

betbox coin – token economy

Version 1 | 16th November 2018

Author: Stefan Godly, CEO of betbox

Glossary:

Betbox coin (OX):	Native currency of betbox ecosystem
Ethereum public Mainnet	Public blockchain infrastructure underlying betbox's services
OX-Chain	EVM based distributed Proof of Authority network
OX-Node	Node to host distributed OX-Chain
OX-Node Owner	Third party hosting an OX-Node

Inhalt

1	Abstract	3
2	Introduction.....	3
2.1	Token Overview	3
2.2	Subordination Summary	3
3	Qualification of Token	4
3.1	Description of Token.....	4
3.2	Purpose of Token	4
3.2.1	Payment for transactions in OX-Chain	4
3.2.2	Payment for services and rewards	4
3.2.3	Access to limited features and events	4
3.2.4	Required stake for OX-Node hosting.....	4
3.2.5	Secondary Market.....	5
3.3	Transparency of Token.....	5
3.4	Minting Activity	5
3.5	Minting Restrictions for the Company and Third Parties	6
3.6	Voluntary Burn	6
3.6.1	Process	6
3.6.2	Liability	6
4	Technical Description	6
4.1	ERC20	7
4.2	Native Currency in OX-Chain	7
4.3	Interchain Operability (EVM).....	7
4.4	Wallets	7
5	ICO.....	8
5.1	Token allocation:.....	8
5.2	Sales period:	8
5.2.1	Acceptance criteria for private pre-sale	8
5.2.2	Acceptance criteria for private sale	8
5.2.3	TGE participation ticket.....	8
5.2.4	Private Pre-Sale:.....	9
5.2.5	Private Sale:.....	9
5.2.6	Funds usage	9
5.2.7	Vesting plan	10
6	Masternodes.....	10
6.1	OX-Node Hosting Requirements	10
6.2	Reward for Hosting an OX-Node	10
7	Contact.....	11
8	Legal Disclaimer	12
9	Further Risk Factors	14

1 Abstract

With the introduction of “betbox coin” a new hybrid token is issued as ERC20 token on the Ethereum public Mainnet. Betbox coin will primary be used for payments within the betbox ecosystem (dApp). Additionally, betbox coin is utilized to grant access to certain features within the promoted ecosystem.

The new cryptocurrency has four main aspects which need to be pointed out:

- Payment for services and rewards
- Access to limited features and events
- Required stake for OX-Node hosting
- Voluntary burn

The company will provide a fully functional payment infrastructure at the time of issuance. The functionalities of betbox coin are not limited to the betbox ecosystem.

2 Introduction

Betbox introduces its native currency betbox coin (OX) to the betbox ecosystem. OX will be used as means of payment and will be utilized to participate in certain features and events. Also, it is required to stake a certain amount betbox coin to participate in the distributed OX-Chain and therewith qualify to receive incentives for the hosting service offered to the company.

2.1 Token Overview

Token name	betbox coin (OX)
Token type	ERC20 Ethereum Token
Token issue volume	100'000'000 OX
Token max supply	none*
Token for sale	80'000'000 OX
Tokens for Bounty	8'000'000 OX
Betbox reserve	12'000'000 OX
Price for sale	0.0004 ETH/OX
MarketCap after TGE	40'000 ETH
Hardcap ICO	32'000 ETH
Softcap ICO	4'000 ETH

*View company minting restrictions in Chapter 3.5.

2.2 Subordination Summary

Betbox coin will be issued by betbox llc. Initially 100,000,000 OX will be minted in a unique Token Generation Event. The public offering targets 32,000 ETH for 80% of the minted betbox coins.

- With the public offering the company may accelerate the global branding and operations of the underlying application. Betbox coin will be used for various payment opportunities including participations in exclusive features and events.
- Betbox coin will be used as means of payment in betbox ecosystem. It should also - if accepted by the respective third parties - be used as a means of payment on other platforms or be exchanged for other crypto currencies and Fiat currencies.

- Betbox coin will be minted as ERC20 token on the Ethereum public Mainnet. Betbox coin may be transferred to the native blockchain of betbox through an interchain relay provided by the company. The token contracts including the relay will be open source.
- The purpose, usage and functionality of betbox coin will be provided directly after TGE
- The acquirer acquires no further rights except the right to use the token as a means of payment and utility, if and insofar as third parties accept it as such.
- No repurchase plan is offered by the company.
- Betbox coin token owner do own an Ethereum address which can send and receive tokens (OX). All authorized Ethereum addresses will be identified via KYC procedures.

3 Qualification of Token

The cryptocurrency is introduced as a hybrid token with the following main purposes:

- Payment for services and rewards
- Access to limited features and events
- Required stake for OX-Node hosting
- Voluntary burn

One betbox coin represents a public event within the betbox ecosystem. For this reason, a single betbox coin is minted after each concluded public event and randomly distributed to one of the participants of the event. The company allows users to voluntary burn (destroy) the earned betbox coin in return for a proportional amount of the available event commissions. Token owners can therefore indirectly capture a part of betbox's turnover.

Special function: Burn – allows the token owner to burn their balance (or part of it) and reduce total supply.

3.1 Description of Token

The betbox coin (OX) emission price has been calculated upon cost of data and user activity. One betbox coin is equivalent to 1 (one) public event (see Chapter 3.4) within the betbox ecosystem, which earns commissions from users for participating.

3.2 Purpose of Token

The cryptocurrency is introduced as means of payment and utility.

3.2.1 Payment for transactions in OX-Chain

Betbox coin will be used to pay the transaction fees on the native OX-Chain.

3.2.2 Payment for services and rewards

Betbox coin will be used for the company to reward active users of the community for submitting tasks, innovations or similar contributions to the ecosystem. Furthermore, betbox coin may be used by users to pay for certain services and features.

3.2.3 Access to limited features and events

Betbox coin will be needed to participate in selected events and to unlock certain functionalities. E.g. only users with at least 1 OX are able to participate in event ruling.

3.2.4 Required stake for OX-Node hosting

Betbox coin will be required as stake currency for the OX-Nodes to establish a distributed Proof of Authority blockchain. All information on "How to host OX-Nodes" will be published on the official channels of the company.

**More than one OX-Chain may be established in the future.*

3.2.5 Secondary Market

Because betbox coin are Ethereum-based, they can be sold at any time to another ERC20 compatible wallet. OX token re-sale is not managed by betbox and the company has no control whatsoever on the secondary market. It is possible that centralized and decentralized exchanges list the OX token. This listing may facilitate OX tokens' exchanges.

3.3 Transparency of Token

DLT allows the exchange of value on trustless networks without any corruption or duplicity of information. In betbox, the blockchain is used to monetize social media. Ethereum smart contracts guarantee financial transactions and transparency of time used during the events. Also, DLT is used to situate the payments and rewards to OX owners in any time. All processes involving betbox coin will be fully traceable and reconstructable.

3.4 Minting Activity

There will only be one TGE for betbox coins.

Additionally, betbox coins can be earned by participants of a **public event** in betbox hosted on **Ethereum public Mainnet** similar to a POW mining process. Instead of hashpower the smart contracts reward activity of users in the ecosystem. Followingly, each closure of a public event randomly distributes a **single** betbox coin to one of the participants of the event. The election of the recipient will be based on RNG on Ethereum public Mainnet and the event smart contract. The chance of winning the newly minted betbox coin depends on the particular event contract, responsible to host the event, and may include individual weighting of the chance for the different roles of participation. The weighting of chance in the minting mechanism of betbox coin will be published beforehand of deployment of any new contract.

There is no other way to create new betbox coin than through activity in betbox on the Ethereum public Mainnet. The total supply of betbox coin is not limited.

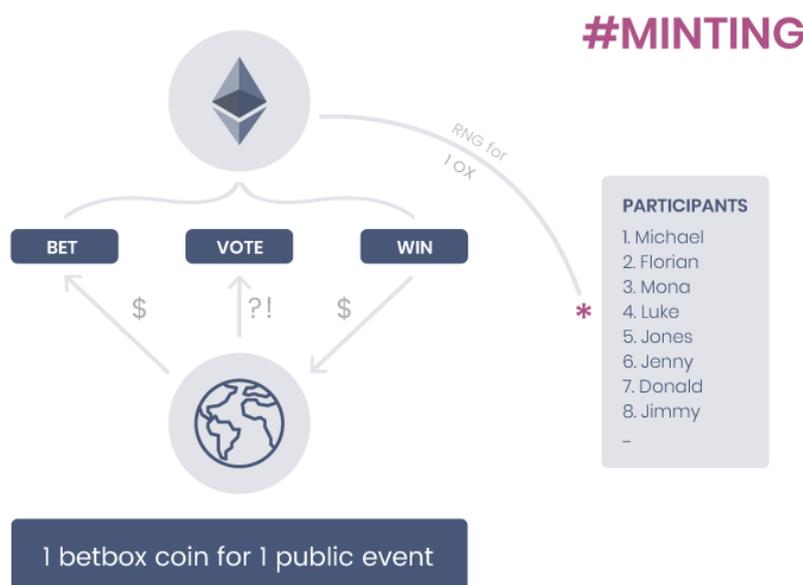


Abb. 1: Minting procedure on the Ethereum public Mainnet through User Activity

3.5 Minting Restrictions for the Company and Third Parties

The company **shall not** mint betbox coin on its behalf nor allow additional minting of betbox coin by third parties at any given time in the future besides the initial TGE (100 Mio. OX).

3.6 Voluntary Burn

To prevent high inflation of OX, betbox introduces a mechanism to moderate the monetary inflation with a voluntary burn mechanism for betbox coin in return for a proportional amount of the available event commissions in the smart contracts. Token owners may therefore indirectly capture a part of betbox's turnover.

3.6.1 Process

Betbox coin may be voluntarily sent to a specified smart contract to initiate the burn mechanism. The smart contract provided by the company will gather different amounts OX from different owner addresses. After each quarter of the year all collected betbox coins will be burned (destroyed) and the volunteers receive a proportional amount of the available event commission distributed to their wallet. The smart contract address as also the rewards will be published before the date of collection.

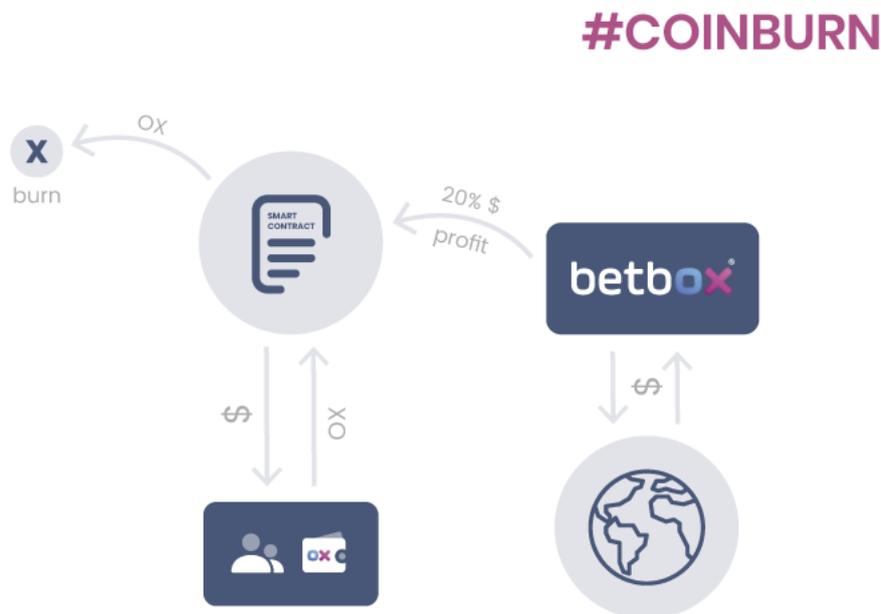


Abb. 2: Voluntary burn mechanism to moderate inflation

3.6.2 Liability

The fully decentralized ecosystem allows transparent tracking of all service commissions and ticket sales. The smart contracts responsible for the event settlement are developed to restrain service commissions, for the usage of the ecosystem, and participation fees of certain events. The company will provide **20%** of all earnings from user activity in the ecosystem for rewarding the volunteers of the "Voluntary Burn Events" every third month.

4 Technical Description

The betbox coin (OX) is a burnable ERC20 token on the Ethereum public Mainnet which can be transferred to the OX-Chain(s). The native environment of betbox coin is interchain relayed to the Ethereum public Mainnet.

4.1 ERC20

Being ERC20 means it inherits all the features (balance, transfer, approval) of the most used and tested Ethereum token standard, thus increasing security, and facilitating integration and adoption with partners. Being burnable means the total supply of the token can be reduced by the holder of the tokens. For example, if OX holder A has 200 tokens, then address A can initiate the burn function of up to 200 tokens. Burned tokens are removed from existence permanently, and this change may be reflected on various coin-listing sites like CoinMarketCap.

4.2 Native Currency in OX-Chain

Betbox coin may be transferred to the OX-Chain, which will be established to allow higher throughputs with less costs without giving in on security and transparency by any means. The OX-Chain is based on EVM and therefore provably safe and reliable. Betbox coin will act as an ERC20 Token on the Ethereum public Mainnet and as native currency on the OX-Chain (GAS).

4.3 Interchain Operability (EVM)

The company provides a reliable interchain relay to perform token swaps from the Ethereum public Mainnet to the OX-Chain. Due to this measure, OX Token owners are able to choose their favourite method of storage and usage.

4.4 Wallets

Betbox coin may be stored and transferred between any Ethereum Wallets e.g. MyEtherWallet, Mist, or similar.

5 ICO

To kickstart the betbox ecosystem we want to initially distribute betbox coin to members of our community. The participation in the sale is strictly limited to selected users with an official participation ticket.

5.1 Token allocation:

The company mints a total of 100 Mio. OX within our TGE. 80 Mio. OX will be distributed to the public within a sales period and 8 Mio. OX within a huge bounty program. 12 Mio. OX will be kept by the company as a reserve.

5.2 Sales period:

The sales period will be held within a private circle of investors. If you are interested to participate in our sales period, you may apply to betbox through our online form or participate in the ticket lottery and attend the official private sale.

5.2.1 Acceptance criteria for private pre-sale

Only selected investors are allowed to purchase OX in the private pre-sale. Please use to online form to get in contact with the company.

- Min 100 ETH allocation
- Accredited investor
- Internal KYC/AML standards

5.2.2 Acceptance criteria for private sale

Only users who win a ticket in the provided lottery may attend the TGE.

- TGE participation ticket
- Internal KYC/AML standards

5.2.3 TGE participation ticket

Any user can win a TGE participation ticket through the provided smart contract lottery. The participation in betbox's sales period is strictly limited to winner of a TGE participation ticket.

The odds to win a ticket decreases when approaching the sales period according to the following table:

Tickets won in total	Odd to win with one try
1 up to 100	First 100 participants in betbox alpha
101 up to 1000	1:2
From 1001 up to 3000	1:3
From 3001	1:6

The participation tickets will be issued as ERC721 Token to the lucky winner. To participate in the event, it is mandatory to store the obtained token in the smart contract by a whitelisted Ethereum address. The temporary deposit of the TGE participation ticket in the ICO smart contract will enable the user to purchase OX. The obtained token may be exchanged between users.

How to win a participation ticket:

Betbox will provide a smart contract lottery, which allow users to gamble for a TGE participation ticket for the sales period, based on RNG on the Ethereum public Mainnet.

- The participation in the lottery games requires at least 0.01 ETH.
- The smart contract address will be published on our channels and will be accessible through betbox alpha on our website.
- The total supply of tickets is not limited.
- The official dates are still to be determined.

Variety of TGE participation tickets:

The creation of the TGE participation tickets is determined by the public address of the participant and the winner hash of the lottery. The randomness in creating ERC721 tokens will be used to categorize the participants of the TGE in three sections dependent on the individual personal cap.

The odds to win a TGE participation ticket with a higher personal cap are smaller and based on the following metrics:

Personal Cap	Chance to create
3 ETH	65%
10 ETH	25%
50 ETH	10%

5.2.4 Private Pre-Sale:

Hardcap of the Private Pre-Sale is 12'000 ETH.

Investment in ETH	Discount on Purchase
100-250	5%
251-500	7.5%
501+	10%

5.2.5 Private Sale:

The official smart contract lottery will open in Q4 2018. All OX sold in the ICO are directly tradeable after purchase. The Hardcap for the Private Sale is 20'000 ETH whereas the total Hardcap of our sales period is 32'000 ETH. All unsold tokens will be burned.

5.2.6 Funds usage

We will use the funds collected as following:

- 35% of the funds will be used to build the betbox ecosystem and perform upgrades to the system, which includes team recruiting, training, and the development budget.
- 50% will be used for betbox branding and marketing, including continuous promotion and education of betbox and blockchain innovations in industry mediums. A sufficient budget for various advertisement activities, to help betbox become popular, and to attract active users to the ecosystem.
- 15% will be kept in reserve to cope with any emergency or unexpected situation that might come up.

5.2.7 Vesting plan

The company's tokens will be vested according the following metrics:

Release date	Amount released
TGE	20% or 2.4 Mio OX
After 1 year	20% or 2.4 Mio OX
After 2 years	20% or 2.4 Mio OX
After 3 years	20% or 2.4 Mio OX
After 4 years	20% or 2.4 Mio OX

The vesting of the company tokens will be carried out by a smart contract on the Ethereum public Mainnet.

All OX sold to the community are directly tradeable after purchase.

6 Masternodes

In order to provide a scalable ecosystem, the company developed a native blockchain for betbox coin. The Ethereum Virtual Machine (EVM) based Proof of Authority blockchain will be hosted by the company and selected trusted partners and individuals. The number of OX-Nodes which are available to host the first OX-Chain is limited.

6.1 OX-Node Hosting Requirements

The selection process for the trusted partners or individuals are undisclosed. Nevertheless, the company discloses certain criteria for the participation in the first OX-Chain:

- 500'000 OX
- Impeccable reputation

The staking of betbox coin for hosting OX-Nodes is required as insurance premium in case of manipulation attempts of the OX-Node Owners. In case of manipulation the tampered transactions will be rolled back by the other authorities in the network, the malicious OX-Node will be deselected from the consortium and the stake of the malicious OX-Node is distributed to the remaining OX-Nodes as loyalty reward. This measure improves the network security additionally to the Proof of Identity and the internal selection process of the company.

The technical requirements and "how to host an OX-Node" will be disclosed to the selected partners.

6.2 Reward for Hosting an OX-Node

In return for the provided service (assistance in distributing the OX-Chain and providing a reliable and stable native ecosystem) the OX-Node Owners receive a compensation payment of the company every third month of a year.

The fully decentralized ecosystem allows transparent tracking of all service commissions and ticket sales. The smart contracts responsible for the event settlement are developed to restrain service commissions, for the usage of the ecosystem, and participation fees of certain events. The company will provide **20%** of all earnings from user activity in the ecosystem as compensation payment to the OX-Node Owners. The compensation payment will be split proportionally according the uptime of each OX-Node within the service period.

7 Contact

Betbox llc

Sandstrasse 10

5412 Gebenstorf

Switzerland

Website: www.betbox.app

Telegram community group: <https://t.me/betboxGlobal>

Telegram announcement channel: <https://t.me/betboxAnnouncements>

Facebook: <https://www.facebook.com/betbox2018/>

Twitter: https://twitter.com/@betbox_OX

Github: <https://github.com/betbox>

Email: hello@betbox.app

8 Legal Disclaimer

No prospectus or offer to invest in or purchase a security or financial instrument

The OX is designed as a pure payment token (cryptocurrency) and does therefore, according to their structure, not constitute a security or financial instrument. Nothing in this Lightpaper shall be deemed to constitute a prospectus or offer document for securities or financial instruments of any kind in any jurisdiction nor does it in any way pertain to an offering or a solicitation of an offer to buy any securities in any jurisdiction.

This Lightpaper is for project description and informational, illustration and discussion purposes only and does in no way provide an offer to sell or a solicitation of any offer to buy neither the planned OX nor any security or other financial instrument. Furthermore, this Lightpaper does not constitute an investment recommendation to acquire OX or for the disinvestment of other securities, financial instruments or other assets.

Establishment of a legal relationship solely on the basis of individual agreements

This Lightpaper does not imply any elements of a contractual relationship. The content of this Lightpaper is not binding for the Company and is subject to change in line with the ongoing research and development of the betbox ecosystem. Any legal relationship between a token purchaser of the planned OX and the Company is not established by this document but solely based on separate individual agreements and conditions, in which the rights and obligations of a token purchaser and the Company are ruled. In case of any ambiguities or contradictions the regulations of the individual agreement take precedence over the information contained in this Lightpaper.

Addressees of the ICO and excluded persons

This Lightpaper, the ICO and the OX token sale (including any pre sales) described therein is in particular **not** directed at persons with registered residence or office, habitual residence or tax residence in countries or initiate the acquisition of OX from or through countries in which the sale or purchase of tokens and cryptocurrencies is prohibited or subject to certain conditions, such as official approval, which have been classified as high-risk countries and countries under observation with regard to money laundering and terrorist financing by the Financial Action Task Force (FATF), or against which embargos or sanctions have been imposed, in particular by the United States of America or the European Union (hereinafter "**Excluded Third Parties**"). These countries include, in particular, **Bosnia and Herzegovina, the Democratic People's Republic of Korea, Ethiopia, Iran, Iraq, Sri Lanka, Syria, Trinidad and Tobago, Tunisia, Vanuatu, Yemen, the People's Republic of China and Cuba** (hereinafter "**Excluded Countries**").

This Lightpaper, the ICO and the OX token sale (including any pre sales) described therein is furthermore not directed to persons with registered residence or office, habitual residence or tax residence in the United States of America, FURTHER COUNTRIES or persons who initiate the acquisition of OX from or through the mentioned countries.

This Lightpaper must not be completely or partially reproduced, copied, published, or saved in an information system regardless whichever way and by which means and must not be distributed to third parties. This Lightpaper must in particular not be completely or partially distributed to Excluded Parties, in Excluded Countries and in the United States of America whichever way and by which means.

If it turns out during the KYC process that an interested participant cannot successfully complete the KYC process because of previously misrepresented information or because of his citizenship or other inconsistencies, the participation in the token sale will be refused. In case of refusal payments of the investment sum made will be refunded, whereby the refused participant has to bear the costs of the cancellation in full.

No representation or warranty as to the information contain in this Lightpaper

The information contained in this Lightpaper is for general understanding purposes only. This Lightpaper is for discussion and presentation purposes only. The Company endeavours to keep the information contained in this Lightpaper up-to-date and correct, however, the Company has no obligation to update or keep current any information or projections contained in this Lightpaper. The Company does not make any representation or warranty of any kind as to the accuracy, completeness, reliability, suitability or availability of the information contained and the conclusions reached in this Lightpaper.

High risk of loss

The purchase of OX involves considerable risks. Therefore, a token purchaser should not invest a substantial part of its assets for the purchase of OX and should be economically able to cope with a total loss of the investment. A token purchaser should have experience with cryptocurrencies, in particular issued by start-up companies, and should be able to understand the economic and technical interdependencies of the entrepreneurial activities of betbox and the OX and the impact on the value of the OX.

No financing trough loan

It is strongly advice against the financing of the purchase of OX through a loan. The obligations to pay interest and amortization remain even if the purchased OX should become worthless.

This Lightpaper does not replace competent advice

This Lightpaper merely gives an overview over the planned investment and business activities of The Company, the betbox ecosystem and the planned OX. This Lightpaper does not constitute investment, economic, legal, tax, regulatory, financial, accounting or other advice, and is not intended to provide the sole basis for any evaluation of a transaction on acquisition of OX. This Lightpaper cannot replace investment, economic, legal, tax, regulatory, financial, accounting or other advice. Prior to the acquisition of OX, a token purchaser should independently assess any possible risks, seek advice with respect to the economic, legal, regulatory and tax implications of the purchase of OX and should consult with his/her own investment, legal, tax, accounting or other advisors to determine the potential benefits, burdens, risks and other consequences of a purchase of OX. The Company does not accept any liability with respect to the personal economic goals a token purchaser strives with the purchase of OX.

Calculations, forecasts and forward-looking statements

The information set forth in this Lightpaper may not be exhaustive. The calculations and forecasts in this Lightpaper are essentially based on the experiences or assessments of the management of the Company. In this respect, this Lightpaper contains forward-looking statements, in particular subjective objectives of the future business development, which are associated with uncertainties and risks. Opinions, assumptions, assessments, (forward-looking) statements or the like reflect the current state of perceptions and expectations of the Company and constitute only subjective views, beliefs, outlooks, estimations or intentions of the Company. These perceptions and expectations may contain perception errors and errors of assessment and thus prove to be incorrect. The calculations were made with care and with commercial caution. Nevertheless, it cannot be excluded that events or developments, which were not taken into account within the calculations and forecasts, lead to significant deviations of the actual results of the Company and thus possibly to a deterioration in the value of the betbox ecosystem and the planned OX. Opinions, assumptions, assessments, (forward-looking) statements or the like 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 the Company. Therefore, there can be no assurance that the events and developments described in this Lightpaper can be achieved. The token purchaser bears the risk of deviating events and developments.

Betbox, betbox ecosystem and OX

The Company and the betbox ecosystem have limited operating history, which makes it hard to evaluate its ability to generate revenue through operations.

The Company may be forced to cease operations for some reason. The Company may not successfully develop, market and launch the betbox ecosystem and the OX and even if launched the betbox ecosystem and the OX may not be widely adopted, may have limited users, could be subject to significant competition and may not be successful and not meet the expectations.

The OX is a mere payment token (cryptocurrency) which does not substantiate any debt claim against the Company and comprises no further rights neither vis-à-vis the Company nor third parties, in particular no participation or membership rights, no voting rights, no ability to influence the Company's decisions, no dividend rights, no subscription rights, no usage / utility rights and no access to services. OX does not represent an investment or a share in the Company. OX purchasers have no claim to any benefits and no right to return acquired OX to the Company.

There is no assurance that OX retain their value. There is no assurance that token purchasers will receive a return on or of their investment and are able to sell their OX. Rather, there is the risk of deterioration in the value and a total loss of the investment.

Prices of tokens as the OX are extremely volatile, especially over short time horizons, and fluctuations in the price, which are to be expected, could materially and adversely affect the Company's business.

Restitution and Repayment excluded

Because OX is a mere payment token, restitution of OX to the Company and repayment of the purchase price by the Company are explicitly excluded. Purchasers of OX must therefore take into account that the money used to purchase OX might be tied in OX and can only be changed in fiat currencies or other cryptocurrencies via trading systems of third parties, insofar as such trading systems are available. Unless a third party is willing to acquire OX from the purchaser against fiat currencies or other cryptocurrencies, the purchaser of OX

cannot sell OX and the acquired OX might become useless or worthless to the purchaser.

Tradeability and value fluctuations

Tradeability of OX cannot be guaranteed. Although the Company aims that the OX will be listed on one or several trading systems for trading, it cannot be excluded that the Company fails to find one or several trading systems who are willing or able to list the OX for trading. Even if the Company succeeds to list the OX for trading at one or several trading systems, it cannot be excluded that because of the absence of buyer or seller no trading will take place.

Even if the Company succeeds to list the OX on one or more trading systems for trading, it must be expected that the trading price and thus the value of the OX will be subject to substantial short-term fluctuations. Furthermore, it cannot be excluded that trading prices and thus the value of the OX will develop very differently on different trading systems. The development of the value of the OX on trading systems may also be affected massively by the development of the value of other cryptocurrencies, such as e.g. Bitcoin or Ether, even if the operating business of the Company provides no reason or starting point for any changes in value.

The Company does not guarantee that a trading system, in which the OX is listed, will perform or offer a transparent determination of the price or will be in the position to meet legal or regulatory requirements. The purchaser of OX must further consider that the trading of acquired OX probably will incur costs, which will have to be covered by the purchaser and which will further affect the value of the purchased or traded OX.

Regulatory risks, no regulatory audit or clearance

Currently, no specific regulations or legal requirements exist with respect to the content of this Lightpaper. Accordingly, this Lightpaper is not composed in accordance with, and is not subject to, laws or regulations of any jurisdiction, which are designed to protect investors. The content of this Lightpaper and its structure are solely based on the decisions of the management of the Company.

The Company assumes that the OX qualifies as a mere payment token and that the issuance, sale and purchase of OX and the actions via the betbox ecosystem with OX – in each case performed by non-excluded third parties – is not subject to regulation and not subject to approval by any government agency. However, the legal environment of blockchain projects, distributed ledger technologies, smart contracts and their applications, in particular of TGEs and ICOs and the sale of cryptocurrencies (OX), is complex, evolving and not clearly regulated, neither national nor international. Therefore, it cannot be excluded that due to national or international regulatory or legal action or by reason of new jurisprudence, the issuance, acquisition, management (including trade) of or payment for products or services with cryptocurrencies is legally qualified differently, prohibited in whole or in part or possible only under certain conditions. The legal situation, thus, may change. This can lead to significant negative effects on the Company's business model and the development of the value of the Company and the OX, e.g. in the case of a repatriation of OX or termination of the business operations as the result of an official directive and the bankruptcy of the Company and to the total loss of the investment.

Furthermore, it cannot be excluded that third parties, who are offering the trading of cryptocurrencies such as the OX on their platform are prohibited to further offer their services as a trading platform in general or without an official permit, so that there might not be any trading platforms anymore to trade or exchange the OX into other cryptocurrencies or fiat currencies. Also this, might result that OX become worthless.

This Lightpaper has neither been submitted to any other authority for examination or clearance nor been reviewed or approved by any other government agency.

9 Further Risk Factors

General Remark

Any ICO process involves risks that cannot be eliminated. The risks described hereinafter should not be considered as all the risks that exist. There may be additional risks that are not known or considered immaterial at this time, but if they do occur, they could have a substantially negative effect on the operation of the business, the operating results, or the financial situation of the Company. The order in which the risks are related, should not be interpreted as an index that indicates its possibility or that indicates its level of materiality.

Each investor invests at its own risk.

Business Risks

The capital invested in the ICO is not guaranteed and could in an extreme case be entirely lost. The projects

financed through the funds collected through the ICO are at an early stage of development and based on assumptions that could turn out to be overly optimistic or just unrealistic. There is no way to anticipate with certainty the success of the projects and the Company at the time of investing in the ICO. It is also possible that the blockchain and the Company's tokenized ecosystem (the betbox ecosystem) will not be used by many individuals, companies and other entities or that there will be limited public interest in the creation and development of the betbox ecosystem. Such a lack of use or interest could negatively impact the development of the betbox ecosystem and the potential utility of the token, including its utility for betting.

Operative risks

The Company is a start-up and has just a short operating history against which purchasers of the token may consider the appropriateness of purchasing the token.

Many risks and uncertainties affect start-up and early stage companies, which often have very limited operating history, profits or cash flow. There can be no assurance of the success of such enterprises. Their potential must be considered in light of the problems, expenses, difficulties, complications and delays frequently encountered in connection with new or developing businesses, including technology risks, unproven business models, untested plans, uncertain market acceptance, competition and lack of revenues and financing.

The technological fields and markets that many start-up and early stage companies address have undergone and are expected to continue to undergo rapid and significant change. Rapid technological developments may result in the technology of companies becoming obsolete, uneconomical or uncompetitive before any commercial success or financial return can be achieved. Numerous other risks may affect developing companies and ventures, including risks that products or services will be found to be ineffective, unreliable, unsafe or uncompetitive and risks that such companies' technologies, products or service will not achieve market acceptance or penetration. Market acceptance of new products, services or technologies depend on many factors and uncertainties and cannot be assured.

In a start-up business, the loss or disability of a key person(s) can result in significant financial hardship, in some cases the failure of the company. More than other businesses, start-ups are highly dependent on the skills and contributions of very few key employees.

Any projections, forecasts, plans or other forward-looking statements are subject to numerous risks, uncertainties, changing circumstances and other factors that could cause actual results, performance, plans, prospects, operations and opportunities to differ materially from any forward-looking statements, including competition, inability to identify and do business with appropriate customers, existing and future law and regulations, liabilities under the securities laws, inability to hire, retain or qualify sufficient management and staff, general economic conditions, rapid technological change, cost overruns, delays in bringing products or services to market, marketing failures, difficulty in penetrating markets, delays or failures in developing anticipated capabilities, products or services, failure to obtain necessary regulatory approvals, insufficient funding, lack of availability of capital, rates of economic growth, levels of consumer and business spending, conditions in the technology and financial industries, dependence on strategic partners and business relationships, unproven business models, adverse developments affecting customers and end-users, fluctuations in securities markets and valuations, limited marketing, expansion risks, losses and costs, uncertain revenues and profitability, conditions in particular industries, accounting problems, costs, delays and liabilities arising from legal proceedings, failure to obtain and maintain intellectual property or proprietary rights and management failures.

Lack of financing of the Company

The Company as a young company depends on generating adequate funding for the development and expansion of the business (including the maintenance of an infrastructure for using the token). Should the Company not be successful in generating adequate funding, e.g. in the event of failure of the ICO, there is a risk that the Company cannot develop and expand its business operations as planned and as the case may be has to wholly or partly cease its business operations or even declare itself insolvent. Such a development could have a lasting negative effect on the usability or intrinsic value of the token until they become useless or worthless.

Regulatory and Legal Risks

Reference is made to the information in the Legal Disclaimer section above.

The token is not being structured or sold as securities or any other form of investment product. Accordingly, none of the information presented in this Lightpaper is intended to form the basis for any investment decision, and no specific recommendations are intended. The Company expressly disclaims any and all responsibility for any direct or consequential loss or damage of any kind whatsoever arising directly or indirectly from:

- reliance on any information contained in this Lightpaper;
- any error, omission or inaccuracy in any such information; or

- any action resulting from such information.

The regulation of ICOs is in development and at different stages of maturity in different markets. Further regulatory developments are expected to take place during 2018. In this dynamic regulatory environment, the Company does every effort to comply with known regulations, to anticipate regulatory trends, and to promote an ICO practice that grants best possible consumers' / investors' protection, accordingly. There is a risk that the regulation may develop in a way unfavorable to ICO and ICO participants. By no means are investors protected in their investments to a level comparable to when investing in fully regulated financial products. This risk is amplified in the case of international investors and due to the significant differing status of ICO regulations internationally.

It is possible that, due to any number of reasons, including, but not limited to, an unfavorable fluctuation in the value of Bitcoin, Ether, or other cryptocurrencies, decrease in token's utility (including its utility for obtaining services), the failure of commercial relationships, or intellectual property ownership challenges, the betbox ecosystem may no longer be viable to operate and the Company may dissolve. It could be, as a way of illustration, that regulatory actions could negatively impact the betbox ecosystem and the token through a determination that the token is a regulated financial instrument that requires registration or licensing. The betbox ecosystem may cease operations in a jurisdiction, or undergo significant redefinitions, if such regulatory actions make it commercially undesirable to obtain the necessary regulatory approval(s) to operate in such jurisdiction.

Investors are obliged to identify themselves prior to purchasing the token in accordance with the anti-money laundering regulations and regulations on the financing of terrorism and on tax evasion and to this end to disclose its personal data to the Company. Investors of the token should anticipate that the company may be compelled to disclose such personal data collected to competent authorities, because of national or international official or statutory measures.

Financial Risks

In a first phase, the token is intended to be used solely on the betbox ecosystem and the Company does not support or otherwise facilitate any secondary trading or external valuation of it. This restricts the contemplated avenues for using the token to obtain Services or access the betbox ecosystem, and could therefore create illiquidity risk for the token holders. When secondary trading of the token is facilitated by third party exchanges, such exchanges may be relatively new and subject to little or no regulatory oversight, making them more susceptible to market-related risks.

Furthermore, to the extent that third-parties do ascribe an external exchange value to the token, such value may be extremely volatile (as evidenced by price fluctuations in other cryptoassets) and diminish to zero. It is also possible that no secondary exchange develops for the token or that the terms of exchange turn out to be extremely negative for the token holders. Then, the trading of the token or their exchange into national currencies (fiat) may be subject to limitations. Finally, unlike bank accounts or accounts at some other financial institutions, the token is uninsured unless the holder specifically obtains private insurance to insure it. Thus, in the event of loss or loss of utility value, there is no public or private insurance arranged by us, to offer recourse to the holder.

Technological/ Security Risks

The investor bears the entire responsibility regarding the secure storage of the private key (necessary to access and use the token). The loss or theft of the private key means loss of the token. The distributed ledger or blockchain technology that underpins the token is still largely untested. There may be flaws in the code or programs that are used to create, transfer or store the tokens. Investors may not be able to access or control their tokens, or the tokens may be stolen, e.g., in case of a hack. More generally, the technology may not function quickly and securely, e.g. during peaks of activity.

Because the token and the betbox ecosystem are based on the Ethereum protocol, any malfunction, breakdown or abandonment of the Ethereum protocol may have a material adverse effect on the betbox ecosystem or token. Moreover, advances in cryptography, or technical advances such as the development of quantum computing, could present risks to the token and the betbox ecosystem, including the utility of the token for obtaining services, by rendering ineffective the cryptographic consensus mechanism that underpins the Ethereum protocol.

The smart contract system has been, on a reasonable effort basis, audited and approved by technical experts. The technical experts have confirmed that the smart contract system has, with regard to both accuracy and security, been programmed according to the current state of the art. However, the investor understands and accepts that smart contract technology is still in an early development stage and its application of experimental nature which carries significant operational, technological, financial, regulatory and reputational risks.

Accordingly, the investor understands and accepts that the audit does not amount to any form of warranty, including direct or indirect warranties that the smart contract system is fit for a particular purpose or does not contain any weaknesses, vulnerabilities or bugs which could cause, inter alia, the complete loss of tokens.

As with other decentralized cryptographic tokens based on the Ethereum protocol, the tokens are susceptible to attacks by miners during validating token transactions on the Ethereum blockchain, including, but not limited, to double-spend attacks, majority mining power attacks, and selfish-mining attacks. Hackers or other malicious groups or organizations may attempt to interfere with the betbox ecosystem or token in a variety of ways, including, but not limited to, malware attacks, denial of service attacks, consensus-based attacks, Sybil attacks, smurfing and spoofing. Any successful attacks present a risk to the betbox ecosystem and token, including, but not limited to, accurate execution and recording of transactions involving the token.

It is possible that alternative platforms could be established that utilize the same open source code and protocol underlying the betbox ecosystem and attempt to facilitate services that are materially similar to the Services. The betbox ecosystem may compete with these alternative platforms, which could negatively impact the betbox ecosystem and the token, including the token's utility for obtaining Services.

The betbox ecosystem is still under development and may undergo significant changes over time. We may have to make changes to the specifications of the token or the betbox ecosystem for any number of legitimate reasons. This could create the risk that the token or the betbox ecosystem, as further developed and maintained, may not meet your expectations at the time of acquiring the token. Furthermore, despite our good faith efforts to develop and maintain the betbox ecosystem, it is still possible that the betbox ecosystem will experience malfunctions or otherwise fail to be adequately developed or maintained, which may negatively impact the betbox ecosystem and the potential utility of the token, including its utility for obtaining services.

Tax Risks

The tax characterization of tokens is under development in different jurisdictions and may vary even within jurisdiction. Investors and token holders must seek their own tax advice in the relevant jurisdictions in connection with acquiring tokens, which may result in adverse tax consequences, including withholding taxes, income taxes and tax reporting requirements.

The possibility should not be excluded therefore that transactions with cryptocurrencies both with the Company and with buyers lead to tax burdens that put a strain on the operational activities of the company or the usability or intrinsic value of purchased token until they become useless or worthless.

Other Risks

Because the token confers no governance rights of any kind with respect to the betbox ecosystem, all decisions involving the betbox ecosystem will be made by the Company at its sole discretion, including, but not limited to, decisions to discontinue the betbox ecosystem, to offer more tokens for use in the betbox ecosystem, or to liquidate the Company. These decisions could adversely affect the betbox ecosystem and the utility of the token, including the token's utility for obtaining services.

Each of the risks represented can have lasting negative effects on the usability and intrinsic value of the token in its own right. The possibility is not excluded of several risks simultaneously materialising, mutually triggering or reinforcing each other and thus further increasing the lasting negative effects. Both the materialisation of individual risks and the materialisation of cumulative risks can lead to the complete uselessness or worthlessness of the token.