex.io](http://gpex.io) (“Website”). Please be cautious of other phishing sites and similar sites. If you are in doubt as to the action you should take, please consult your financial, legal, tax, technical or other professional advisors.

## Legal Disclaimer

This White Paper and the information contained herein, should be regarded as an informative document describing the technical and business aspects of the Project. This White Paper is not binding and the Project shall not be responsible for any loss arising from the use, reference, or basing of information from this White Paper.

This White Paper is prepared based on the current views and plans of Project. Certain statements, estimates and financial information contained in this White Paper can be regarded as forward-looking statements. Such forward-looking statements or information involve known and unknown risks and uncertainties, which may cause actual events or results to differ materially from the estimates or the results implied or expressed in such forward-looking statements. Project reserves the sole and absolute discretion to revise this White Paper from time to time by posting the updated White Paper on the Website. Such updated White Paper will become effective immediately from the time of posting. The sole purpose of this White Paper is to provide the recipient with preliminary information to the Project.

All statements of opinion and all projections, forecasts, or statements relating to expectations regarding future events or the possible future performance represent Project’s own assessment and interpretation of information available to it currently.

None of the information in this White Paper has been filed with, reviewed by, or approved by any regulatory authority. This Whitepaper does not constitute a prospectus or offer document of any sort. This White Paper is also not intended to constitute an offer of, or a solicitation for investment in, capital markets products, securities or any other financial or investment instrument in any jurisdiction. This White Paper does not constitute an offer to sell or a solicitation of an offer to purchase the tokens in any jurisdiction in which such offer or solicitation is not authorized or to any person to whom it is unlawful to make such offer or solicitation.

#### Language Disclaimer

This White Paper was conceived, designed and written in the English language. The Project's team is currently working with multiple entities to translate this White Papers to other languages. In the event of any conflict or inconsistency, the English version of this White Paper shall take precedence over the translated version.

# Abstract

GPEX is a high speed blockchain-based online platform where users can swap their unused loyalty points, reward points, airline miles, store points, etc, (henceforth referred to as “Brand Points”) which are illiquid into liquid markets such as online gaming platforms, including more accessible GPEX yield programs, or more simply traded to the native GPX cryptocurrency. On the GPEX platform member’s brand points can be swapped to the GPW stable coin at the value of the points. The GPEX platform then collaborates with the brand points company to settle the balance of the accrued points, thereby eliminating the associated liabilities to the companies.

Brand points programs are an effective marketing tool designed to foster customer loyalty which translates into repeat purchases and higher revenue by rewarding the customer. As of 2020, brand points programs are a \$185 billion (USD) market, expected to grow to \$216 billion (USD) by 2022.

Despite the popularity of brand points by program members and businesses alike, a number of issues remain that hinder the potential for even greater impact and expansion. This includes primarily inactivity and unused points, slow earnings, limited redemption opportunities, and restrictions.

GPEX serves as a hub where brand point program members can swap their points at any time for cryptocurrency with a wide range of subsequent exchange options. GPEX has partnered with several of the world's largest brands, and plans to integrate their membership programs into the GPEX platform.



Users can even ultimately swap brand points for the GPX token which grants users access to an exclusive NFT Content Marketplace and other digital goods, on top of the value that comes with staking GPX through a staking plan provided separately, which earns yield for the staker. Using the stable coin GPW, users may easily access online entertainment services. The GPEX project seeks to take the once forgotten points and provide the holders with renewed value as assets.

## Mission



To create the high-speed platform that propels illiquid brand points to the highly liquid markets of the consumer's choice.

# Market Review

Brand points programs are effective marketing tools designed to foster customer loyalty which translates into repeat purchases and higher revenue by rewarding the customer for each purchase with points which the customer can redeem for rewards. As of 2020, brand points market is a \$185 billion (USD) market. With a 6% compound annual growth rate (CAGR), the brand points market is projected to grow to \$216 billion (USD) by 2022.<sup>1</sup>

The growing trend to implement and expand brand points programs is indicative of consumers' willingness to adopt points programs and seek out new ones, as well as companies' desire to boost revenue by providing incentives. Program members spend between 12 and 18% more than non-members.<sup>2</sup> 66% of brand points users report increasing their brand spending to maximize loyalty benefits. 73% are more likely to recommend brands with points programs. On top of that, a full 79% of consumers who use brand points programs agree with the statement "Programs make me more likely to continue doing business with Brands."<sup>3</sup> These statistics are a testament to the fact that brand point programs are extremely effective at achieving their intended goals and outcomes.

The COVID-19 pandemic has been disastrous for storefront businesses such as stores, repair shops and restaurants; however it is well established that online shopping has for obvious reasons seen an unprecedented boom in the wake of the virus. More than ever, businesses seek to foster customer engagement and loyalty, and eCommerce sites are more likely to be in a position to offer brand points programs.<sup>4</sup>

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<sup>1</sup> "Loyalty Programs Market Size, Outlook, Share, trends ... - Beroe Inc.."

<https://www.beroeinc.com/category-intelligence/loyalty-programs-market/>.

<sup>2</sup> "How To Encourage Customer Loyalty During COVID-19 - Forbes." 4 Dec. 2020,

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<sup>3</sup> "LAUNCH EDITION - HubSpot."

[https://cdn2.hubspot.net/hubfs/352767/TLR%202019/Bond\\_US%20TLR19%20Exec%20Summary%20Launch%20Edition.pdf](https://cdn2.hubspot.net/hubfs/352767/TLR%202019/Bond_US%20TLR19%20Exec%20Summary%20Launch%20Edition.pdf).

<sup>4</sup> "How To Encourage Customer Loyalty During COVID-19 - Forbes." 4 Dec. 2020,

<https://www.forbes.com/sites/square/2020/12/04/how-to-encourage-customer-loyalty-during-covid-19/>.



# Industry Problems

Despite the popularity of brand points programs among program members and businesses alike, and despite their proven effectiveness, a number of issues remain that hinder the potential for even greater impact and expansion. These are issues which affect companies and brand point program members alike to varying extents.

## Inactivity

Inactivity among brand points members is a major underlying problem. Despite the widespread popularity of brand point programs—as previously mentioned, and with 79% of program members reporting that brand points programs make them more likely to continue doing business with brands, 54% of consumers become inactive, with 28% of them eventually abandoning their accrued points altogether without ever redeeming them.<sup>5</sup> In other words, while the vast majority of program members like the programs, a large majority at the same time fail to benefit from the rewards which they have earned. This issue hinders the effectiveness of brand loyalty programs to the detriment of consumers and companies alike. Unused points as a matter of fact burden companies with a persistent line of liability, an issue to be discussed further below.

## Slow Earnings

It may come as no surprise that slow point earnings have been reported by members as the leading cause of inactivity and abandonment.<sup>6</sup> The rate of point accrual is a crucial calculation which companies must make when planning the fiscal aspects of their brand point programs, but with all its benefits, their careful planning leads to a high rate of member attrition.

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<sup>5</sup> "There Are An Estimated 3.8 Billion Individual ... - Marketing Charts." 7 Jul. 2017, <https://www.marketingcharts.com/industries/travel-and-hospitality-78402>.

<sup>6</sup> "What to do when a rewards program isn't so rewarding - CNBC." 21 Jul. 2017, <https://www.cnbc.com/2017/07/21/what-to-do-when-a-rewards-program-isnt-so-rewarding.html>.

## Limited Redemption Opportunities

Consumers find the idea of brand point programs with all the rewards they offer highly appealing, as established. Unfortunately yet understandably, the overall satisfaction gap is gaping between members with the opportunity to redeem their rewards and those who do not. Many factors play into this, beyond the aforementioned problem of slow earnings.

There has been proven to be a 1.6x lift rate in satisfaction for members who redeem their rewards as opposed to those who do not, a disparity which accounts largely for the high rates of inactivity, attrition and abandonment.<sup>7</sup> A few main factors play into what separates those who redeem and those who don't. Slow earnings is an issue discussed; there are also the hoops a loyalty program member must jump through to earn rewards from a technical point of view. Often redemption requires lengthy webforms and sometimes even paperwork. Even when a brand loyalty program member is fully entitled to redeem their points for rewards, it usually takes more time to redeem them, than making a simple credit card payment. (ibid.)

## Brand Program Restrictions

Loyalty programs often restrict usage of points for redemption, resulting in a common situation where the price paid in earned points is much higher than the market value of the reward itself. For example, the price in points earned for a hotel room can be up to 4X more than the room's true market value if booked directly through the hotel. (ibid.) It is also almost impossible to redeem points earned for cash, starting with the classic airline miles programs, which don't support cash redemption. Further complicating the issue, nearly all mileage programs have expiration dates, meaning miles earned go to waste over time when they go unused. For example, American Airlines miles expire after 18 months, wasting the members' efforts to collect points.

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<sup>7</sup> "LAUNCH EDITION - HubSpot."

[https://cdn2.hubspot.net/hubfs/352767/TLR%202019/Bond\\_US%20TLR19%20Exec%20Summary%20Launch%20Edition.pdf](https://cdn2.hubspot.net/hubfs/352767/TLR%202019/Bond_US%20TLR19%20Exec%20Summary%20Launch%20Edition.pdf).

## Points Registered as Liability to Brands

It would be easy to assume that companies benefit from unused points among their members; however it is important to note that loyalty points programs constitute a micro-economy within a company's books. In which all earned points and their associated value must be accounted for whether the program member redeems the points or not. As noted, in most cases, members don't redeem their points for reasons discussed. This leads not only to a loss on the part of the program member, but a burden of liability to the company as well. The company must fiscally allocate the value of all points earned by members in order to cover their costs when (and more correctly, if) they are used. This can translate into millions of dollars in limbo in the company's finances, waiting to be used by the members who used them, if ever.

Brand point program members perceive their points earned as "free," whether they are actually able to redeem them or not. As established, most often they don't. It has been estimated there are up to \$100 billion (USD) in unclaimed points in global loyalty programs.<sup>8</sup> It is difficult to calculate the overall potential losses to the brand and consumers, since it is at any given time whether and how many points will be redeemed is unknown.

In the case of airline miles, if the miles were redeemed, the cases of "liability" would actually be cleared from the accounting books, and the airline would be able to record additional passenger revenue.

Leading companies have demonstrated the viability and benefits to all parties when a brand loyalty program is well planned and executed. However, the loyalty program as an economy is delicate and subject to not only regular user attrition, but complete failure when even one minor change is implemented.<sup>9</sup>

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<sup>8</sup> "Loyalty Report 2017: Customers Sitting on \$100 Billion of ...."  
<https://info.bondbrandloyalty.com/the-2017-bond-loyalty-report-press-release-us>.

<sup>9</sup> "Why Large Rewards Programs Failed and What You ... - Smile.io Blog." 25 Jul. 2017,  
<https://blog.smile.io/why-large-rewards-programs-failed-and-what-you-can-learn-from-them/>.

# Platform Features

GPEX is a blockchain-based online platform where users can swap their unused brand points which are illiquid into liquid markets such as online gaming, including more accessible GPEX yield programs, or more simply traded to the native GPX cryptocurrency.

On the GPEX platform member's brand points can be swapped to the GPW stable coin at the value of the points. The GPEX platform then collaborates with the brand points company to settle the balance of the accrued points, thereby the associated liabilities.

This holds the key to vastly reducing company liabilities associated with points allocation that most often goes unused, and for the brand points program members to get a return for their loyalty regardless of whether they have met arbitrary thresholds or have time for lengthy and complicated redemption procedures.

## Brand Points Swap

The GPEX platform serves as a hub where brand point program members can swap their brand points at any time for cryptocurrency with a wide range of subsequent exchange options. Consumers can track how many brand points they swapped, and companies can accurately monitor how many of their points were swapped into the stable GPW.

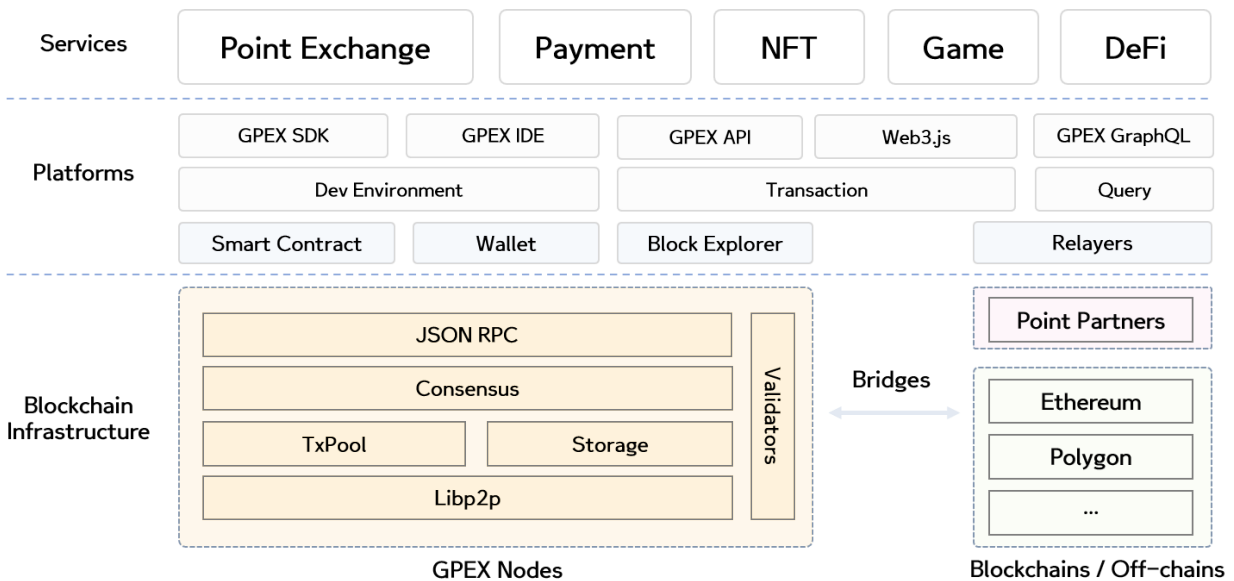
GPEX has partnered with several of the world's largest brands, and seeks to integrate their programs into the GPEX platform. Brand point program members may simply log in and swap their brand points to GPW. Brand point values are automatically calculated through integration with the company's program system, allowing for members to clearly see the value of their points, and exactly how much they will receive in GPW.

By allowing brand point members to use their points, companies greatly increase the value of their points to their members. Points with limited usage hold reduced value to the user; however if users can easily redeem points, their propensity to continue with the brand point program will be highly increased. Attrition, inactivity and abandonment are greatly reduced and the consumer is highly motivated to continue business with the company and earn brand points.

Through the GPEX platform, users are no longer limited to what one brand offers, nor restricted by the minimum points to claim rewards, and the often strict limitations and premiums that make redemption difficult or non-viable. No longer do users need to painstakingly search for redemption events or alternative programs.

# GPEX Technologies

Blockchain technology and the immutability of the data in the blockchain is based on Consensus. Consensus is a mechanism used to achieve the necessary agreement on a single data value or a single date of the network among distributed processes or multi-agent systems.<sup>10</sup> Algorithms widely known in the blockchain industry are Proof of Work (POW) and Proof of Stake (POS). However, Bitcoin and Ethereum, both utilizing POW currently have a processing speed of 7 TPS and 30 TPS. In the case of Ethereum, transactions willing to pay a higher fee (Ethereum Gas Fee) are given priority. In the event there is an increase in the number of transactions, users compete against each other by increasing their gas fee. This has resulted in many users not being able to process their transactions due to the fees associated with the transaction.



<sup>10</sup> "Consensus Mechanism (Cryptocurrency) Definition - Investopedia." <https://www.investopedia.com/terms/c/consensus-mechanism-cryptocurrency.asp>.

## GPEX Blockchain

To address transaction speed and costs, the GPEX blockchain has applied the IBFT (Istanbul Byzantine Fault Tolerance) based PoS consensus algorithm. The consensus algorithm in which the elected leader node receives the verified transaction through the verification node, then propagates the consensus request to all nodes, and obtains 2/3 votes to create a block.

## Compatibility

To support interoperability and range of services, The GPEX mainnet will be Ethereum-compatible chain, as well as transaction from and to virtual addresses from a centralized exchange and crypto wallets. Transactions on the GPEX platform are mapped through its own cross-chain functions, thus supporting the inflow of various cryptocurrencies.

The GPEX blockchain was built to meet the appropriate needs for enterprise business infrastructures and their users. Verified participants form the GPEX mainnet where they participate as node operators. Transactions are processed by the network efficiently, leading to increased transaction speeds and overall service usability and convenience.

# GPW Features

GPW is specially designed to serve as the crucial bridge between swapped brand points and partner platforms, as well as traded for the native GPX cryptocurrency and other major or partner cryptocurrencies. GPW brings stability, transparency and minimal transaction fees to users. Most importantly, GPW grants users easy access to partner gaming platforms.

GPW serves as the medium of exchange in order to purchase points used in partner platforms. After obtaining GPW by swapping brand points or trading cryptocurrency (GPX, ETH, BTC, USDT, etc.), users may in turn exchange GPW for select partnership points and load those points on the partner platforms for use.

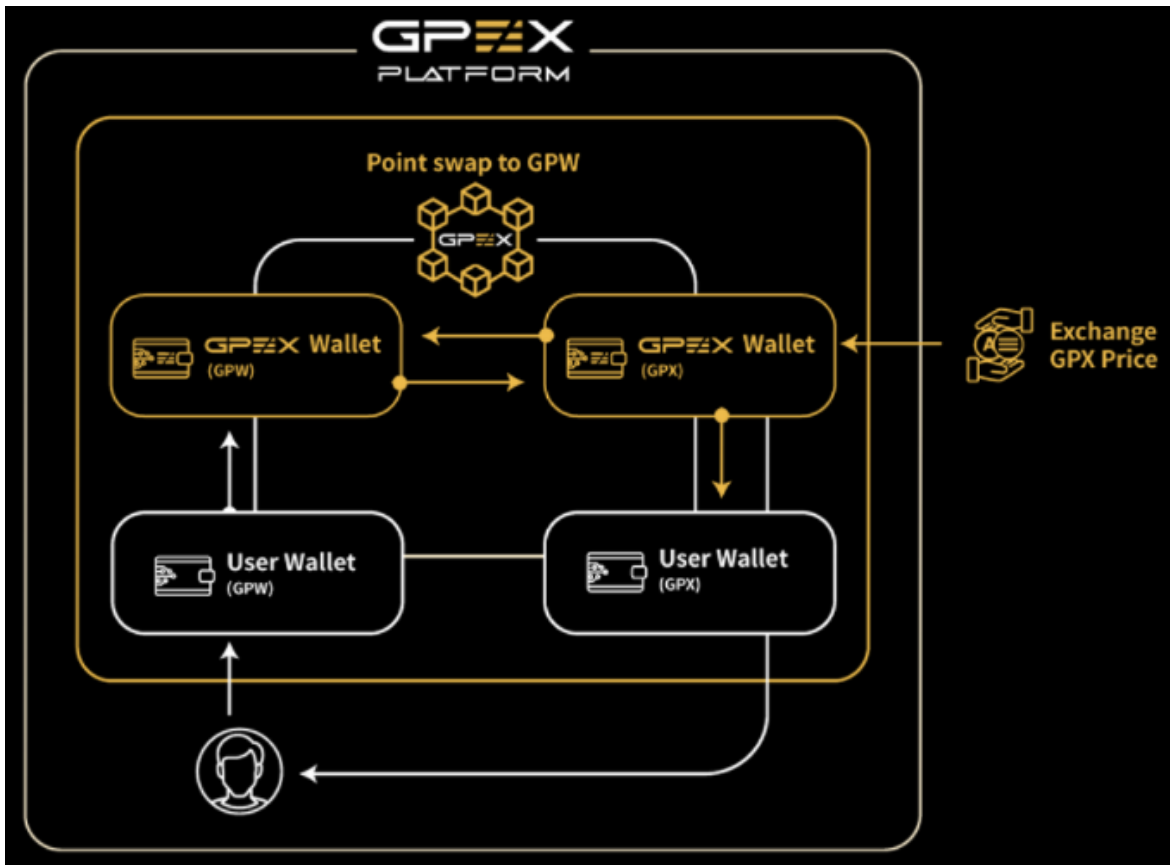
## Wallet Technology

At the core of the GPEX platform is the GPEX wallet technologies. The GPEX wallet will allow users to interact conveniently and safely with each other and the platform itself. Basic functionalities include send and receive features, expanding to escrow technologies allowing for individual parties to engage in transactions without the risk of the other party failing to follow through on the agreement. The GPEX platform will utilize the latest in smart contract technologies to decentralize and automate escrow services. Wallet technologies will eventually include timed transactions to multi-party agreements and transactions.

## GPW to GPX

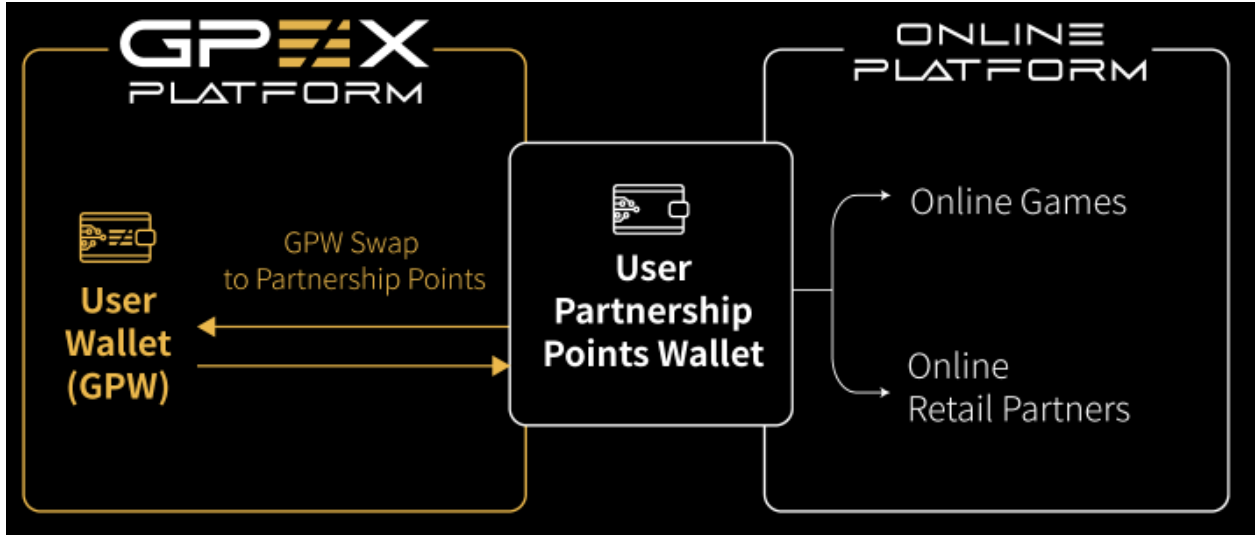
Users who wish to liquidate their GPW can trade their GPW for GPX, where the platform purchases GPW from the users and sells GPX to the user. This trade is also possible in other forms where the GPEX platform purchases the cryptocurrencies and sells GPW to the user.





## GPW Swap to Partner Points

The GPEX platform facilitates direct swaps to partnership platform points. Platforms such as online gaming sites face great difficulty with fiat transactions, and stand to benefit with swaps directly into their platform point with no third party to disrupt the transaction. Roughly half of all credit card transactions on such gaming platforms are automatically declined if the issuer, often a major bank, even suspects that the transaction involves a wager.

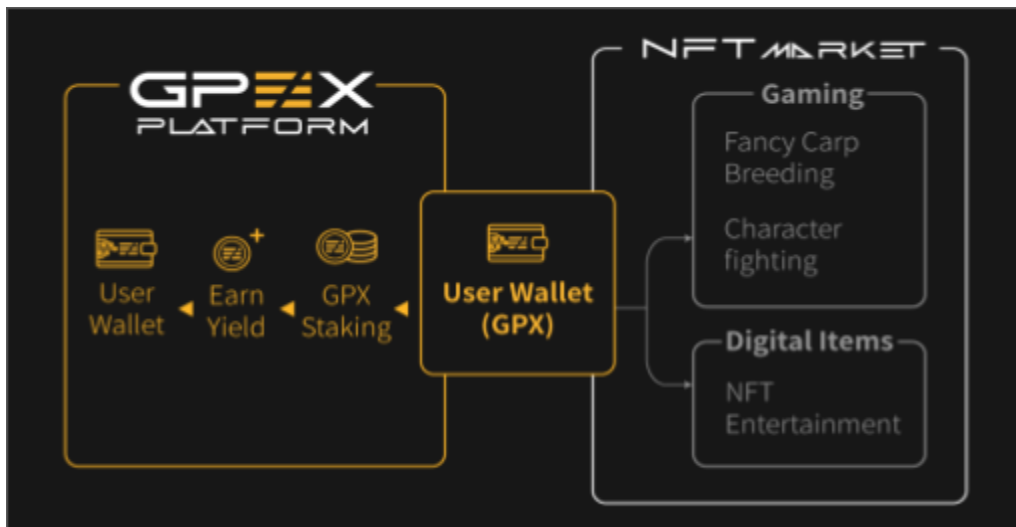


# GPX Usage

GPX was designed to facilitate platform activities. Such as granting users holding a certain amount of GPX exclusive access to markets unavailable elsewhere, and providing yields through staking. At the outset, users holding a minimum amount of GPX automatically get access to exclusive entertainment content based non-fungible tokens (NFT), and digital gaming characters and items.

Staking GPX is simple. It simply means participating in a separate staking program with a minimum amount of GPX through a user's wallet for a certain period of time, and earning yield over that period of time.

The staking program is created to provide the GPEX users and holders with the opportunity to participate in providing the platform with GPX liquidity. Liquidity is essential to facilitate the exchange between GPW and GPX. In return, users that stake their GPX on the platform through a separate staking service, will receive yield dependent on how much and how long they stake their GPX on the platform.

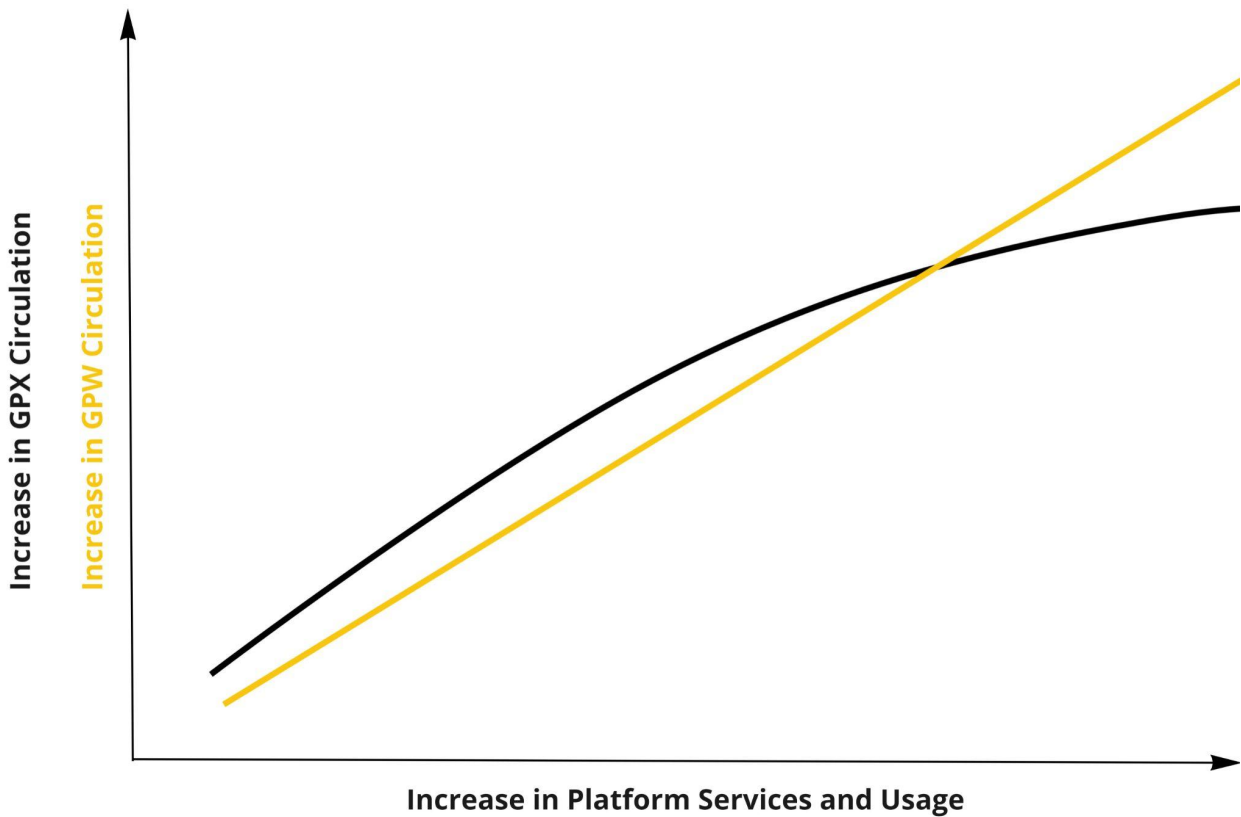


## GPX Token Economy

The GPX token circulation will differentiate itself from other tokens in that the circulation supply of the token will be representative of the GPEX platform usage and popularity. The more GPX is in circulation mean the demand for the platform is high with users interacting with the wallets on the platform, whether it is the points wallet or the cryptocurrency wallet.

## GPX and GPW Pool

In order to create an effective platform, the GPEX Platform seeks to implement Pooling technology where users interact with the platform Pools that hold both GPX and GPW.



## NFT Content Marketplace

An NFT is a digital item such as a contract, image, video, or digital character, with one exclusive owner verified on the blockchain. A NFT is recognized on the blockchain as an ad-hoc, once-off token, thus the term “non-fungible token.” The NFT is not fungible, in that it cannot be replaced or exchanged. It is in essence a single token tied to one digital item which can only be owned by a single individual, with a decisive record of ownership written immutably to the blockchain and easily verified. Once ownership is written to the blockchain’s immutable ledger, it cannot be transferred unless the owner agrees via smart contract.

Much has been made as of late of NFTs, since several high profile NFT items have netted as much as \$1 million apiece dating back to 2018’s sale of the Forever Rose NFT,<sup>11</sup> to the most recent sale of Beeple’s Everyday: The First 5,000 Days, NFT sale for over \$69 million USD,<sup>12</sup> making NFTs easily the all-time highest priced category of digital goods to date. While some may perceive NFTs as only a transient phenomenon, it is widely anticipated that NFTs will continue to rise.

Celebrities already have an impressive track record of profiting highly from their sale of their own NFT’s.<sup>13</sup> With GPEX, celebrities and casual users alike can create NFT’s and set them for sale by auction on the NFT Content Marketplace with exclusive purchases allowed only through GPX, offering value to users holding GPX in addition to exclusive access to the marketplace. Users are incentivized to stake more GPX through the tiered access to even more exclusive content for higher status members; content not available to entry level staked users.

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<sup>11</sup> "Crypto-art 'Forever Rose' photo sells for \$1M, making it the world's ...." 19 Feb. 2018, <https://www.dpreview.com/news/6617425004/crypto-art-forever-rose-photo-sells-for-1m-making-it-the-world-s-most-valuable-virtual-art>.

<sup>12</sup> "Beeple, real name Mike Winkelmann, sees NFTs around for 'many ...." 30 Apr. 2021, <https://www.cnbc.com/2021/04/30/beeples-real-name-mike-winkelmann-sees-nfts-around-for-many-decades.html>.

<sup>13</sup> "Celebrities, Billionaires, and Influencers Join NFT Craze." 21 Mar. 2021, <https://www.businessinsider.com/nft-celebrities-grimes-mark-cuban-lindsay-lohan-gronk-shawn-mendes-2021-3>.

## NFT Digital Character Gaming

The digital NFT character market first exploded onto the scene in late 2017 with CryptoKitties, when the sales of the digital Kittens clogged the Ethereum network with high volumes of transactions.<sup>14</sup> Today, while the transactions have subdued and the network strengthened, transaction prices have significantly increased. Indicating a strong demand for unique NFT based characters.

The GPEX platform has partnered with NFT-based games, where the GPX token can be used as a trading medium for the NFT-based character games, wherein users purchase, collect, breed and sell virtual pets or other characters. Digital character games operate on GPEX's underlying blockchain network with a NFT unique to each character or pet. Characters cannot be replicated or transferred by anyone but the owner except with the permission of the owner; it is impossible for the game developer to alter the user-owned characters.

GPEX has partnered with Digital Koi Fish to integrate the GPEX wallet, providing users with access to the market for exclusive NFT-backed pets where they can buy unique fish, raise and breed them, and sell them on the NFT marketplace. GPEX has also partnered with an NFT based character card fighting game, where users battle each other through the NFT cards of specific characters.

The GPEX platform seeks to provide users all over the world with access to technologies that facilitate better usage of their brand point assets as well as access to their activities of choice.

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<sup>14</sup> "Loveable Digital Kittens Are Clogging Ethereum's Blockchain ...." 4 Dec. 2017, <https://www.coindesk.com/loveable-digital-kittens-clogging-ethereums-blockchain>.

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# Risk

## Adherence to All Legal and Regulatory Standards

The purchase of any tokens involves a high degree of risk, including but not limited to the risks described below. Before purchasing GPEX Inc.. (henceforth “Project”) Token “GPX”, it is recommended that each participant carefully weigh all the information and risks detailed in this White Paper, and, specifically, the following risk factors.

## Dependence on Computer Infrastructure

Project’s dependence on functioning software applications, computer hardware and the Internet implies that Project can offer no assurances that a system failure would not adversely affect the use of your Project Tokens. Despite Project’s implementation of all of our expert and reasonable network security measures, our processing center servers are to some measure still vulnerable to computer viruses, physical or electronic break-ins or other disruptions of a similar nature. Computer viruses, break-ins or other disruptions caused by third parties may result in interruption, delay or suspension of services, which would limit the use of Project Tokens.

## Smart Contract Limitations

Smart contract technology is still in its early stages of development, and its application is of experimental nature. This may carry significant operational, technological, regulatory, reputational and financial risks.

## Regulatory Risks

The blockchain technology, including but not limited to the issue of tokens, may be a new concept in some jurisdictions, which may then apply existing regulations or introduce new regulations regarding blockchain technology-based applications, and such regulations may conflict with the current Project Token Smart Contract setup and Project Token concept. This may result in substantial modifications of Project Token Smart Contract, including but not limited to its termination and the loss of Project Tokens as well as a suspension or termination of all Project Token functions.

## Taxes

Token holders may be required to pay taxes associated with transactions involving Project Tokens. It is the sole responsibility of the token holder to comply with the tax laws of the relevant jurisdiction and pay all required taxes.

## Force Majeure



Project's performance may be interrupted, suspended or delayed due to force majeure circumstances. For the purposes of this White Paper, force majeure shall mean extraordinary events and circumstances which could not be prevented by Project or its management and shall include: 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 Project's control.

#### Disclosure of Information

Personal information received from Project Token holders, the information about the number of tokens owned, the wallet addresses used, and any other relevant information may be disclosed to law enforcement, government officials, and other third parties when Project is required to disclose such information by law, subpoena, or court order. Project shall at no time be held responsible for such information disclosure.

#### Governing Law and Jurisdiction

Governing law and court of jurisdiction of the conditions above ("Terms") comply with the laws and regulations of the British Virgin Islands and shall be interpreted and executed under the laws of British Virgin Islands. Disputes arising between parties concerning these Terms, their subject, or effectivity shall be resolved in the courts of the British Virgin Islands.

#### Value of Project Token

Once purchased, the value of Project Token may significantly fluctuate due to various reasons. Project does not guarantee any specific value of Project Token over any specific period of time. Project shall not be held responsible for any change in the value of Project Token. Assumptions with respect to the foregoing involve, among other things, judgments about the future economic, competitive and market conditions and business decisions, most of which are beyond the control of the Project team and therefore difficult or impossible to accurately predict.

Please note that the Project Project and/or Project Token may be subject to risks not foreseen by its team at this time.