

NEXO Token Terms

Why Is Nexo Issuing Tokens?

Instead of attracting capital from legacy financing sources that are only now beginning to appreciate the potential of blockchain technologies, Nexo is opting for another solution. The company aims to increase the awareness and gather generic support from the crypto community by letting its members participate directly and transparently in the Token Sale. A well-executed Token Sale provides essential funding that allows Nexo to extend instant loans and meet the overwhelming demand from the blockchain community. The benefit of global outreach and inclusivity of all people and potential investors to participate and become long-standing Nexo supporters on a global scale is the very essence of the efforts of the blockchain technological innovation. Furthermore the NEXO tokens are going to be used in multiple Airdrop campaigns that will attract and retain loyal customers and supporters and represent a great incentive for them to explore the possibilities of the Nexo platform at discounted rates. The Token Sale is an invigorating and efficient way to raise funds, as it prompts the community members to reinvest into the sustainable growth of useful projects. To further reward NEXO token holders, each NEXO token bears dividend-paying features.

	NEXO Dividend Token	Typical "ICO" Token
Category	US SEC-compliant Dividend-paying Asset-backed Security Token with Utility Features	Utility Token with limited future benefits
Issuer	Successful FinTech Team serving millions of people in Europe for over 10 years under strict European Banking and Financial Services Supervision	Newly assembled team with no proven track-record
Product	In final development stage and testing Launch date: April 2018	Early-stage idea 2-4 years until product launch
Use of Proceeds	<ul style="list-style-type: none"> Funding Crypto-backed Loans Expanding the Nexo Community 	Funding of high-risk idea without viable business model
Profit Sharing	30% of company's profits to be shared with NEXO token holders	No Profits are shared with token holders
Value Drivers	<p>Asset-backed by the Nexo loan portfolio</p> <p>Strong utility features:</p> <ul style="list-style-type: none"> Clients repay interest on their loans at lower interest rates when paying with NEXO tokens NEXO tokens can also be used in the Nexo Wallet to obtain instant financing based on the tokens' value with interest rate discount 	Potential future utility use

Token Features

The NEXO Token is the world's first US SEC-compliant dividend-paying asset-backed security token with additional utility features, that will be offered as a security to qualified investors in accordance with US and other laws. The NEXO Token is ERC20-compliant and embedded in the Ethereum blockchain as a smart contract.

Security Features

Dividend-paying & Asset-backed Token

In return for their initial backing and ongoing support, NEXO Token holders will receive 30% dividends from Nexo's profits. Dividends are paid monthly in ETH and distributed proportionately to all NEXO token holders, immediately when payment is sent to the dividend smart contract. NEXO tokens are backed by the underlying assets of Nexo's loan portfolio.

Compliant and Regulated

The management team behind NEXO has run a successful financial institution under strict European Banking and Financial Services supervision and adheres to the highest regulatory requirements for over 10 years. Continuing a prudent business conduct, the NEXO Token complies with the US SEC rules and regulations pursuant to the US Securities Act Regulation D Rule 506(c).

Utility Features

Interest Discount

The key utility feature of the NEXO token is the discount that token holders receive whenever they repay the interest on their loans using the NEXO token.

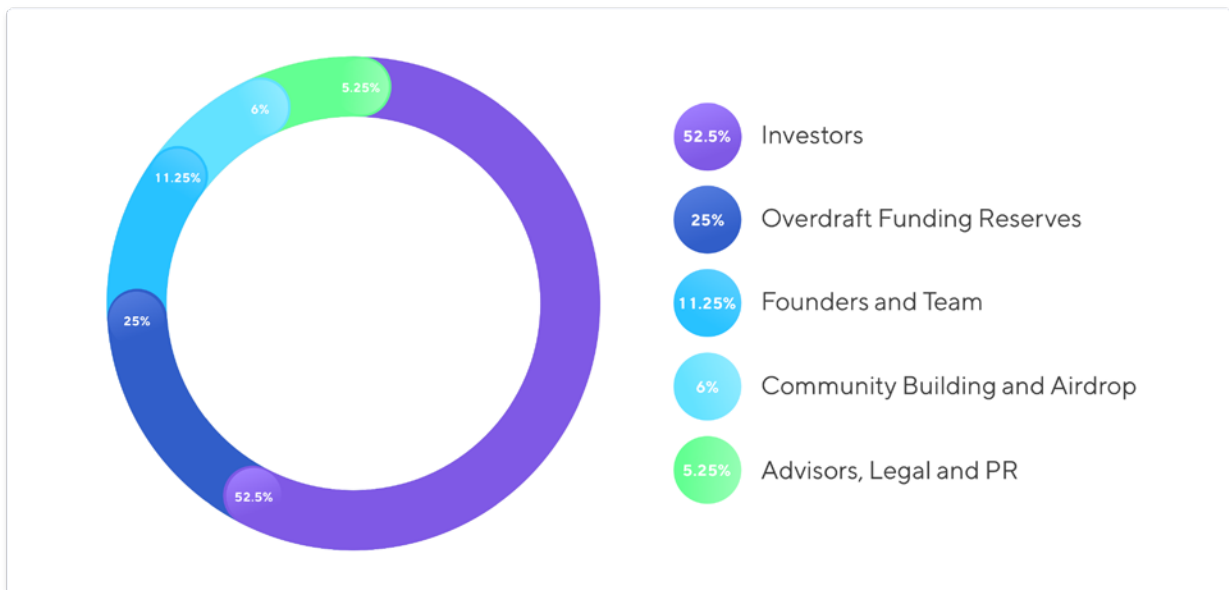
Increased Loan Limits

Similar to BTC and ETH, NEXO tokens can also be used in the Nexo Wallet to obtain instant financing based on the tokens' value. Nexo further incentivizes the use of NEXO tokens in the Wallet by offering discounts on the loan interest.

Summary

NEXO Dividend Token	
Project	Nexo.io - The World's First Instant Crypto-backed Loans
Symbol	NEXO
Category	Dividend-paying Asset-backed Security Token with Utility Features
Dividends	30% of Net Profits
Standard	ERC20
Par Value	\$0.10
Max Supply	1,000,000,000
Investors	525,000,000 (52.50%) Any Unsold Tokens Will Be Burned
Overdraft Funding Reserves	250,000,000 (25%) subject to 12 months vesting with 6 months cliff
Founders and Team	112,500,000 (11.25%) subject to 48 months, vesting quarterly
Community Building and Airdrop Campaigns	60,000,000 (6%) subject to 18 months, vesting quarterly
Advisors, Legal and PR	52,500,000 (5.25%) subject to up to 12 months vesting

Token Distribution



The table below represents token distribution and locking periods. Sale of vested tokens after the ICO will never occur at a price lower than the ICO one.

	Max Supply	Circulating Supply	Subject to Vesting	Vesting Period
Investors	525,000,000	525,000,000	0	
Overdraft Funding Reserves	250,000,000	0	250,000,000	12 months with 6 months cliff
Founders and Team	112,500,000	0	112,500,000	48 months, vesting quarterly
Community Building and Airdrop Campaigns	60,000,000	10,000,000	50,000,000	18 months, vesting quarterly
Advisors, Legal and PR	52,500,000	25,000,000	27,500,000	up to 12 months vesting
Total	1,000,000,000	560,000,000	440,000,000	
% of total	100%	56%	44%	

Investors

52.50% of NEXO tokens will be distributed to investors from the Nexo Token Sale.

Loan Funding Reserves

Once Nexo starts offering additional Altcoins and Tokenized Asset-backed financing, **25% of NEXO tokens** will be allocated towards the growth of the loan portfolio.

Founders & Team

11.25% of NEXO tokens will be distributed to the founders and the team with a vesting structure that will ensure that the team's interests are aligned with those of the investors and that the team's efforts will be channeled towards the creation of a profitable and sustainable business: The Founders & Team tokens will be subject to 48 months (4 years) vesting with 6 cliffs at each half-year (1/8 of all tokens vest every 6 months). Vesting is encoded in the smart contract.

Community Building & Airdrops

6% of NEXO tokens will be retained and used for community building and Airdrops. 10,000,000 NEXO tokens have already been allocated. For the remaining tokens, an appropriate vesting structure has been created in the smart contract in order to assure the appropriate usage of the tokens: 18 months (1.5 years) vesting with 6 cliffs at each half-year (1/3 of all tokens mature every 6 months). These tokens will be used to promote the Nexo loan services by engaging the crypto community, thus ensuring the long-term success of the Nexo enterprise.

Advisors & Compliance

5.25% of NEXO tokens would be distributed to Nexo’s advisors, including the Board of Advisors, Legal, PR and will be utilized for ensuring compliance with the complex, evolving and expansive regulatory framework on a global scale. Tokens are subject to up to 12 months vesting.



Use of Proceeds:

From the Community to the Community

Nexo’s primary mission is to enable the community to enjoy its crypto-wealth without selling it. The team firmly believes that the vast majority of the raised funds need to find their way back to the people that need funding for meeting a short term obligation, seize an attractive investment opportunity or leverage their business operations. Almost all of the funds contributed at the Nexo Token Sale will therefore be allocated towards the funding of the World’s First Instant Loans. There is already a huge demand from potential loan clients, resulting in over \$500 million in loan requests as of March 5, 2018.

Roadmap

Q1 2018

- ✓ **February:** First Nexo Airdrop Campaign
- ✓ **March:** Finalize Token Sale

Q2 2018

- ✓ **April:** Launch Instant Crypto-backed Loans in USD Secured by BTC and ETH
- ✓ **April:** Listing NEXO Token On Exchanges
- ✓ **May:** Start M&A Process of Acquiring a FDIC-insured Banking Institution
- ✓ **June:** EUR Currency Support

Q3 2018

- ✓ Additional Altcoins / Tokenized Assets Support
- ✓ Additional fiat currencies
- ✓ KYC/AML Automation



Q4 2018

- Launch Nexo Credit Card
- Launch Nexo Mobile Wallet
- Launch Affiliate Program & Tell a Friend Program
- ✓ Increase Maximum Loan Limits
- Second Nexo Airdrop Campaign

Q1 2019

- Finalize Acquisition of the FDIC-insured Banking Institution
- Introduce Deposit Accounts

Q2 2019

- Enterprise API
- Installment Loans
- Further Increase the Maximum Loan Limits

General and Utilities Disclaimers

THESE MATERIALS (THE "MATERIALS") ARE NOT INTENDED TO BE AN OFFER TO SELL, OR A SOLICITATION OF ANY OFFER TO BUY, ANY SECURITY OR OTHER FINANCIAL INSTRUMENT OR TO INVEST IN THE NEXO TOKEN AND ARE FOR INFORMATIONAL, ILLUSTRATION AND DISCUSSION PURPOSES ONLY. THESE MATERIALS ARE AS OF NOVEMBER 6, 2017, MAY NOT BE COMPLETE OR FINAL, MAY BE ESTIMATED, ARE SUBJECT TO CHANGE AND DO NOT CONTAIN ALL MATERIAL INFORMATION REGARDING AN INVESTMENT, INCLUDING SPECIFIC INFORMATION RELATING TO AN INVESTMENT'S RISKS. THE OFFERING OF THE NEXO TOKEN HAS NOT BEEN REGISTERED, QUALIFIED, OR APPROVED UNDER ANY SECURITIES, FUTURES, FINANCIAL INSTRUMENTS, CAPITAL MARKETS, OR EXCHANGE CONTROL LEGISLATION, REGULATION, OR ORDINANCE OF ANY JURISDICTION. IN ALL JURISDICTIONS, THE OFFER TO SELL AND SOLICITATION TO BUY A NEXO TOKEN IS DIRECTED SOLELY TO QUALIFIED INSTITUTIONAL INVESTORS, QUALIFIED PROFESSIONAL INVESTORS, AND THOSE OTHER SOPHISTICATED PERSONS TO WHOM OFFERS AND SOLICITATION MAY BE MADE WITHOUT ANY LICENSING, REGISTRATION, QUALIFICATION, OR APPROVAL UNDER APPLICABLE LAW (COLLECTIVELY, "QUALIFIED PERSONS"). THESE MATERIALS DO NOT CONSTITUTE AN OFFER, DISTRIBUTION, SOLICITATION, OR MARKETING TO ANY NON-QUALIFIED PERSON, AND IS NOT AN OFFERING TO THE RETAIL PUBLIC IN ANY JURISDICTION WHERE SUCH OFFERING IS UNLAWFUL. YOU SHOULD DISREGARD THIS INFORMATION SHEET IF YOU ARE A NON-QUALIFIED PERSON. BEFORE YOU DECIDE TO INVEST IN A NEXO TOKEN, YOU SHOULD CAREFULLY READ NEXO'S DOCUMENTS AND CONSULT WITH YOUR OWN ADVISORS. AN INVESTMENT IN A NEXO TOKEN IS SPECULATIVE AND INVOLVES RISKS, WHICH YOU SHOULD UNDERSTAND PRIOR TO MAKING AN INVESTMENT. A NEXO TOKEN WILL FLUCTUATE IN VALUE, AND MAY BE VOLATILE, ESPECIALLY OVER SHORT TIME HORIZONS. OPINIONS, ASSUMPTIONS, ASSESSMENTS, STATEMENTS OR THE LIKE REGARDING FUTURE EVENTS OR WHICH ARE FORWARD-LOOKING, CONSTITUTE ONLY SUBJECTIVE VIEWS, BELIEFS, OUTLOOKS, ESTIMATIONS OR INTENTIONS OF NEXO, SHOULD NOT BE RELIED ON, ARE SUBJECT TO CHANGE DUE TO A VARIETY OF FACTORS, INCLUDING FLUCTUATING MARKET CONDITIONS AND ECONOMIC FACTORS, AND INVOLVE INHERENT RISKS AND UNCERTAINTIES, BOTH GENERAL AND SPECIFIC, MANY OF WHICH CANNOT BE PREDICTED OR QUANTIFIED AND ARE BEYOND THE CONTROL OF NEXO. NEXO DOES NOT MAKE ANY REPRESENTATION OR WARRANTY AS TO THE ACCURACY OR COMPLETENESS OF THE INFORMATION CONTAINED IN THESE MATERIALS. NEXO HAS NO OBLIGATION TO UPDATE OR KEEP CURRENT ANY INFORMATION OR PROJECTIONS CONTAINED IN THESE MATERIALS. THERE CAN BE NO ASSURANCE THAT THE TOKENS WILL EVER BE ISSUED OR DIVIDENDS WILL BE PAID; NEXO IS SUBJECT TO COMPLEX, EVOLVING AND EXPANSIVE U.S. AND FOREIGN LAWS AND REGULATIONS; THERE IS NO ASSURANCE THAT TOKEN PURCHASERS WILL RECEIVE A RETURN ON OR OF THEIR INVESTMENT; NEXO HAS LIMITED OPERATING HISTORY, WHICH MAKES IT HARD TO EVALUATE ITS ABILITY TO GENERATE REVENUE THROUGH OPERATIONS; TOKEN HOLDERS GENERALLY WILL NOT HAVE VOTING RIGHTS OR ABILITY TO INFLUENCE NEXO'S DECISIONS; NEXO MAY BE FORCED TO CEASE OPERATIONS; NEXO MAY NOT SUCCESSFULLY DEVELOP, MARKET AND LAUNCH THE NEXO WALLET SYSTEM, AND, EVEN IF LAUNCHED THE NEXO WALLET SYSTEM MAY NOT BE WIDELY ADOPTED AND MAY HAVE LIMITED USERS AND COULD BE SUBJECT TO SIGNIFICANT COMPETITION; PRICES OF BLOCKCHAIN ASSETS ARE EXTREMELY VOLATILE AND FLUCTUATIONS IN THE PRICE OF DIGITAL ASSETS COULD MATERIALLY AND ADVERSELY AFFECT NEXO'S BUSINESS. TOKEN HOLDERS SHALL NOT BE ENTITLED TO ANY UTILITY FUNCTIONALITY AS PART OF THE TOKEN. NEVERTHELESS, THE COMPANY EXPECTS TO ENDEAVOUR TO PROVIDE CERTAIN ADDITIONAL BENEFITS TO HOLDERS OF THE TOKENS IN THE FUTURE (THE "DISCRETIONARY BENEFITS"). THESE WILL NOT BE A PART OF THE TERMS AND CONDITIONS OF THE TOKENS, BUT RATHER BENEFITS VOLUNTARILY PROVIDED BY THE COMPANY TO TOKEN HOLDERS. THESE DISCRETIONARY BENEFITS MAY BE WITHDRAWN OR CHANGED AT ANY TIME AT MANAGEMENT'S DISCRETION.