

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 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.

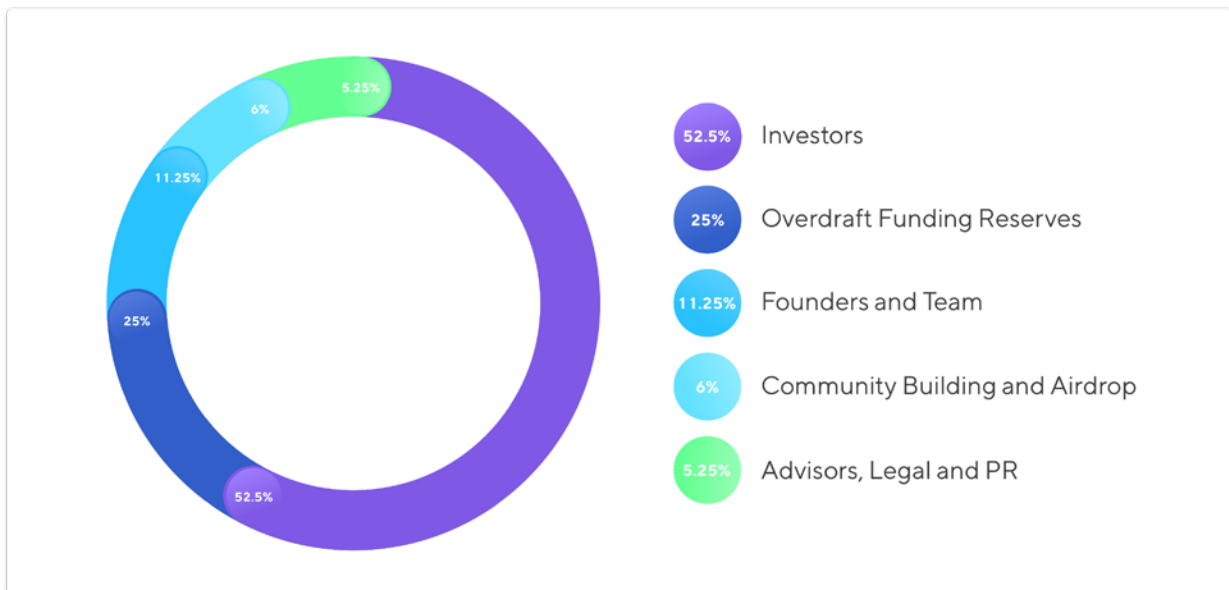
Increased Loan Limits

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 lower than the nominal price during the ICO.

| | 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

25% of NEXO tokens will be allocated towards the growth of the loan portfolio, once Nexo starts offering additional Altcoins and Tokenized Asset-backed financing. There are over \$500 million in loan requests as of March 5, 2018 which are expected to increase further. Loan Funding Reserves will also be used to increase the maximum loan limits. Tokens are subject to up to 12 months vesting with 6 months cliff.

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 already is huge demand from potential loan clients, resulting in requests for 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
- July:** Launch Nexo Credit Card

Q3 2018

- Additional Altcoins / Tokenized Assets Support
- JPY Support
- KYC/AML Automation
- Launch Nexo Mobile Wallet
- Launch Affiliate Program & Tell a Friend Program

Q4 2018

- 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

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