



*screen, analyze, trade altcoins*

*where crypto investors find trading ideas...*

# Whitepaper

2022

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## **ABOUT THIS DOCUMENT**

This white paper (the **White Paper**) was not reviewed and approved by any regulatory authority and is provided for your information only. Participants are advised to read this White Paper carefully in full and consult their tax and legal advisors before making any decision to purchase AFINS tokens.

AFINS tokens are utility tokens, designed for accessing the altFINS platform and are not intended to be a regulated financial product of any kind.

Unforeseen circumstances might not allow the completion of the altFINS project in whole or partially. Acquiring, holding, and selling AFINS tokens might involve various risks described in more detail below in this White Paper.

**DESCRIPTION.** altFINS is a cloud-based platform for retail and institutional investors to conduct technical and fundamental investment analysis, trade and track digital assets across exchanges and wallets.

**SOLUTION TO PROBLEMS.** altFINS platform addresses three pain points in the emerging digital asset class: 1) high fragmentation of data sources (exchanges, protocols), 2) lack of robust tools for analytics and asset tracking, and 3) massive amounts of data from exchanges and protocols to extract valuable insights.

**COMPELLING VALUE PROPOSITION.** altFINS seeks to bring efficiency into the investment process in the digital assets space by covering the entire workflow from 1) pre-trade analysis (investment idea generation, technical indicators, fundamental data, screening, charting, alerts, news, research), to 2) trade execution across exchanges, and 3) post-trade analysis (asset tracking, P&L, NAV, risk analysis).

**CLEAR DIFFERENTIATION.** Most fintech providers in the digital assets space focus simply on trade execution or just asset tracking, but they neglect the pre-trade analysis that is required to answer investor's key question: "which digital asset should I own, why and when?". altFINS is building a tool that covers the entire investment workflow from pre-trade analysis to trading and post-trade analysis and tracking of digital assets.

**FREEMIUM BUSINESS MODEL.** altFINS has a freemium business model, whereby some content and data are available to users for free,

while premium features are available through subscription plans.

**GROWING TOTAL ADDRESSABLE MARKET (TAM).** altFINS targets active retail and institutional investors in the digital asset class. As of June 2021, there were an estimated 221 million crypto investors worldwide (up from 106 million as of January 2021) and we expect that figure to continue to grow. We believe that about 10% of these investors are active investors and traders, and we estimate that tools such as altFINS have a potential to generate cca €800 million in annual revenue.

**PROVEN TRACK RECORD.** altFINS platform was launched in August 2020 and has seen rapid adoption to now tens of thousands of users, which validates the value proposition. Our team continues to expand features and scalability, as we see a huge untapped opportunity ahead. Launch of AFINS token could further accelerate the timeline for product enhancements and user adoption.

**AFINS TOKEN TO SPARK A FLYWHEEL EFFECT.** The intention of AFINS token launch is to stimulate adoption of altFINS platform among crypto community. By rewarding our community for the use and contribution to the platform, the community awareness and utility value of the platform will grow, attracting additional users. Growing user base and fee revenues should drive more demand for AFINS token through staking and buy-backs / burns, which could exert upward pressure on token price, further rewarding our community and ecosystem.

## DESCRIPTION.

**altFINS is a platform for retail and institutional investors to scan, analyze, trade and track digital assets.** Rising adoption of and investments into blockchain technologies are driving a need for robust financial infrastructure that will support the related growth in digital assets.

Products and services (custodian, reporting, trade execution, analysis, security, research) that are commonly used with traditional financial assets (equities, bonds, FX) are largely missing in the emerging digital asset class and cannot be simply repurposed for digital assets. **Digital assets have unique characteristics that necessitate unique solutions.**

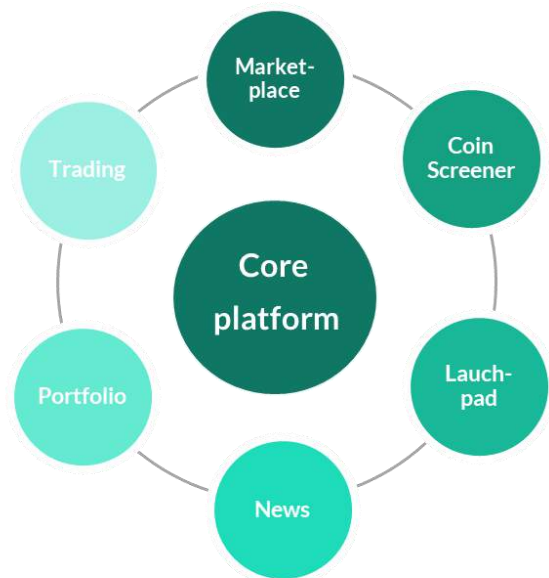
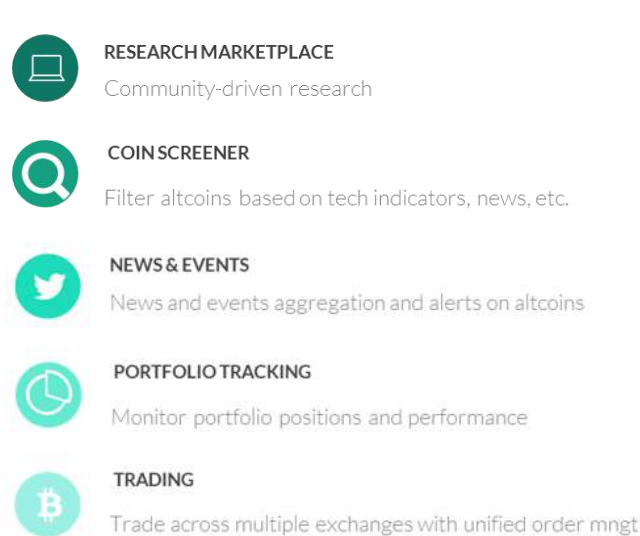
**altFINS' mission is to become the "Bloomberg" of the digital asset class,** a platform for analyzing and tracking digital assets. altFINS platform will provide two categories of data analytics: 1) technical trading analytics and

patterns calculated from price and volume data from dozens of crypto exchanges, and 2) fundamental data (on-chain data, crypto sentiment data, Github developer activity data, etc.).

**In 2022, altFINS will launch a Community-Driven Research Marketplace.** There is a dire need for research coverage of the growing list of altcoins. Centralized research providers cannot keep up. Instead, our Research Marketplace will empower and reward all users to contribute their research and insights. Both, contributors and readers will need to stake AFINS to participate in the Marketplace. This will align participants' interests to benefit the entire investor community and create a more equitable mechanism for users to share in the value their create.

Using this data, analytics, research and tools, investors can analyze the blockchain projects and their tokens, and design and execute investment strategies.

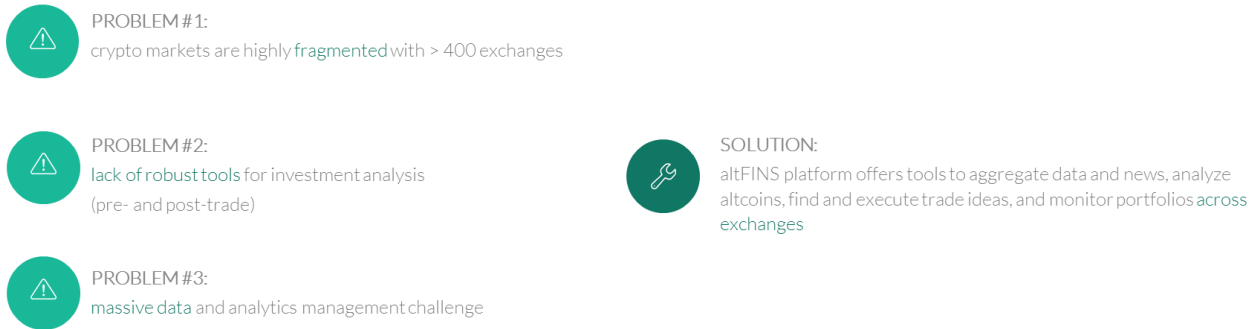
**Figure 1: altFINS Platform Features (current and planned)**



**SOLUTION TO PROBLEMS.** altFINS platform addresses three pain points in the emerging digital asset class: 1) high fragmentation of data and information sources 2)

lack of robust tools for analytics and asset tracking, and 3) massive amounts of data from exchanges and protocols to extract valuable insights.

**Figure 2: Solution to Three Key Problems**



**COMPELLING VALUE PROPOSITION.** altFINS seeks to bring efficiency into the investment process in the digital assets space by covering the entire workflow from 1) pre-trade analysis (investment idea generation, technical

indicators, fundamental data, screening, charting, alerts, news, research), to 2) trade execution across exchanges, and 3) post-trade analysis (asset tracking, P&L, NAV, risk analysis).

**Figure 3: Broad Set of Tools For Crypto Investors (current)**

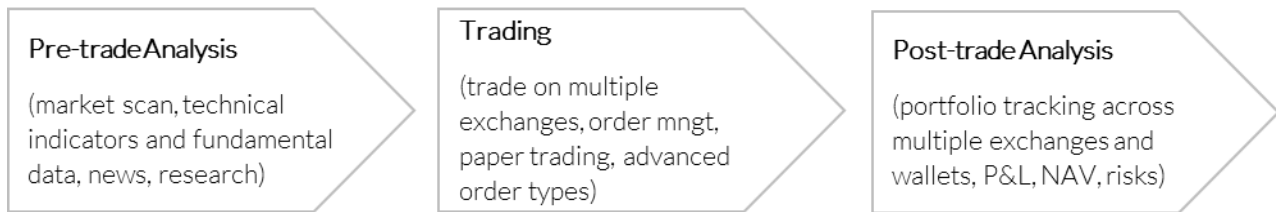
A dark grey rectangular box containing a list of seven tools, each with a teal icon and a brief description.

- Automated chart pattern recognition**  
Price targets for 16 trading patterns
- Preset signals**  
Tens of preset coin filters
- Coin screener**  
Filter coins based on technical and fundamental indicators
- Alerts**  
Alerts for price, events, news, and coin filters
- News and Events**  
News and major events on thousands of coins
- Portfolio management**  
Monitor coins and performance across exchanges
- Trading**  
Trade across multiple exchanges with unified order management

**CLEAR DIFFERENTIATION: support the entire investment workflow.** Most fintech providers in the digital assets space focus simply on trade execution or just asset tracking, but they neglect the pre-trade analysis that is required to answer investor’s key question: “which digital asset should I own, why and when?”.

altFINS is building a tool that covers the entire investment workflow from pre-trade analysis to trading and post-trade analysis and tracking of digital assets.

**Figure 4: Support Entire Investment Workflow**



**FREEMIUM BUSINESS MODEL.** altFINS has a freemium business model, whereby some content and data are available to users for free, while premium features are available through subscription plans.

The platform also intends to tap into additional revenue streams in the future: trading commission share with partner exchanges, advertising sales and marketplace fees.

Staking of AFINS tokens will give users free or discounted access to the platform, research marketplace, education program, among other benefits.

**Figure 5: Multiple Revenue Sources**



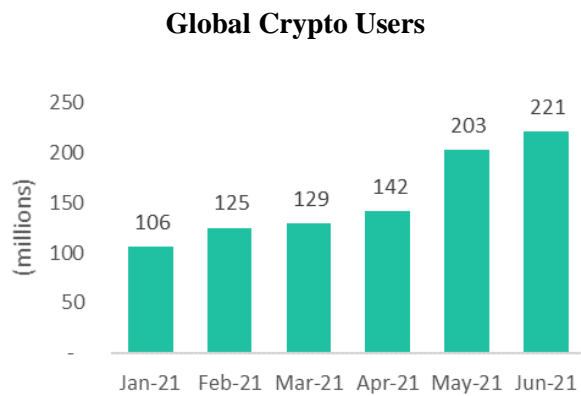
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We believe that about 10% of these investors are active investors and traders, and we estimate that tools such as altFINS have a potential to generate cca €800 million in annual revenue.

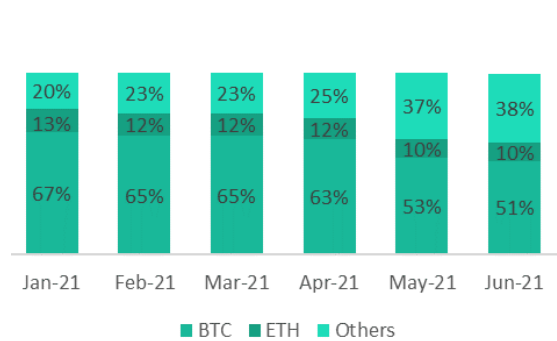
**PROVEN TRACK RECORD.** altFINS platform was launched in August 2020 and has seen rapid adoption to now tens of thousands of users, which validates the value proposition. Our team continues to expand features and scalability, as we see a huge untapped opportunity ahead.

Subscription plans were introduced in April 2021 and our annualized revenue run rate (ARR) reached \$600K in Nov 2021, up 45% M/M.

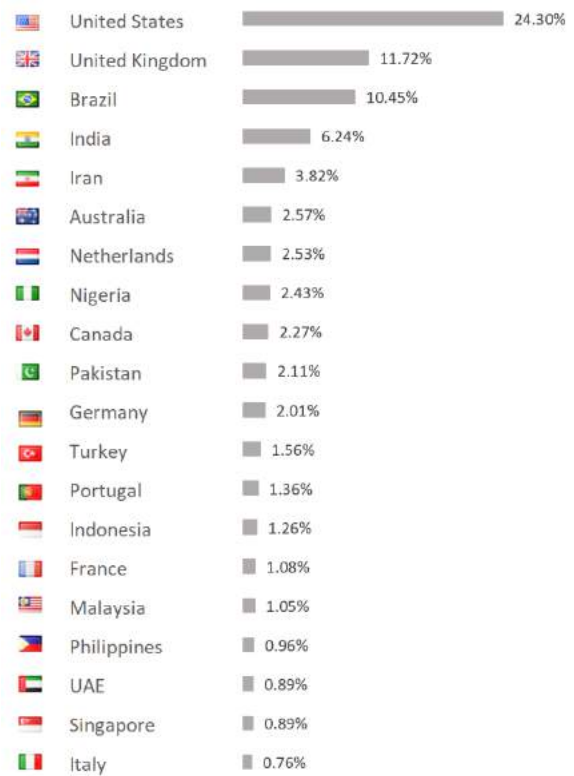
**Figure 6: Growing Adoption of Digital Assets**



**Percentage Allocation to Digital Assets**



**Figure 7: altFINS' Global User Base**



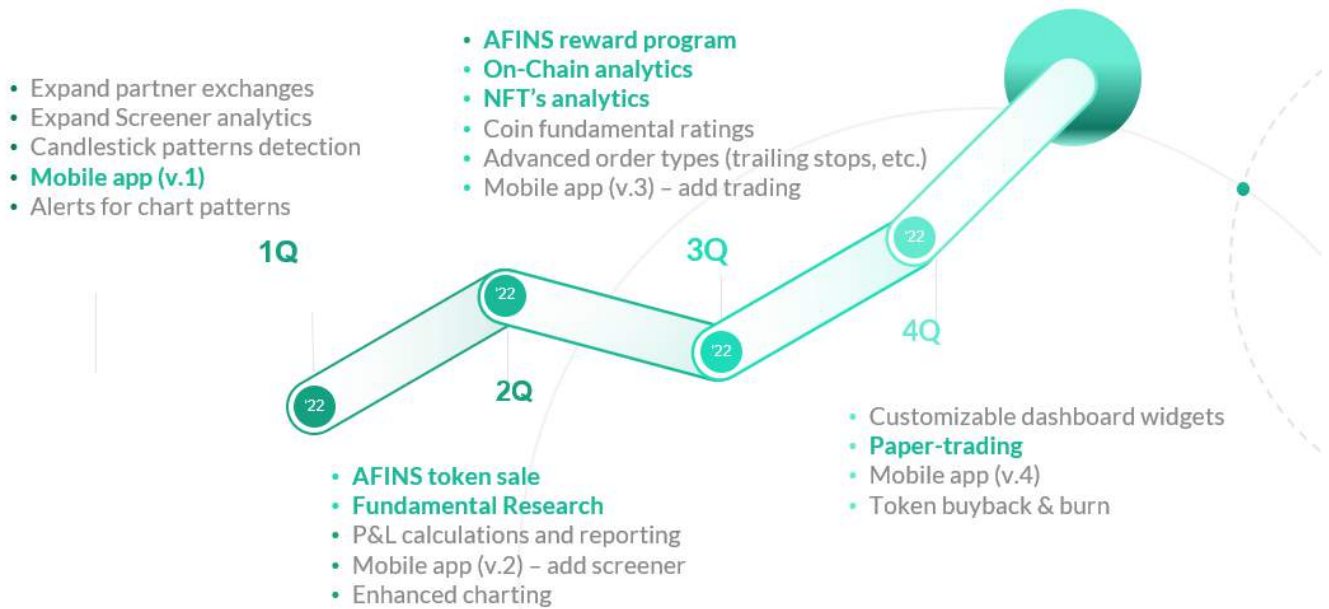
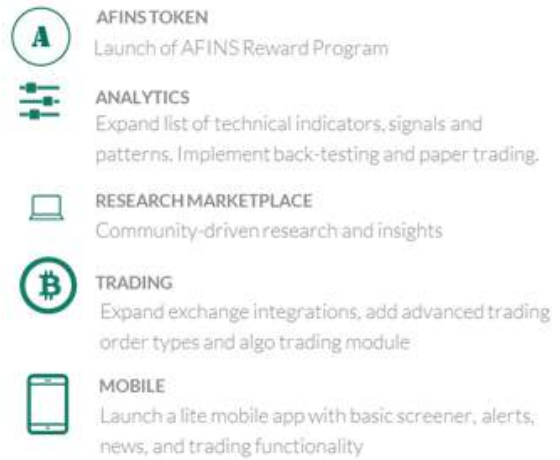
Source: Crypto.com research (as of July 6, 2021)



**PRODUCT AND AFINS TOKEN ROADMAP.** altFINS platform is already today a fully functioning product that is heavily used by active traders and investors.

However, our product journey has just begun. We have big plans to expand and enhance the platform in four key areas: Analytics, Marketplace, Trading & Portfolio and Mobile.

**Figure 8: Product and Token Roadmap**



**Figure 9: AFINS Tokenomics**

**TOKEN SUMMARY**

Initial listing price	\$0.20
Market cap at listing	\$1,340,000
Fully diluted valuation	\$20,000,000

*\*Day 1 market cap does not include tokens used for exchange liquidity.*

**VESTING SCHEDULE**

	%	Amount	Initial unlock	Vesting
Ecosystem growth	10.0%	10,000,000	10%	6 months lock + 18 months linear vesting (monthly)
Community rewards	24.0%	24,000,000	10%	6 months lock + 18 months linear vesting (monthly)
Platform development	13.0%	13,000,000	10%	6 months lock + 18 months linear vesting (monthly)
Exchange liquidity	2.0%	2,000,000	50%	6 months linear vesting (monthly)
Marketing	20.0%	20,000,000	10%	6 months lock + 18 months linear vesting (monthly)
Reserve	5.0%	5,000,000	0%	6 months lock + 18 months linear vesting (monthly)
Advisors	2.0%	2,000,000	0%	6 months lock + 18 months linear vesting (monthly)
Team	24.0%	24,000,000	0%	6 months lock + 18 months linear vesting (monthly)
<b>Total supply</b>	<b>100.0%</b>	<b>100,000,000</b>		

**Use of proceeds.** We intend to use the proceeds from the private and public sale primarily for accelerating the development of the platform and launch of Research Marketplace (see product roadmap figure 8), as well as marketing, listing on exchanges and market making to support trading liquidity.

**AFINS REWARDS PROGRAM.** The AFINS Rewards Program will incentivize platform adoption, content contribution, usage and enhancement. Platform users, content contributors, brand ambassadors and token holders will all have certain benefits in the ecosystem including:

**1) Platform access.** Staking AFINS will entitle users to free or discounted access to the core analytics platform.

**2) Marketplace access.** Holding (staking) AFINS will unlock research reports in the Marketplace (to be launched in 2022).

**3) Priority access to new features.** Staking AFINS tokens will entitle users to priority access to new features such as automated trading algos, education video series and content.

**4) Payments.** Use AFINS tokens to pay for altFINS platform subscriptions and for 3rd party content on the platform.

**5) Trade mining.** Earn AFINS tokens when trading through partner exchanges.

**6) Referral mining.** Earn higher affiliate marketing referral fees to holders of AFINS tokens for promoting the platform in their blogs, media sites and social media channels.

**7) Enhance and Earn.** Users will earn AFINS tokens for extending the platform when they, among other things, create and share a custom filter or watchlist, and post analyses of altcoins or other insightful content. This will incentivize the community to enhance the platform, which increases the utility of the system and attracts additional users.

**8) Learn and Earn.** To foster platform adoption, users will earn AFINS tokens when they learn how to use the platform and complete tasks such as creating their first alert, custom filter, watchlist, connect to an exchange, or execute a trade. Stimulating engagement increases retention and lifetime value (LTV) of each user on the platform.

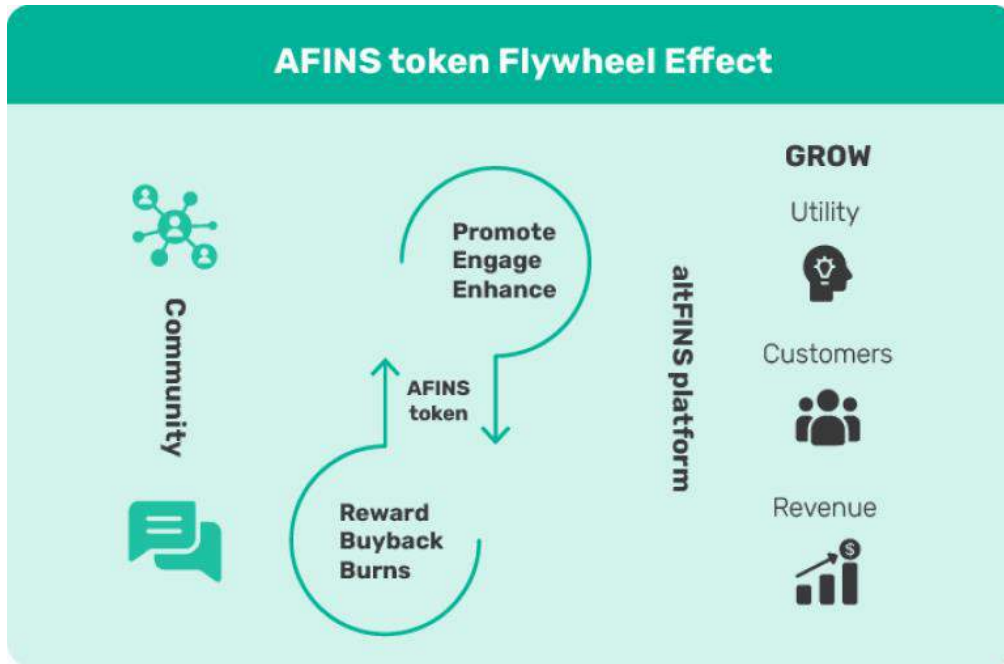
**9) Token buyback and burns.** Closing the loop of the rewards program, we intend to use up to

20% of revenue from operation of altFINS platform to buy back and burn AFINS tokens (up to 50% of outstanding tokens). This will result in neutral to deflationary trends in token supply.

**AFINS TOKEN TO SPARK A FLYWHEEL EFFECT.** The intention of AFINS token launch is to stimulate adoption of altFINS platform among crypto community. By rewarding our community for the use and contribution to the platform, the community awareness and utility value of the platform will grow, attracting additional users.

Growing user base and fee revenues should drive more demand for AFINS token through staking and buy-backs / burns, which could exert upward pressure on token price, further rewarding our community and ecosystem.

**Figure 10: AFINS token Flywheel Effect**



**KEY DRIVERS OF AFINS TOKEN DEMAND.** AFINS Rewards Program was designed to stimulate use of the altFINS platform and, therefore, demand for AFINS tokens. Demand for AFINS tokens will primarily stem from users staking AFINS to gain full access to the platform, Research Marketplace, deals and priority access to new features. In addition, our potential buy-back program (up to 20% of revenue) should also contribute to the deflationary trends in AFINS tokens circulation.

Below (next page) is a hypothetical example of how staking could generate enough demand to soak up most of the AFINS token supply or even exceed it.

altFINS already has tens of thousands of users on the platform’s free tier. Using staking of AFINS

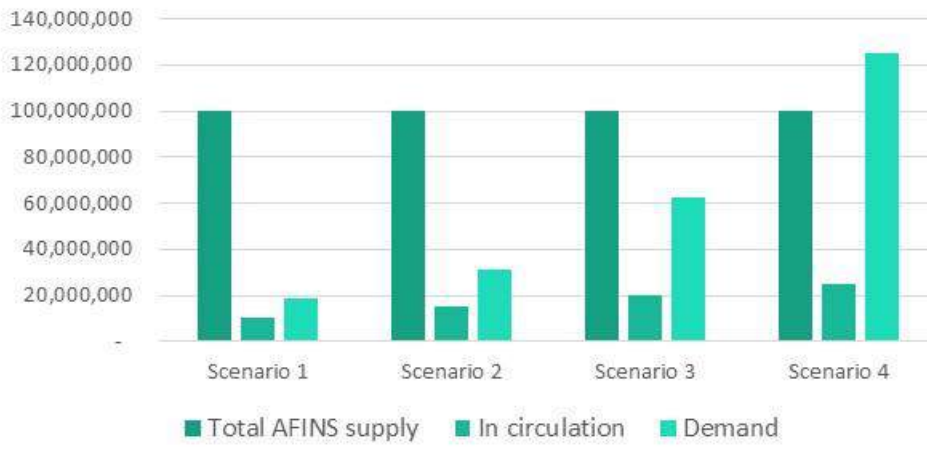
token, we can give these users a deeply discounted access to the platform’s full features. Even a small penetration of our existing user base could generate substantial token demand. Moreover, the Rewards Program should also accelerate new user acquisitions.

For example, let’s take the modest Scenario 2 in the hypothetical model (figure 11): assuming that 5,000 users stake \$400 worth of AFINS (2000 tokens) to get access to the platform, that would generate demand for 10M tokens, which is 10% of the total supply (100M) and 67% of token circulation. That assumes that the AFINS token price remains unchanged at \$0.20, which is unrealistic, since demand growth would exceed supply. This market dynamic would likely exert upward pressure on the price in the secondary markets (exchanges).

**Figure 11: Hypothetical Token Demand vs. Supply Model**

	Scenario 1	Scenario 2	Scenario 3	Scenario 4
Users staking	3,000	5,000	10,000	20,000
Staked per user (AFINS)	2,000	2,000	2,000	2,000
<b>Total staked (AFINS)</b>	<b>6,000,000</b>	<b>10,000,000</b>	<b>20,000,000</b>	<b>40,000,000</b>
Total AFINS supply	100,000,000	100,000,000	100,000,000	100,000,000
In circulation	10,000,000	15,000,000	20,000,000	25,000,000
Demand as % of total supply	6%	10%	20%	40%
Demand as % of circulation	60%	67%	100%	160%

### AFINS Token: Demand vs. Supply (hypothetical model)



## MANAGEMENT TEAM



Richard Fetyko is the founder of altFINS. Previously, he worked 14 years on Wall Street in Equity Research at several investment banks such as Janney Montgomery Scott. His research focused on Internet tech and media sectors and among his clients were asset managers in the U.S. He intends to bring his financial, analytical and trading experience into the digital asset market.



Tomas Fecko, CTO, is a seasoned software developer and architect, who gained his experience on various international software development teams. He has co-founded two startups - a FinTech startup for algorithmic trading and a retail e-commerce startup. Tomas likes new technologies and always welcomes a good challenge.



Stanislav Fujdiar has 10 years of experience in building algorithmic trading platforms. Besides FinTech, he has worked on CRM and retail solutions, mobile apps and a management platform for mobile apps. Stanislav has a MSc degree in Computer Science and also has experience in automation and robotics.



Marek Hric is a finance and capital markets professional with more than 9 years of experience from two top European banking groups. He is skilled in trading and portfolio management with focus on traditional fixed income and derivative financial instruments. Marek is a keen supporter of the crypto asset market and at altFins he will focus primarily on providing thorough due diligence of various crypto investment projects.



Roman Neczli is a CMO and strategic marketing advisor of altFINS. Roman has rich experiences with Crypto, Metaverse, NFT's, Blockchain, marketing communications and performance marketing. He managed successful campaigns of many Brands: Wexo, 01People, Hilbi, London Capital Group, GCU, Onegram, Huulk, Democracyapp, YOUUnited, Telefonica O2, ŠKODA, OTP banka Slovensko and more.

## ADVISORY TEAM



Juraj Hrbaty, CFA, is an experienced entrepreneur in the financial services industry. He is the founder and CEO of Finax, a leading robo-advisory platform in the CEE region. Previously, he was the COO, Compliance Officer and Board Member at CAPITAL MARKETS, an FX trading platform, for over 9 years.



Jens Loff is a seasoned entrepreneur and C-level manager. He serves as a board member / board chair in several companies. He's a serial entrepreneur, building and investing in companies in EdTech and GovTech.



Daniel Gaspar has extensive experience in capital markets. He served in various management roles in investment banking, specialized finance, and most recently, in venture capital. Mr. Gaspar is a Managing Partner at Crowdberry and a Founding Partner at CB Investment Management, a venture capital fund that led a seed round in altFINS.

## LEGAL DISCLAIMERS, REPRESENTATIONS AND RISKS DESCRIPTION

**PLEASE READ THIS SECTION CAREFULLY. IF YOU ARE IN ANY DOUBT AS TO THE ACTION YOU SHOULD TAKE, YOU SHOULD CONSULT YOUR LEGAL, FINANCIAL, TAX OR OTHER PROFESSIONAL ADVISOR(S).**

The information in this White Paper, including information set forth below in this legal section, may not be exhaustive and no part of this White Paper should be considered as offer to conclude binding legal contract or is intended to create any legal relations with a recipient of the document or to be legally binding or enforceable by such recipient against us. An updated version of this White Paper may be published later and to be announced by us in due course.

### Legal information

altFINS platform is owned, developed and operated by a simple joint stock company (in Slovak: *jednoduchá spoločnosť na akcie*) organized and existing under the laws of the Slovak Republic, with its seat at Námestie slobody 13, Bratislava - mestská časť Staré Mesto 811 06, Slovak Republic, company identification No. (IČO): 51 781 646, registered in the Commercial Register of District Court Bratislava I, Section: Sja, Insert No. 50/B (the **altFINS Operating Company**).

AFINS tokens will be issued by the company altFINS Incentive Systems s.r.o., with its registered seat at Južná trieda 48, Košice-mestská časť Juh 040 01, Slovak Republic, company registration number 54 143 021, registered in the Commercial Registry administered by the District Court Košice I, Section: Sro, Insert No.: 52641/V, which is 100% controlled by the Operating Company and was established for the purposes of issuance of AFINS tokens and administering the AFINS tokens ecosystem (the **AFINS Token Issuer** and together with altFINS Operating Company as **altFINS Group Companies**).

### Disclaimer of Liability

To the maximum extent permitted by applicable laws and regulations, no altFINS Group Company shall be liable for any direct, indirect, special, incidental, consequential or other losses of any kind, in tort, contract or otherwise (including but not limited to loss of revenue, income or profits, and loss of use or data), arising out of or in connection with any acceptance of or reliance on this White Paper or any part thereof by you.

You understand and agree that no altFINS Group Company shall be liable in connection with any force majeure event, including labour disputes or other industrial disturbances, hacking or any other cybercrime, or computer oriented crime, electrical, telecommunications, hardware, software or other utility failures, software or smart contract bugs or weaknesses, earthquakes, storms, or other nature-related events, blockages, embargoes, riots, strikes, acts or orders of government, acts of terrorism or war, technological change, changes in interest rates or other monetary conditions, and, for the avoidance of doubt, changes to any blockchain-related protocol.

### Your representations and warranties

Before deciding to purchase any AFINS tokens, you agree and acknowledge that:

- a) you have carefully read this document and are aware of the terms and conditions of the AFINS tokens and altFINS platform and have acquired sufficient information about the AFINS tokens to reach an informed and knowledgeable decision to acquire the AFINS tokens;

- b) you have sufficient understanding of cryptographic tokens, token storage mechanisms (such as token wallets), and blockchain technology to understand the terms of this document and to appreciate the risks and implications of purchasing the AFINS tokens;
- c) AFINS Token Issuer may change this document at its sole discretion, and you undertake to promptly read new versions of this document, which will be made available to you via altFINS platform website;
- d) you understand that the AFINS tokens confer only the rights described in this document, and confer no other rights of any form with respect to any altFINS Group Company, including, but not limited to, any right to vote or receive dividends or be deemed a shareholder in the capital of the altFINS Operating Company or AFINS Token Issuer or similar rights in respect of the AFINS Token Issuer for any purpose, nor will anything contained herein be construed to confer on you, as such, any of the rights of a shareholder of the altFINS Operating Company or AFINS Token Issuer or any right to vote for the election of directors or upon any matter submitted to shareholders 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;
- e) nothing in this document or any other materials presented to you in connection with the purchase and sale of the AFINS tokens constitutes legal, tax or investment advice. You have consulted such legal, tax and investment advisors and made such investigation as you, in your sole discretion, has deemed necessary or appropriate in connection with its purchase of the AFINS tokens;
- f) you understand that the creation and distribution of the AFINS tokens involve significant risks, including, but not limited to, the risk that (i) the technology associated with the AFINS tokens and altFINS platform will not function as intended; (ii) the altFINS platform will fail to attract interest or adoption, either from key stakeholders or the broader community; (iii) the envisaged subsequent issuances and sales of AFINS tokens will not occur; (iv) the AFINS Token Issuer may fail to adequately fund the operations of altFINS Operating Company or AFINS Token Issuer; (v) AFINS Token Issuer may not be able to engage the right individuals to develop the AFINS tokens and altFINS platform and the key persons of AFINS Token Issuer may fall away, (vi) the AFINS tokens may decrease in value over time and/or lose all monetary value and/or you may not be able to sell the AFINS tokens on secondary market; and (vii) altFINS Operating Company or AFINS Token Issuer may be subject to investigation and enforcement actions from competent national or international regulatory authorities, and these authorities may make changes to existing laws, regulations and/or rules that will affect cryptographic tokens, digital assets, blockchain technology and its applications;
- g) AFINS Token Issuer may decide to amend the intended functionality of the AFINS tokens in order to ensure compliance with any legal or regulatory requirements to which the AFINS tokens are subject. AFINS Token Issuer shall publish a notice on the altFINS platform website of any changes to the functionality of the AFINS tokens and it is your responsibility to regularly check the altFINS platform website for any such notices;
- h) you understand and agree that: (a) the exchange for, the purchase and receipt of AFINS tokens may have tax consequences for you; (b) you are solely responsible for your compliance with your tax obligations; and (c) AFINS Token Issuer bears no liability or responsibility with respect to any tax consequences to you;



- i) AFINS tokens may be tradable, however, you may not be able to sell or otherwise transfer AFINS tokens due to potential lack of liquidity, including that AFINS tokens may never become available for trade on secondary market (exchange);
- j) accept the AFINS Token Issuer's right, but not an obligation, to buy back certain portion of issued AFINS tokens on the secondary market, AFINS tokens are non-refundable and cannot be cancelled or withdrawn;
- k) you have satisfied yourself as to the full observance of the laws of your jurisdiction in connection with any invitation to purchase the AFINS tokens, including (i) the legal requirements within your jurisdiction for the purchase of the AFINS tokens, (ii) any foreign exchange restrictions applicable to such purchase, and (iii) any governmental or other consents that may need to be obtained;
- l) purchase, payment for, and continued beneficial ownership of the AFINS tokens will not violate any (i) applicable laws of your jurisdiction, (ii) any provision of any judgment, decree or order to which you are a party, by which it is bound, or to which any of its material assets are subject and/or (iii) any foreign exchange, anti-money laundering or regulatory restrictions applicable to you;
- m) AFINS Token Issuer does not / do not make or purport to make, and hereby disclaims, any representation, warranty or undertaking in any form whatsoever to any entity or person, including any representation, warranty or undertaking in relation to the truth, accuracy and completeness of any of the information set out in this document;
- n) you agree and acknowledge that this document does not constitute prospectus or offer document of any sort and is not intended to constitute an offer of shares or securities of any form, units in a business trust, units in a collective investment scheme or any other form of regulated investment or investment product in any jurisdiction, or a solicitation for any form of regulated product or investment product, and you are not bound to enter into any contract or binding legal commitment and no digital asset other than those provided for in this document or other form of payment is to be accepted on the basis of this document;
- o) distribution of AFINS tokens is intended for, made to or directed only at persons who are not:
  - a. citizens of, natural and legal persons, having their habitual residence, location or their seat of incorporation in the Belarus, People's Republic of China, Democratic Republic of Congo, Cuba, Iraq, Iran, North Korea, Singapore, Sudan, Syria, United States of America and its territories (American Samoa, Guam, the Northern Mariana Islands, Puerto Rico, and the U.S. Virgin Islands), Zimbabwe;
  - b. citizens of, natural and legal persons, having their habitual residence, location or their seat of incorporation in the country or territory where transactions with digital tokens are prohibited or in any manner restricted by applicable laws or regulations, or will become so prohibited or restricted at any time after the Agreement becomes effective;
- p) AFINS tokens do not qualify as a security or another type of financial instrument within the meaning of MiFID II (2014/65/EU), as implemented in the Slovak Republic, and cannot be characterized as e-money within the meaning of the EMD (2009/110/EC), as implemented in the

Slovak Republic, and that the offer and sale of the AFINS tokens have not been registered under any country's securities laws;

- q) you are legally permitted to participate in the AFINS tokens distribution and all actions contemplated or associated with such purchase, including the holding and use of AFINS tokens; and
- r) the financial proceeds or other cryptocurrency that you use to purchase AFINS tokens were not and are not directly or indirectly derived from any activities that contravene the laws and regulations of any jurisdiction, including antimony laundering laws and regulations and you are not obtaining or using AFINS tokens for any illegal purpose.

## **Risks associated with acquiring holding and selling AFINS tokens**

### ***Operational risks***

Companies like altFINS Operating Company often face significant financial and operating risks. Companies often experience unexpected problems in the areas of product development, marketing, financing, and general management, among others, which frequently cannot be solved in short term, or at all. It is possible that, due to any number of reasons, including, but not limited to, an unfavourable fluctuation in the value of cryptographic and fiat currencies, the inability of altFINS Operating Company or AFINS Token Issuer to further develop the altFINS platform or the functionalities that should form AFINS tokens' utility, the failure of business relationships, or intellectual property ownership challenges, altFINS Operating Company or AFINS Token Issuer may no longer be viable to operate and altFINS Operating Company or AFINS Token Issuer may dissolve or take actions that result in a dissolution of altFINS Operating Company or AFINS Token Issuer.

The value of, and demand for, the AFINS tokens depend heavily on the performance of the altFINS project. There is no assurance that the Project will gain traction after its launch and achieve any commercial success. The altFINS project has not been fully developed, finalised, 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.

### ***Tax risks***

The tax characterisation of AFINS tokens may be uncertain and depend on jurisdiction, and you should seek independent tax advice in connection with a purchase and sale of AFINS tokens. A purchase and subsequent sale of AFINS tokens may result in adverse tax consequences on your side, including withholding taxes, income taxes, and tax reporting requirements. You should consult with and must rely upon the advice of its own professional tax advisors with respect to tax treatment of a purchase of AFINS tokens.

### ***Buyback risks***

You acknowledge that 30% of all AFINS tokens issued and sold by AFINS Token Issuer either through private sale or crypto exchanges will consist of (i) the financial liability part, constituting 99% of the value of the AFINS token, which should be, accounting-wise, treated as the financial liability of AFINS Token Issuer against the AFINS token holder, and (ii) the utility part constituting the remaining 1% of the value of the AFINS token, which may be considered as AFINS token's holder asset or licence to access and use the functionalities of the altFINS platform (the **Combined Value Tokens**). The financial liability part should be deemed to be financially settled at the time of the respective buy back by AFINS Token Issuer

under terms stipulated below. If this is not the case, the financial liability will become due on the 30th anniversary of Token Distribution Event and payable to the respective AFINS token's holder upon delivering qualified payment request to the AFINS Token Issuer. Such request must attach reasonable and transparent evidence demonstrating the respective AFINS Token's Holder eligibility for payment. The value of the remaining 70% of the AFINS tokens issued by AFINS Token Issuer will consist only of the utility part (the **Utility Value Tokens**).

You acknowledge and agree that AFINS Token Issuer may but has no legal obligation against any AFINS token holder, to buy back of up to 50% of all outstanding AFINS tokens on the market. The buyback would be funded mainly by altFINS Operating Company's capital injection. altFINS Operating Company may use up to 20 % of its revenues generated by the operation of the altFINS platform to finance the buyback. Due to inherent nature of the blockchain technology used for issuance and distribution of AFINS tokens, it is objectively impossible for AFINS Token Issuer to completely recognize which of the AFINS tokens bought by AFINS Token Issuer through the buyback procedure are the Combined Value Tokens with outstanding financial liability and which are the Utility Value Tokens. For this reason, the first 30% of the outstanding AFINS tokens which the AFINS Token Issuer will buy back on the market should be deemed as the Combined Value Tokens and the financial liabilities arising from the Combined Value Tokens should be deemed to be settled in full as of the date of buyback of these AFINS tokens by AFINS Token Issuer. You acknowledge and agree that you face the risk that the financial liability arising from any Combined Value Tokens will be considered as finally settled without any of your Combined Value Tokens being bought back by AFINS Token Issuer, or being bought by AFINS Token Issuer only after first 30% of the outstanding AFINS tokens.

### ***Market price and liquidity risks***

Prior to distribution of AFINS tokens (the **Token Distribution Event**), there has been no public market for the AFINS tokens and the AFINS tokens are not traded, whether on any cryptocurrency exchanges or otherwise. If the AFINS tokens are traded on a cryptocurrency exchange, there is no assurance that an active or liquid trading market for the AFINS tokens will develop or if developed, be sustained after the AFINS tokens are made available for trading on such cryptocurrency exchange. No assurance can be given that the market price of the AFINS tokens will not decline below the purchase consideration at which you acquired the AFINS Tokens. Such purchase consideration may not be indicative of the market price of the AFINS tokens after are made available for trading on a cryptocurrency exchange.

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

Any future sale of the AFINS tokens (which were not available for within the Token Distribution Event) would increase the supply of AFINS tokens in the market and this may result in a decrease of market price of the AFINS tokens.

### ***Blockchain technology risks***

As blockchain and smart contract technology is still relatively in its early stage of development and its application of experimental nature carries significant operation, technological, financial, regulatory, and reputational risks, there are inherent risks that such protocols, systems and/or smart contracts could contain weaknesses, vulnerabilities, or bugs. Potential buyers of AFINS tokens should understand and accept that there are no warranties that AFINS tokens are fit for a particular purpose or do not contain any weaknesses, vulnerabilities or bugs which would cause loss in their worth or value. If any of the risks materialises, the business strategies, results of operations and outlook of the altFINS Operating Company or AFINS Token Issuer may also be adversely affected. altFINS Operating Company or AFINS Token Issuer may experience system failures, unplanned interruptions in their network or services, hardware or software defects, security breaches or other causes that could adversely affect the infrastructure network of altFINS Operating Company or AFINS Token Issuer, and/or the altFINS platform.

altFINS Operating Company or AFINS Token Issuer is/are 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 the altFINS platform, the AFINS tokens, the AFINS tokens receiving wallets, the or any technology (including but not limited to smart contract technology) on which the altFINS Group Company, the altFINS platform, the AFINS tokens, the AFINS tokens receiving wallets rely or on the applicable blockchain(s). Such events may include, for example, flaws in programming or source code leading to exploitation or abuse thereof. altFINS Operating Company or AFINS Token Issuer 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.

Despite there are certain security measures, there is no assurance that there will be no theft of the AFINS tokens 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 your digital wallet, the applicable blockchain(s), 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 Event is completed, you may not be able to receive the cryptocurrencies raised and we may not be able to utilise such funds for further development of the altFINS platform. As such, the issued AFINS Tokens may hold little worth or value, and this would impact their trading price. The AFINS Tokens are uninsured unless you specifically obtain private insurance to insure them. Your access to the AFINS tokens in a cryptocurrency digital 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. If 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 AFINS tokens, including such AFINS tokens being unrecoverable and permanently lost. The wallet or wallet service provider may not be technically compatible with the AFINS tokens which may result in the delivery of AFINS tokens being unsuccessful or affect your access to such AFINS tokens. In the event of any theft, loss or loss of value of the AFINS tokens, the AFINS token holder has no recourse against altFINS Operating Company or AFINS Token Issuer.

### ***Regulatory risks***

altFINS Operating Company, AFINS Token Issuer, the altFINS platform and/or the AFINS tokens may be affected by newly implemented regulations relating to cryptocurrencies or digital tokens 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 altFINS platform. This may impact the appeal of the altFINS platform for

users and result in decreased usage of the altFINS platform. Further, should the costs (financial or otherwise) of complying with such newly implemented regulations exceed a certain threshold, further developing and operating the altFINS platform may no longer be commercially viable altFINS Operating Company may decide to terminate the altFINS platform. 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 altFINS platform and the AFINS tokens. altFINS Operating Company and AFINS Token Issuer 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 AFINS tokens will be adversely affected, or AFINS tokens may cease to be traded.

The regulatory regime governing blockchain technologies, cryptocurrencies, tokens, and token offerings such as the Token Distribution Event and the AFINS tokens is uncertain, and regulations or policies may materially adversely affect the development of the altFINS platform and the utility of the AFINS tokens. Regulation of tokens (including the AFINS tokens) and token offerings (such as the Token Distribution Event), cryptocurrencies, blockchain technologies, and cryptocurrency exchanges is 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 relevant jurisdictions may in the future adopt laws, regulations, guidance, or other actions, which may severely impact the development and growth of the altFINS platform, the adoption and utility of the AFINS tokens or the issue, offer, and sale of the AFINS tokens by AFINS Token Issuer. Failure by altFINS Operating Company, AFINS Token Issuer, AFINS tokens holders or users of the altFINS platform 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.

New or changing laws and regulations or interpretations of existing laws and regulations may materially and adversely impact the value of the currency in which the AFINS tokens may be sold, the liquidity of the AFINS tokens, the ability to access marketplaces or exchanges on which to trade the AFINS tokens, and the structure, rights and transferability of AFINS tokens.