

Chemix Ecosystem

Reliable on-chain assets transaction platform

Version 1.1

March 1st, 2022

Contents

General View.....	3
Chemix Pad.....	5
Reliable on-chain assets transaction platform.....	5
Dutch Auction	5
English Auction.....	7
Fixed Price Auction	8
User Identification.....	8
How to participate in an Auction.....	8
How to issue a token sale on Chemix Pad.....	9
How to earn on Chemix Pad.....	10
Participate in Dutch auctions	10
Obtain platform income dividends by staking gCEP tokens	10
Chemix Eco Token Economics	11
The multi-token model of Chemix Ecosystem.....	11
The CEP token	11
The allocation of CEP tokens.....	12
CEP token economics.....	13
Roadmap.....	15
Appendix: Risk factors.....	16
RISKS RELATING TO PARTICIPATION IN THE TOKEN SALE.....	16
RISKS RELATING TO THE RECEIVING ADDRESS(ES) AND WALLETS.....	19
RISKS RELATING TO THE CHEMIX ECOSYSTEM TEAM.....	20

General View

The Chemix Ecosystem is an on-chain assets transaction platform that specializes in the issuance and trading of crypto warrants and vouchers of physical assets, providing a secure and reliable guarantee of transactions for buyers and sellers via smart contracts as well as enhancing the capital utilization of the crypto market.

The Chemix Ecosystem includes Chemix Pad, Chemix Labs, and Chemix NFT. Chemix DEX and Chemix DID will be added in the near future.

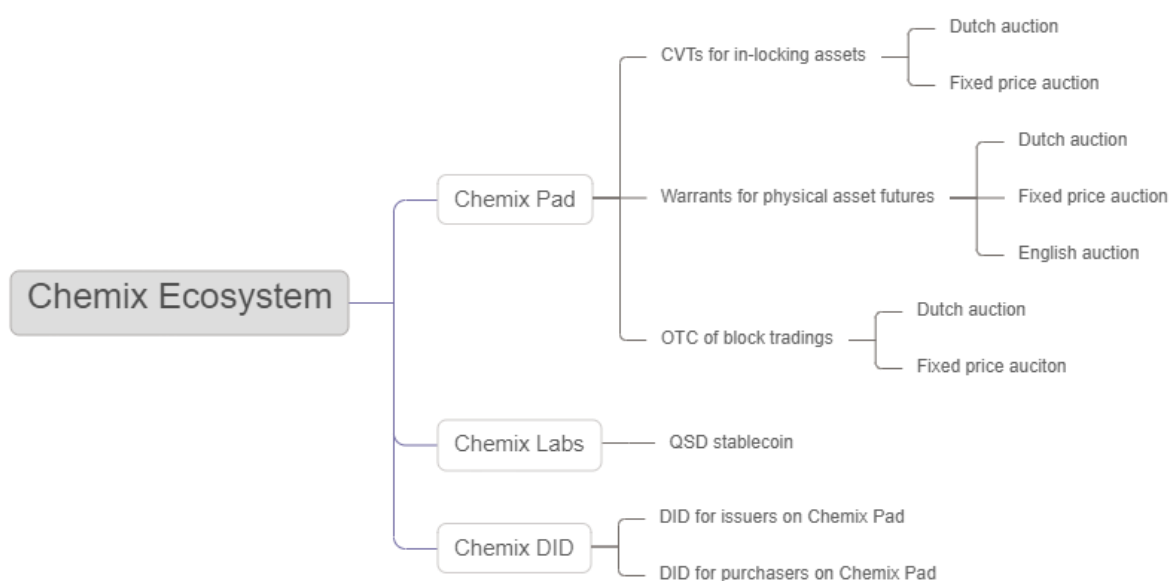
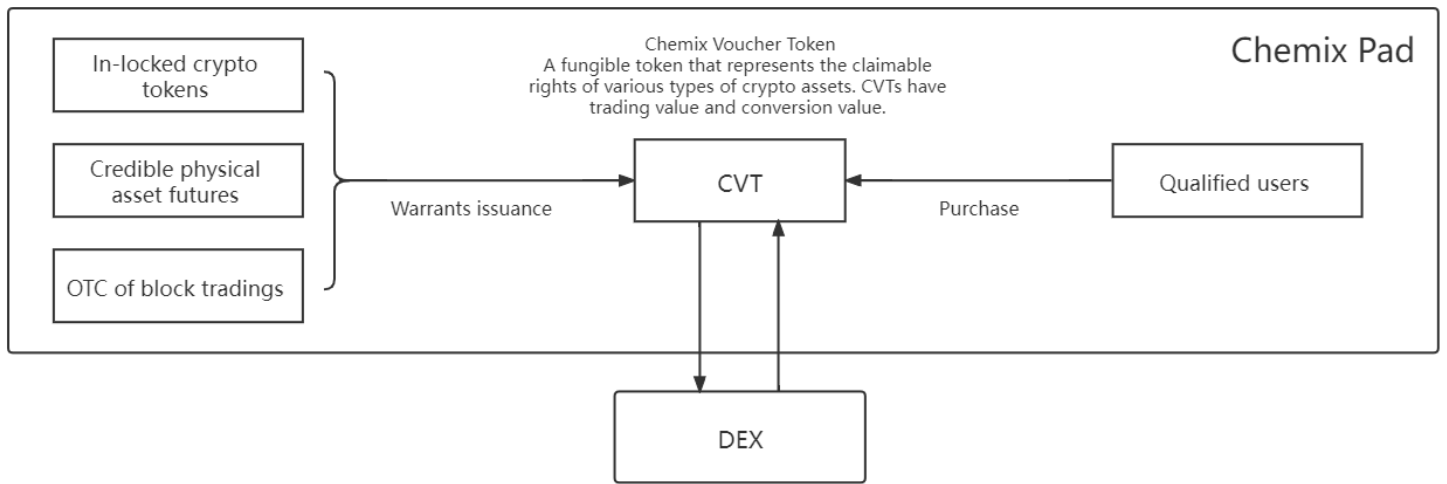


Figure 1-1. Array of Chemix Ecosystem products

Our design enables Chemix Pad users to launch various CVT (Chemix Voucher Token) tokens for the claimable rights of future delivery crypto assets. After the CVTs are issued, qualified users participate in the auction for these certificates. Once the auction is filled, CVTs can be held or traded on DEX. CVT holders can claim target tokens at the Claim Center of Chemix Pad after the distribution date. The process is outlined below.



The CVTs are traded at DEX before their conversion date, price valuation

Figure 1-2. Closed-loop on-chain asset issuance, auction, transactions

Chemix Pad

Reliable on-chain assets transaction platform

Chemix Pad was originally designed to handle OTC trading needs of crypto token holders. The service increases the capital turnover rate of token holders and provides a market where qualified investors can earn stable returns with predictable risk from price-discounting auctions.

Chemix Pad facilitates the "mirroring" of locked assets, such as private sale shares and in-staking tokens, on various blockchains. Token issuers need only pledge designated assets (for example, QSD stablecoins), based on a predetermined proportion. They can then mint different CVTs (Chemix Voucher Tokens) as mirror assets of what they want to sell, conduct Dutch auctions, get immediate value, and realize a high-efficiency capital circulation.

Chemix Pad users can also get the intended assets at a fair price by bidding (attending auctions):

- Using derivatives in CEXs or DEXs, qualified investors who purchased tokens with specific vesting terms and price discounts can hedge the forward price dumping risk. By combining third-party derivatives platforms and Chemix Pad auctions, we can create investment tools that offer predictable returns at low risk.
- It is common for retail investors to purchase tokens in auctions without any hedging strategy. These investors will take more uncertain risks than qualified investors. However, on the other hand, retail investors may also be able to reap significant rewards if the tokens they purchased perform well in the future.

There are three types of auctions that can be conducted: Dutch Auction, English Auction, and Fixed Price Auction:

Dutch Auction

Dutch auction is a type of auction in which issuers sell at declining prices. In the crypto world, Algorand introduces the first well-known Dutch auction. It is a powerful tool for discovering the price of a particular token. For tokens already trading on open markets

like CEXs, locking parts with specific vesting terms usually have lower bids than the market price. A consensus finance model for those forward-trading assets is still a challenge. With enough participants, the Dutch Auction shows a consensus on pricing, making it the best choice for illiquid tokens on Chemix Pad.



A graph of Dutch Auction duration and price. The Y-axis is the auction price and the X-axis is the duration.

Dutch auction rules

Several parameters, such as the auction quantity, the starting price, and the reserve price, are set by the auction initiator. As the auction proceeds, the auction price decreases linearly over time. Once the for-sale quantity is sold out during the auction period, the auction will end immediately. Dutch Auctions operate under this rule, where each buyer pays the same price for the token they wish to purchase, as determined by all buyers together.

Example

Here is an example of a Dutch auction token named MTB:

Items	Description
Auction token	MTB
Auction quantity	1 million
Starting time	06/26/2021 00:00:00 GMT
End Time	06/27/2021 00:00:00 GMT
Starting price	\$1
Reserve price	\$0.1
Minimum auction amount	50 USD

For this auction, the slope formula is: $y = -kx + 1$, so the price drop is: 0.00001042 USD/sec. Consider Alice bidding \$0.5 and putting in \$100, and Bob following many bids bidding \$0.2 and putting in \$500. At this point, the auction is concluded, and the final price is \$0.2/MTB. Thus, Alice will receive $100 * 0.2 = 500$ MTB and Bob will receive $500 \div 0.2 = 2500$ MTB. Calculation of the number of remaining auction tokens

By decreasing the auction price, the amount of tokens expected to be received by users in correlation with their investment in the auction contract will increase, which will have an impact on the overall remaining auctionable amount. The formula is as follows:

Assuming that the current auction price is $P_{Current}$ and that the funds invested in the auction contract are $C_{Contribute}$, and that the number of auction tokens is Q_{Token} , then the current remaining amount is as follows:

$$Current\ remaining\ amount = Q_{Token} - \frac{C_{Contribute}}{P_{Current}}$$

Chemix Pad sets the [Minimum Expected Raise Rate]. At the end of the auction countdown, if the amount of funds invested in the auction is not enough, resulting in the number of auctioned tokens not meeting the value in this parameter, the auction will fail and the funds in the auction pool will be returned.

English Auction

The English Auction is a type of auction in which issuers sell to the highest bidder. On the NFT trading market, such as OpenSea, issuers choose to conduct this kind of auction in order to earn the highest returns from their NFT tokens. Chemix Pad

supports both fungible and non-fungible token auctions. The English Auction on Chemix Pad is a good choice for issuers who intend to earn maximum profits from their tokens.

Fixed Price Auction

Fixed price auctions will be the first choice for issuers from crypto projects, giant DeFi whales, or token holders who want to share certain auction information with market participants. In a fixed price auction, both issuers and purchasers are aware of their returns and costs in advance. Set price sales are well-accepted by the market in IDOs, IEOs, and ICOs. Many famous DAOs used fixed-price fundraising for their initial offerings, including ConstitutionDAO, CityDAO, OpenDAO, and FreeRossDAO. Some of these DAOs used fungible tokens for fundraising (People, SOS, Free...), some used NFTs for fundraising (CityDAO). Chemix Pad supports fungible tokens at the present time as well as NFTs shortly. Chemix Pad's mission is to make it a powerful financial tool for DAOs in the Web3 era.

User Identification

Chemix Pad requires KYC verification before users can participate in auctions. Using KYC verification, we can ensure that all auction participants will perform seriously, as well as avoid attacks like witchcraft and dust.

Crypto regulation differs across different regions around the world, major economic entities like the US and China have strict regulations on crypto funding. Therefore, KYC users from the US and China are not allowed to participate in auctions on Chemix Pad at the moment. By paying attention to changes in regulatory rules across different regions, we will ensure our business is not hindered by local regulations.

How to participate in an Auction

To participate in an auction on Chemix Pad, there are two key steps to follow:

- The first step is to apply for KYC verification.

- Secondly, the users are required to provide 10 USD worth of BUSD/QSD LP liquidity on PancakeSwap, and hold the LP token in their crypto wallets. Random snapshots of users' wallet addresses will be checked for the presence of LP token. We may consider cancelling the token holding requirement in the near future to provide investment opportunities to users across a wider range.

Users can select intended auctions to participate in once they have become eligible. Note that users need to ensure that their wallets contain enough USDT, BUSD, or other stablecoin which required for bidding to use the bid tool, and the equivalent stablecoin will be paid to the auction contract every time a user enters a bid amount.

How to issue a token sale on Chemix Pad

Chemix Pad requires specific qualifications for issuers, including, but not limited to:

- Issuers must go through a KYC process separate from purchasers'.
- The launch sale page requires the issuer to provide several details, including basic information about the token to be sold, the sale date and price, etc.
- When the issuer launches its own sale, the request will be submitted to Chemix Pad review team. As soon as we receive information about the sale, we will contact the issuer for any information that needs to be confirmed and guide the issuer through the next steps.

A few key steps remain centralized at the Chemix Pad, as previously described. We plan on building a DAO in the future to manage sales on Chemix Pad. When Chemix Pad's decentralization is complete, it will be able to diversify its business with the power of community, attract more high-quality projects, and offer more excellent investment opportunities to its users.

How to earn on Chemix Pad

Chemix Pad users can earn profit in the following ways:

Participate in Dutch auctions

Dutch auctions for in-locking tokens are one of the main auction models in Chemix Pad. Since the majority of assets in the Dutch auction have a lock-up period, the purchaser will be exposed to some price risk. Therefore, the price of the assets with the lock-up period is usually lower than the same tokens in circulation and listed on exchanges.

Professional investors use derivatives as hedging tools when investing in discounted assets to reduce investment risks and lock in investment returns. Hedging properly can result in stable and risk-controlled investment returns for veteran investors.

Retail investors lack the concepts and knowledge of risk hedging, and are more likely to be exposed to price fluctuations. For these users, Chemix Ecosystem will release introduction articles and videos to help them establish their own risk control systems.

Obtain platform income dividends by staking gCEP tokens

The CEP token is Chemix Eco's governance token, and it does not provide any income generation functions like those of bank deposits or securities. Chemix Pad will generate various business revenues, such as auction fees and short-term lending platform deposits from auctions. In order to benefit the community, part of Chemix Pad's revenue will be included in the platform dividend plan.

We will introduce the dividend token gCEP (golden Chemix Ecosystem Pass) for dividend pledges. Using CEP, users can single-way mint gCEP according to certain rules and lock in the dividend smart contract to participate in the Chemix Pad platform dividend plan. As Chemix Pad continues to operate, the protocol will continue to accumulate surplus, and users can earn long-term returns through gCEP tokens and benefit from the growth of the platform.

Chemix Eco Token Economics

The multi-token model of Chemix Ecosystem

During our discussions with our community investors, we find out there is a huge market for crypto block trading and the industry lacks a well-accepted, effective, protocol-level solution. Chemix Launchpad was created to verify the business model of crypto block trading, thus, tier 1.5 crypto markets.

The Chemix Launchpad's auction system is constantly being modified and improved based on feedback from our users from August to November 2021. We announced in December 2021 that QSD stablecoin would be a part of Chemix Labs, along with Chemix Pad (LaunchPad), Chemix NFT to create a new Chemix Ecosystem. By doing so, we will enable QSD stablecoins users to migrate to the tier 1.5 crypto market business and continue to benefit from the development of Chemix Ecosystem.

Several utility tokens, as well as a main governance token, keep Chemix Ecosystem running smoothly. They are:

- Chemix Ecosystem Pass (**CEP**) is the main governance token of Chemix Ecosystem.
- Golden CEP (**gCEP**) is the dividend token for the dividend pledges. In order to participate in the Chemix Pad platform dividend plan, users can use CEP to single-way mint gCEP according to certain rules and lock in the dividend smart contract.
- Chemix Voucher Token (**CVT**) is a kind of fungible token that represents the claimable rights of various types of crypto assets in Chemix Pad. CVTs are tradable and can be burned for claiming target tokens.

The CEP token

Through the inspirational collision between the team and community members, the Chemix Ecosystem has continued to improve. Chemix Eco has a greater development

potential owing to the continuous upgrade of functions and the expansion of our ecosystem.

With the sincere suggestions and vigorous support of enthusiastic members of the community, we carefully decided to name the project token in a general way, to represent the entire ecosystem. In the community voting on our Twitter account, Chemix Ecosystem Pass (**CEP**) will be the symbol for Chemix Ecosystem's main governance token.

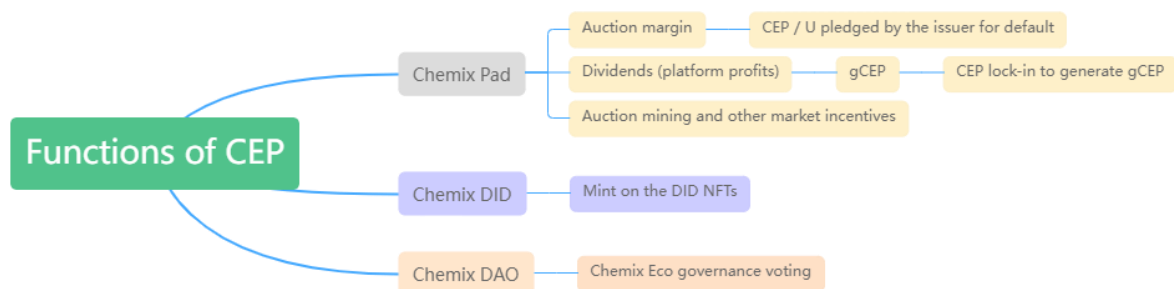
The allocation of CEP tokens

The total amount of CEP token is 100,000,000, we will issue CEP token on Binance Smart Chain first, the team reserves the right to issue CEP token on other EVM compatible blockchain, the sum of CEP on all blockchain will never exceed 100,000,000. The table below shows allocation of all CEP tokens:

Allocation	Vesting Term	%
Community development, including air-drop incentives, auction incentives, ecological cultivation, community incentives, etc.;	non-locking	30%
Marketing purposes, including market cooperation, currency exchange activities, etc.;	non-locking	15%
Round A strategic financing	6 months locking after TGE, followed by linear monthly vesting term for 18 months	6%

Further strategic financing;	Based on the subsequent financing, the release is not earlier than round A.	21.50%
Angel financing	6 months locking after TGE, followed by linear monthly vesting term for 24 months	2.50%
Consultant	6 months locking after TGE, followed by linear monthly vesting term for 24 months	5%
The existing development and marketing team incentive;	6 months locking after TGE, followed by 5 years linear vesting term	10%
New team members incentive in the future or to motivate outstanding contributions from existing team members;	6 months locking after TGE, followed by 5 years linear vesting term	10%

CEP token economics



CEP has a variety of responsibilities as the core governance and utility provider of Chemix Ecosystem:

- **Capture Economic Benefits of the Platform:** we will allow the community to decide how to capture the economic benefits of the platform with the CEP token. Initially, we will use a certain amount of platform profits for dividend allocation by gCEP token, which can only be created by the CEP token.
- **As the auction margin in CVT auctions:** in CVT auctions, the Chemix Pad has a default compensation mechanism to protect users who participated in auctions. Prior to auction, issuer must pledge a certain amount of CEP or stablecoins for potential default compensation. CEP can be used by buyers to receive compensation from the issuer in case of a default on an auction.
- **Incentives on user behaviors:** as Chemix Ecosystem develops, we will invite our users to participate in a variety of scenarios with CEP incentives, for example in Dutch Auctions, CEP can be used as an incentive for "auction mining": when users invest in auction contracts, they will be rewarded with CEP.
- **Chemix DID NFT:** users can burn CEP tokens in Chemix DID to mint DID NFT. With the Chemix DID NFT in Chemix Eco, we will create a number of algorithms based on our user's behavior to determine their credit scores.
- **Governance voting:** CEP holders can participate in governance voting to decide the future development directions and routine resolutions of the Chemix Ecosystem.

Roadmap

- In the third quarter of 2021, Chemix Pad conducted its first Dutch auction.
- Q4, 2021, Chemix Pad updates are completed. Approximately 6 million USD has been committed through 29 auctions on the BSC network. The average APR for participants was over 300%. Chemix DEX and DID have been designed. Different products are incorporated into the entire Chemix ecosystem.
- Chemix Pad will upgrade to version 2.0 in Q1, 2022. A claimable function for CVT tokens will be added to the system, claim center online. We will be able to launch Chemix DEX Version 1.0. Users can trade CVT tokens on Chemix DEX.
- Chemix DID will go online in Q2 2022 to establish a general user identification DID system based on NFT.
- In Q3 2022, the team will focus on expanding large-scale asset transfers and deepening the market.
- On our website, we will constantly update the roadmap and share our progress.

Appendix: Risk factors

RISKS RELATING TO PARTICIPATION IN THE TOKEN SALE

Investments in startups such as the Issuer involves a high degree of risk

Financial and operating risks confronting startups are significant and Issuer is not immune to these. Startups often experience unexpected problems in the areas of product development, marketing, financing, and general management, among others, which frequently cannot be solved.

Issuer may be forced to cease operations

It is possible that, due to any number of reasons, including, but not limited to, an unfavorable fluctuation in the value of cryptographic and fiat currencies, the failure of commercial relationships, or intellectual property ownership challenges, Issuer may no longer be viable to operate and may dissolve or take actions that result in a dissolution of Issuer.

The tax treatment of the Sales, the purchase rights contained therein and the Token distribution is uncertain and there may be adverse tax consequences for Buyers upon certain future events

The tax characterization of the Sales and the Tokens is uncertain, and each Buyer must seek his/her/its own tax advice in connection with an investment in the Tokens. An investment pursuant to the Sales and the purchase of Tokens pursuant thereto may result in adverse tax consequences to Buyer, including withholding taxes, income taxes and tax reporting requirements. Each Buyer should consult with and must rely upon the advice of his/her/its own professional tax advisors with respect tax treatment of an investment in the Tokens pursuant to the Sales.

There is no prior market for Tokens and the Token Distribution may not result in an active or liquid market for the Tokens

Prior to some of the Token Distributions, there may be no public market for the Tokens. In the event that the Tokens are traded on a cryptocurrency exchange, there is no assurance that an active or liquid trading market for the Tokens will develop or if developed, be sustained after the Tokens have been made available for trading on

such cryptocurrency exchange. There is also no assurance that the market price of the Tokens will not decline below the Purchase Consideration. The Purchase Consideration may not be indicative of the market price of the Tokens after they have been made available for trading on a cryptocurrency exchange.

A Token is not a currency issued by any central bank or national, supra-national or quasi-national organization, nor is it backed by any hard assets or other credit. Issuer is not responsible for nor do it pursue the circulation and trading of Tokens on the market. Trading of Tokens merely depends on the consensus on its value between the relevant market participants, and no one is obliged to purchase any Token from any holder of the Token, including the purchasers, nor does anyone guarantee the liquidity or market price of Tokens to any extent at any time. Accordingly, Issuer cannot ensure that there will be any demand or market for Tokens, or that the Purchase Consideration is indicative of the market price of Tokens after they have been made available for trading on a cryptocurrency exchange.

Future sales of the Tokens could materially and adversely affect the market price of Tokens

Any future sale of the Tokens (which were not available for sale in the Token Distribution) would increase the supply of Tokens in the market and this may result in a downward price pressure on the Token. The sale or distribution of a significant number of Tokens outside of the Token Distribution, or the perception that such further sales or issuance may occur, could adversely affect the trading price of the Tokens.

Negative publicity may materially and adversely affect the price of the Tokens

Negative publicity involving (a) Issuer; (b) Chemix ecosystem; (c) the Tokens in various auctions/sales; or (d) any of the key personnel of Issuer, may materially and adversely affect the market perception or market price of the Tokens, whether or not such publicity is justified.

There is no assurance of any success of Chemix Ecosystem

The value of, and demand for, the Tokens hinges heavily on the performance of Chemix Ecosystem. There is no assurance that Chemix Ecosystem will gain traction after its launch and achieve any commercial success.

Chemix Ecosystem has not been fully developed, finalized and integrated and is subject to further changes, updates and adjustments prior to its launch. Such changes may result in unexpected and unforeseen effects on its projected appeal to users, and hence impact its success.

While the development team has made every effort to provide a realistic estimate, there is also no assurance that the cryptocurrencies raised in the Token Distribution will be sufficient for the development and integration of Chemix Ecosystem. For the foregoing or any other reason, the development and integration of Chemix Ecosystem may not be completed. As such, distributed Tokens may hold little worth or value, and this would impact its trading price.

The trading price of the Tokens may fluctuate following the Token Distribution Event

The prices of cryptographic tokens in general tend to be relatively volatile, and can fluctuate significantly over short periods of time. The demand for, and corresponding the market price of, the Tokens may fluctuate significantly and rapidly in response to, among others, the following factors, some of which are beyond the control of Issuer:

- new technical innovations;
- analysts' speculations, recommendations, perceptions or estimates of the Token's market price or Issuer's financial and business performance;
- changes in market valuations and token prices of entities with operations similar to that of Issuer that may be made available for sale and purchase on the same cryptocurrency exchanges as the Tokens;
- announcements by Issuer of significant events, for example partnerships, sponsorships, new product developments;
- fluctuations in market prices and trading volume of cryptocurrencies on cryptocurrency exchanges;
- additions or departures of key personnel of Issuer or Chemix Ecosystem;
- success or failure of the management of Issuer or Chemix Ecosystem in implementing business and growth strategies; and

- changes in conditions affecting the blockchain or financial technology industry, the general economic conditions or market sentiments, or other events or factors.

The funds raised in the Token Distribution are exposed to risks of theft

Whilst Chemix Ecosystem team will make every effort to ensure that the funds received from the Token Sale are securely held at the receiving smart contract address(es) at which it received the Purchase Consideration (“Receiving Address(es)”) through the implementation of security measures, there is no assurance that there will be no theft of the cryptocurrencies as a result of hacks, mining attacks (including but not limited to double-spend attacks, majority mining power attacks and “selfish-mining” attacks), sophisticated cyber-attacks, distributed denials of service or errors, vulnerabilities or defects on the smart contract(s), the Ethereum, Binance Smart Chain, or any other blockchain, or otherwise. Such events may include, for example, flaws in programming or source code leading to exploitation or abuse thereof. In such event, even if the Token Distribution is completed, Issuer may not be able to receive the cryptocurrencies raised and may not be able to utilize such funds for the needs of capital recycling, and the launch of Chemix Ecosystem, or Issuer’s project, might be temporarily or permanently curtailed. As such, the issued Tokens may hold little worth or value, and this would impact its trading price. The Tokens are uninsured, unless you specifically obtain private insurance to insure them. In the event of any loss or loss of value, you may have no recourse.

RISKS RELATING TO THE RECEIVING ADDRESS(ES) AND WALLETS

The Receiving Address(es) may be compromised and the cryptocurrencies may not be able to be disbursed

The Receiving Address(es) are designed to be secure. However, in the event that the Receiving Address(es) are, for any reason compromised (including but not limited to scenarios of the loss of keys to such Receiving Address(es)), the funds held at the Receiving Address(es) may not be able to be retrieved and disbursed, and may be permanently unrecoverable. In such event, even if the Token Distribution is successful, Purchaser will not be able to receive the Tokens distributed, and the implementation of Chemix Ecosystem might be temporarily or permanently curtailed. If Purchaser would

like to change his/her/its Token receiving address, Chemix Ecosystem team may not receive the requirement in time, or received the change requirement but not be able to change receiving address for Purchaser. As such, distributed Tokens may hold little worth or value, and this would impact its trading price, Purchaser may not receive Tokens with intended address, may face permanent loss on his/her/its funds.

The loss or compromise of information relating to your Wallet may affect your access and possession of the Tokens

For purposes of receipt of your Tokens, you are to establish and maintain access to a cryptocurrency wallet (“Wallet”). Your access to the Tokens in the Wallet depends on, among other things, the safeguards to the information to such Wallet, including but not limited to the user account information, address, private key and password. In the event that any of the foregoing is lost or compromised, your access to the Wallet may be curtailed and thereby adversely affecting your access and possession to the Tokens, including such Tokens being unrecoverable and permanently lost.

The Wallet or Wallet service provider may not be technically compatible with the Tokens

The Wallet or Wallet service provider may not be technically compatible with the Tokens which may result in the delivery of Tokens being unsuccessful or affect your access to such Tokens.

RISKS RELATING TO THE CHEMIX ECOSYSTEM TEAM

Chemix Ecosystem is intended to be developed, operated and maintained by The Chemix Ecosystem team. Any events or circumstances which adversely affect The Chemix Ecosystem team may have a corresponding adverse effect on The Chemix Ecosystem team if such events or circumstances affect The Chemix Ecosystem team’s ability to maintain Chemix Ecosystem. This would correspondingly have an impact on the delivery and trading price of the Tokens.

The Chemix Ecosystem team may be materially and adversely affected if it fails to effectively manage its operations as its business develops and evolves, which

would have a direct impact on its ability to maintain Chemix Ecosystem and consequently the trading price of the Tokens

The financial technology and cryptocurrency industries and the markets in which The Chemix Ecosystem team competes have grown rapidly and continue to grow rapidly, and continue to evolve in response to new technological advances, changing business models and other factors. As a result of this constantly changing environment, The Chemix Ecosystem team may face operational difficulties in adjusting to the changes, and the sustainability of The Chemix Ecosystem team will depend on its ability to manage its operations, adapt to technological advances and market trends and ensure that it hires qualified and competent employees, and provide proper training for its personnel. As its business evolves, The Chemix Ecosystem team must also expand and adapt its operational infrastructure. The Chemix Ecosystem team's business relies on its blockchain-based software systems, cryptocurrency wallets or other related token storage mechanisms, blockchain technology and smart contract technology, and to manage technical support infrastructure for Chemix Ecosystem effectively, The Chemix Ecosystem team will need to continue to upgrade and improve its data systems and other operational systems, procedures and controls. These upgrades and improvements will require a dedication of resources, are likely to be complex and increasingly rely on hosted computer services from third parties that The Chemix Ecosystem team does not control. If The Chemix Ecosystem team is unable to adapt its systems and organization in a timely, efficient and cost-effective manner to accommodate changing circumstances, its business, financial condition and results of operations may be adversely affected. If the third parties whom The Chemix Ecosystem team relies on are subject to a security breach or otherwise suffer disruptions that impact the services The Chemix Ecosystem team utilizes, the integrity and availability of its internal information could be compromised, which may consequently cause the loss of confidential or proprietary information, and economic loss. The loss of financial, labor or other resources, and any other adverse effect on The Chemix Ecosystem team's business, financial condition and operations, would have a direct adverse effect on The Chemix Ecosystem team's ability to maintain Chemix Ecosystem. As Chemix Ecosystem is the main product to which the Tokens relate, this may adversely impact the trading price of the Tokens.

The Chemix Ecosystem team may experience system failures, unplanned interruptions in its network or services, hardware or software defects, security

breaches or other causes that could adversely affect its infrastructure network, and/or Chemix Ecosystem

The Chemix Ecosystem team is unable to anticipate when there would be occurrences of hacks, cyber- attacks, mining attacks (including but not limited to double-spend attacks, majority mining power attacks and “selfish-mining” attacks), distributed denials of service or errors, vulnerabilities or defects in Chemix Ecosystem, the Tokens, the Receiving Address(es), the Wallet or any technology (including but not limited to smart contract technology) on which The Chemix Ecosystem team, Chemix Ecosystem, the Tokens, the Receiving Address(es) and the Wallet relies or on the Ethereum blockchain or any other blockchain. Such events may include, for example, flaws in programming or source code leading to exploitation or abuse thereof. The Chemix Ecosystem team may not be able to detect such hacks, mining attacks (including but not limited to double-spend attacks, majority mining power attacks and “selfish-mining” attacks), cyber-attacks, distributed denials of service errors vulnerabilities or defects in a timely manner, and may not have sufficient resources to efficiently cope with multiple service incidents happening simultaneously or in rapid succession.

The Chemix Ecosystem team’s network or services, which would include Chemix Ecosystem, could be disrupted by numerous events, including natural disasters, equipment breakdown, network connectivity downtime, power losses, or even intentional disruptions of its services, such as disruptions caused by software viruses or attacks by unauthorized users, some of which are beyond The Chemix Ecosystem team’s control. Although The Chemix Ecosystem team will be taking steps against malicious attacks on its appliances or its infrastructure, which are critical for the maintenance of Chemix Ecosystem and its other services, there can be no assurance that cyber-attacks, such as distributed denials of service, will not be attempted in the future, and that any of The Chemix Ecosystem team’s intended enhanced security measures will be effective. The Chemix Ecosystem team may also be prone to attacks on its infrastructure intended to steal information about its technology, financial data or user information or take other actions that would be damaging to The Chemix Ecosystem team and users of Chemix Ecosystem. Any significant breach of The Chemix Ecosystem team’s intended security measures or other disruptions resulting in a compromise of the usability, stability and security of The Chemix Ecosystem team’s network or services (including Chemix Ecosystem) may adversely affect the trading price of the Tokens.

The Chemix Ecosystem team is dependent in part on the location and data center facilities of third parties

The The Chemix Ecosystem team's infrastructure network will be in part established through servers that which it owns and houses at the location facilities of third parties, and servers that it rents at data center facilities of third parties. If The Chemix Ecosystem team is unable to renew its data facility lease on commercially reasonable terms or at all, The Chemix Ecosystem team may be required to transfer its servers to a new data center facility, and may incur significant costs and possible service interruption in connection with the relocation. These facilities are also vulnerable to damage or interruption from, among others, natural disasters, arson, terrorist attacks, power losses, and telecommunication failures. Additionally, the third party providers of such facilities may suffer a breach of security as a result of third party action, employee error, malfeasance or otherwise, and a third party may obtain unauthorized access to the data in such servers. As techniques used to obtain unauthorized access to, or to sabotage systems change frequently and generally are not recognized until launched against a target, The Chemix Ecosystem team and the providers of such facilities may be unable to anticipate these techniques or to implement adequate preventive measures. Any such security breaches or damages occurred which impact upon The Chemix Ecosystem team's infrastructure network and/or Chemix Ecosystem may adversely impact the price of the Tokens.

General global market and economic conditions may have an adverse impact on The Chemix Ecosystem team's operating performance, results of operations and cash flows

The Chemix Ecosystem team could be affected by general global economic and market conditions. Challenging economic conditions worldwide have from time to time, contributed, and may continue to contribute, to slowdowns in the information technology industry at large. Weakness in the economy could have a negative effect on The Chemix Ecosystem team's business, operations and financial condition, including decreases in revenue and operating cash flows. Additionally, in a down-cycle economic environment, The Chemix Ecosystem team may experience the negative effects of increased competitive pricing pressure and a slowdown in commerce and usage of Chemix Ecosystem. Suppliers on which The Chemix Ecosystem team relies for servers, bandwidth, location and other services could also be negatively impacted by

economic conditions that, in turn, could have a negative impact on The Chemix Ecosystem team's operations or expenses. There can be no assurance, therefore, that current economic conditions or worsening economic conditions or a prolonged or recurring recession will not have a significant adverse impact on the The Chemix Ecosystem team's business, financial condition and results of operations and hence Chemix Ecosystem, which would correspondingly impact the trading price of the Tokens.

The Chemix Ecosystem team and/or the Tokens may be affected by newly implemented regulations

Cryptocurrency trading is generally unregulated worldwide, but numerous regulatory authorities across jurisdictions have been outspoken about considering the implementation of regulatory regimes which govern cryptocurrency or cryptocurrency markets. The Chemix Ecosystem team and/or the Tokens may be affected by newly implemented regulations relating to cryptocurrencies or cryptocurrency markets, including having to take measures to comply with such regulations, or having to deal with queries, notices, requests or enforcement actions by regulatory authorities, which may come at a substantial cost and may also require substantial modifications to the Tokens and/or Chemix Ecosystem. This may impact the appeal of the Tokens and/or Chemix Ecosystem for users and result in decreased usage of the Tokens and/or Chemix Ecosystem. Further, should the costs (financial or otherwise) of complying with such newly implemented regulations exceed a certain threshold, maintaining the Tokens and/or Chemix Ecosystem may no longer be commercially viable and The Chemix Ecosystem team may opt to discontinue the Tokens and/or Chemix Ecosystem. Further, it is difficult to predict how or whether governments or regulatory authorities may implement any changes to laws and regulations affecting distributed ledger technology and its applications, including the Tokens and Chemix Ecosystem. The Chemix Ecosystem team may also have to cease operations in a jurisdiction that makes it illegal to operate in such jurisdiction, or make it commercially unviable or undesirable to obtain the necessary regulatory approval(s) to operate in such jurisdiction. In scenarios such as the foregoing, the trading price of Tokens will be adversely affected or Tokens may cease to be traded.

The regulatory regime governing the blockchain technologies, cryptocurrencies, tokens and token offerings such as Chemix Ecosystem and the Tokens is

uncertain, and regulations or policies may materially adversely affect the development of Chemix Ecosystem and the utility of the Tokens

Regulation of tokens (including the Tokens) and token offerings such as this, cryptocurrencies, blockchain technologies, and cryptocurrency exchanges currently is undeveloped and likely to rapidly evolve, varies significantly among international, federal, state and local jurisdictions and is subject to significant uncertainty. Various legislative and executive bodies in the United States of America and in other countries may in the future, adopt laws, regulations, guidance, or other actions, which may severely impact the development and growth of Chemix Ecosystem and the adoption and utility of the Tokens. Failure by The Chemix Ecosystem team or users of Chemix Ecosystem to comply with any laws, rules and regulations, some of which may not exist yet or are subject to interpretation and may be subject to change, could result in a variety of adverse consequences, including civil penalties and fines. As blockchain networks and blockchain assets have grown in popularity and in market size, federal and state agencies have begun to take interest in, and in some cases regulate, their use and operation. In the case of virtual currencies, state regulators like the New York Department of Financial Services have created new regulatory frameworks. Others, as in Texas, have published guidance on how their existing regulatory regimes apply to virtual currencies. Some states, like New Hampshire, North Carolina, and Washington, have amended their state's statutes to include virtual currencies into existing licensing regimes. Treatment of virtual currencies continues to evolve under federal law as well. The Department of the Treasury, the Securities Exchange Commission, and the Commodity Futures Trading Commission, for example, have published guidance on the treatment of virtual currencies. The IRS released guidance treating virtual currency as property that is not currency for US federal income tax purposes, although there is no indication yet whether other courts or federal or state regulators will follow this classification. Both federal and state agencies have instituted enforcement actions against those violating their interpretation of existing laws. The regulation of non-currency use of blockchain assets is also uncertain. The U.S. Commodities Futures Trading Commission has publicly taken the position that certain blockchain assets are commodities, and the Securities Exchange Commission of the United States of America has issued a public report stating federal securities laws require treating some blockchain assets as securities. To the extent that a domestic government or quasi-governmental agency exerts regulatory authority over a blockchain network or asset,

Chemix Ecosystem and the Tokens may be materially and adversely affected. Blockchain networks also face an uncertain regulatory landscape in many foreign jurisdictions such as the European Union, China and Russia. Various foreign jurisdictions may, in the near future, adopt laws, regulations or directives that affect Chemix Ecosystem. Such laws, regulations or directives may conflict with those of the United States of America or may directly and negatively impact our business. The effect of any future regulatory change is impossible to predict, but such change could be substantial and materially adverse to the development and growth of Chemix Ecosystem and the adoption and utility of the Tokens.

New or changing laws and regulations or interpretations of existing laws and regulations, in the United States of America and other jurisdictions, may materially and adversely impact the value of the currency in which the Tokens may be exchanged, the value of the distributions that may be made by The Chemix Ecosystem team, the liquidity of the Tokens, the ability to access marketplaces or exchanges on which to trade the Tokens, and the structure, rights and transferability of Tokens.

Purchasers will have no control on The Chemix Ecosystem team

Purchasers are not and will not be entitled, to vote or receive dividends or be deemed the holder of capital stock of The Chemix Ecosystem team for any purpose, nor will anything be construed to confer on the Purchasers any of the rights of a stockholder of The Chemix Ecosystem team or any right to vote for the election of directors or upon any matter submitted to stockholders at any meeting thereof, or to give or withhold consent to any corporate action or to receive notice of meetings, or to receive subscription rights or otherwise.

Purchasers may lack information for monitoring their investment

Purchasers may not be able to obtain all information it would want regarding The Chemix Ecosystem team on a timely basis or at all. It is possible that Purchasers may not be aware on a timely basis of material adverse changes that have occurred. While The Chemix Ecosystem team has made efforts to use open-source development for Tokens, this information may be highly technical by nature. As a result of these difficulties, as well as other uncertainties, Purchasers may not have accurate or accessible information about Chemix Ecosystem.

There may be unanticipated risks arising from the Tokens

Cryptographic tokens such as the Tokens are a relatively new and dynamic technology. In addition to the risks included in this section, there are other risks associated with the purchase, holding and use of the Tokens, including those that The Chemix Ecosystem team cannot anticipate. Such risks may further materialize as unanticipated variations or combinations of the risks discussed in this section.