



17 May 2019

## **STATEMENT FROM THE CEO ON XOV ETHEREUM TOKEN (XOV.ETH)**

I decided to prepare this statement in the light of many concerns expressed by the XOV community in recent days about the fate of the XOV Ethereum Token (XOV.ETH), in the hope to put things into perspective. There has been some perception that the Ethereum token has been abandoned which is the opposite position to what we intend.

The XOV.ETH token was created when we started the XOV project as a means of our community being able to express their support for the project, but at the time had no use case. The token was well received, and trading was loosely linked to what the project was doing, but also used as bear and bull investment based on announcements. Whilst the token is important, the token does not reflect the entire project.

XOV was created to make digital currency stable that could be used by real people to earn and spend on real goods and services, to rival traditional FIAT currencies. We added the DEX which we now admit was a distraction to our core aims and purpose, and we added Slipstream payments which is here to stay.

Due to the technical limitations of the stable coin network, it is not possible to use the XOV.ETH token as gas for transactions. I also know that many people were expecting the XOV.ETH token to be swapped fully on a 1-1 basis with the new stable coin but this is financially impossible. For every stable coin minted, it has to be supported with one US dollar of reserves paid for at the point of purchase, so giving 140M XOV.ETH token holders a stable coin would bankrupt the project immediately as we would need to pluck \$140M out of thin air, which no business can afford to do.

I also accept that some people who bought the XOV.ETH token did so on the basis that they imagined that they could buy a Masternode. The Masternode concept was only very recently introduced to the project.

It is my firm believe, but not investment advice, that the XOV.ETH token will always be indirectly benchmarked against the success of our stable coin and payments business. We have made significant ground in recent weeks in moving the stable coin business forward, and I am pleased that the Core network will be up and running by end Q3 2019. A reliable stable coin in the market is desperately needed, as other stable coins in my opinion are failing in terms of true stability. We offer something new, and possibly the world's only Masternode supported stable coin network, where block rewards are earned in real money, without having to interact with third party exchanges.

It would be easy to leave the XOV.ETH token behind and push forward with the new stable coin and network, but this would not reflect the standards of the XOV project.

I have been thinking long and hard in the last 24 hours about how we can balance fairness and loyalty to our XOV.ETH token holder community with the financial realities of the business and simple economics. I have also received some interesting proposals from the community which I have listened to. The XOV.ETH token is here to stay, and we have no plans to withdraw it from the market.

Our proposals open up the stable coin Masternode Programme to XOV.ETH token holders and not just those who can make the \$5000 collateral payment (subject to market liquidity conditions), allows anyone holding the XOV.ETH to share in the success of our stable coin and payments business, and even allows you the opportunity for the tokens to be purchased back from XOV at a higher price than on the markets. This package of measures is unrivalled compared with other projects of our size and means that there is more incentive than ever to not only hold onto the XOV.ETH token but for others to buy it.

To this end, I am making the following proposals with the agreement of the XOV team effective today.

**1. A perpetual XOV.ETH token buyback scheme based on profits of the XOV business**

The XOV.ETH token can only be purchased back from the token holder when there are sufficient profits to do so. XOV will undertake to use profits from the stable coin business to operate a perpetual buyback scheme. If we make profits, you're guaranteed the offer.

Every quarter, the project will buy back a percentage of XOV.ETH tokens at 1 cent above the current market price, based on the profits of the business.

**2. A Masternode waiting list for XOV.ETH – opening up the MN Programme for token holders**

We will open up the Masternode Programme for XOV.ETH token holders by creating a waiting list. The cost of the Masternode will be \$5,000 in XOV.ETH and subject to availability.

Community members may decide to pool their XOV.ETH together but the lead applicant will be responsible for the franchise. The waiting list can be jumped by FIAT paid customers, or you may decide to do a mix of XOV.ETH/FIAT to move higher.

The reason for the wait list for XOV.ETH applicants is that we need market liquidity to be able to buy the reserves for the stable coin that are needed as collateral for the Masternodes. The more buy orders there are for XOV.ETH, the faster the waiting list will clear.

**3. A discount scheme for XOV.ETH/XSTA**

We will offer a 5% discount from the new XSTA stable coin for every XOV.ETH token provided.

#### **4. A XOV.ETH/XOVR.ETH swap and opening up the entire profits of the business to the XOVR token holder**

We will now open up the entire profits of the business to the XOVR token and give 5% dividends from the net profits of the stable coin and payments business. The entire business is projected to generate revenues in the multi-million-pound bracket in the coming years and only 5,000 XOVR token holders will get the opportunity to share in it. This provides an excellent opportunity.

1 XOVR will be given for every 50,000 XOV.ETH tokens for registered XOVR token holders. The XOVR token will also continue to be sold for £100 and all existing XOVR token holders will be entitled to the new profits arrangement. The maximum supply of 5,000 XOVR will remain in place. The more XOV.ETH you swap for XOVR, the more dividends you can potentially earn.

**The application processes for the above programmes will be added to the XOV website next week.**

I hope that our existing and growing XOV community will receive these proposals in good faith and continue to support the project, and to share in the fruits of our success. I also believe that the proposals will motivate more people to buy XOV.ETH.

Finally, may I take this opportunity to thank everyone for their support, and to enjoy the weekend ahead.

Sincerely

David Alexander-Knowles

CEO