

CargoX



CXO

Tokenomics 2021+

September 2021

Starting with September 1, 2021

new CXO tokenomics

will be implemented:

1

Going beyond Smart B/L and Smart L/C - now **all CargoX Platform blockchain document transfers** will result in CXO purchases.

2

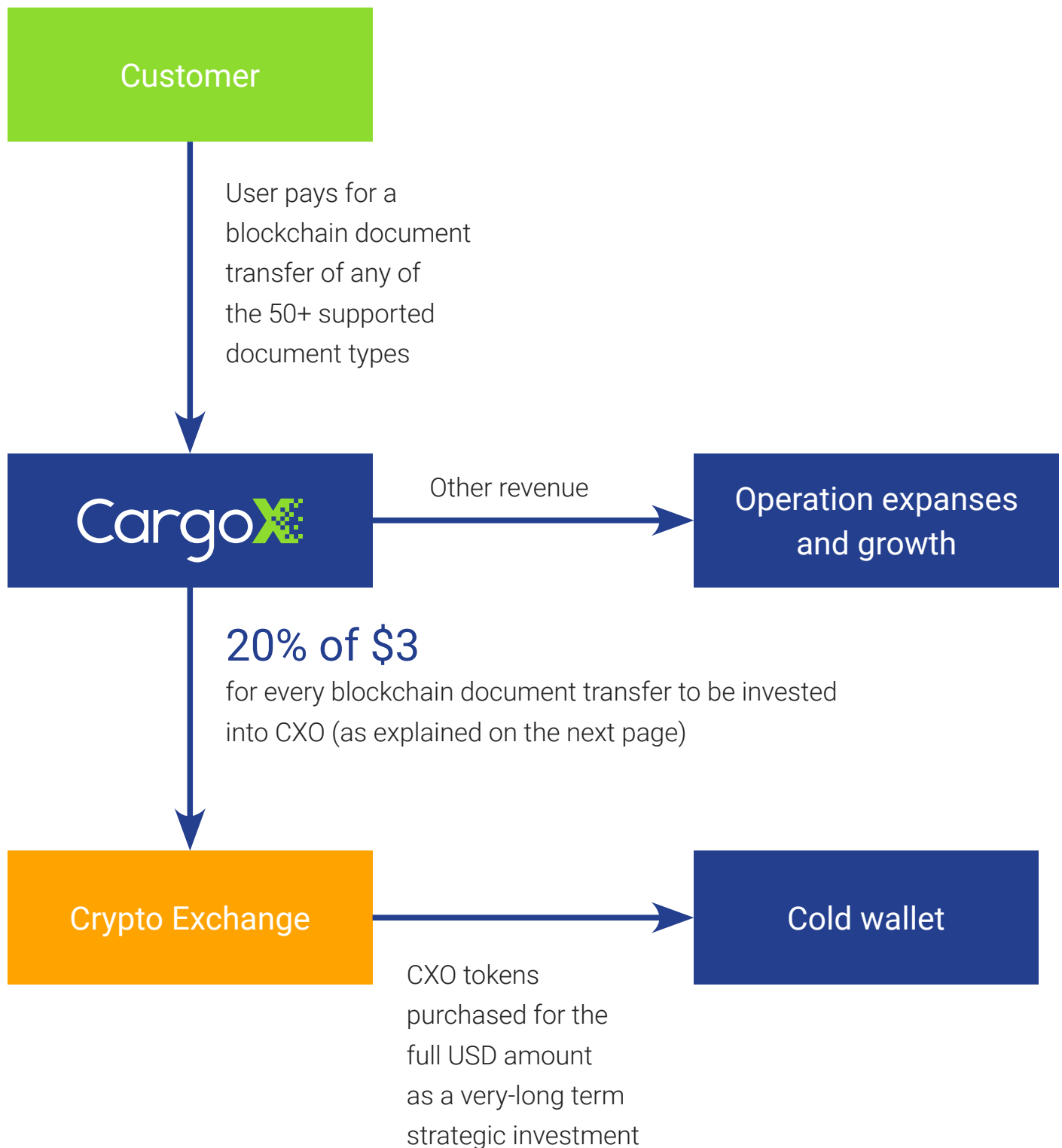
20% of all blockchain document transfer payments will be used to purchase CXO tokens on the market.

3

Purchased CXO tokens will be stored in a **cold wallet as a strategic long-term investment.**



How it works?





What do you mean with all blockchain documents vs. Smart B/L and Smart L/C?

As outlined in the initial CargoX Whitepaper and in the CargoX Business Overview and Technology Blueprint that followed, CargoX used a mechanism, where for each issued Smart B/L and Smart L/C document, some of the CXO tokens were used to facilitate document transfer, sourced from the CargoX treasury. We are now officially extending the CXO involvement from these two documents to all 50+ document types on the CargoX Platform.



What exactly are blockchain document transfer payments, and why 20% of \$3?

CargoX offers two different paid document transfer types - with full and partial blockchain support. Based on that, the CargoX Platform can guarantee (1) the authenticity of a document, which proves whether the digital document is an unchanged original; and (2) the ownership of the document's tracking and transfer. More on this topic is explained at <https://help.cargox.digital/en/user-manual/documents-and-pricing/document-types/>.

The listed price of documents with full blockchain support (Smart B/L and Smart L/C) starts at \$15, while the price of documents with partial blockchain support (certificates and documents for ACI filings) is \$3.

As the vast majority of currently transferred documents have partial blockchain support (and we expect this ratio to grow substantially with the official mandatory use of ACI filing on October 1st), we will use \$3 as a fixed document price in the calculations. The general public will soon be able to again monitor the real-time number of blockchain document transfers on <https://cargox.info>.



Why long-term investment and not burn?

Burning purchased tokens is not a method that is understood by the accounting and legal departments in any company. We will be buying CXO tokens as a strategic long-term investment which will also grow the value of the company.



? What do you mean by buying tokens on the market?

CargoX will be buying tokens 100% on the market (centralized or decentralized exchanges), and will not reassign them from our future development fund. CargoX withholds the right to time the purchase of CXO at its own discretion - purchases can be ongoing or periodic, but must be done at least once per quarter.

Acquired CXO tokens will be put into a cold wallet, and we will issue a statement about the purchase and the realized average price. As always the community will be able to monitor the growing balance of this wallet. Our investing in CXO tokens is aligned with the strong future we envision for CargoX.



? What happens with the future development fund?

Although in mid-2020 we announced a gradual liquidating of CXO tokens from our future development fund with the selling of the first batch of 4-5 million tokens, we have actualized only a fragment of that sale so far. We are more and more confident that CXO remains undervalued, and recent developments only strengthen our view.



? Why are you so optimistic about the strong future ahead?

The official mandatory start of the Egyptian ACI project is on October 1st. In the next months, we expect a dramatic increase in the number of transferred documents.

While we did due diligence on the available L2 Eth networks and also other L1 blockchains that would be viable candidates for migration of our document transferring smart contract, we also had a lot of luck with Polygon (Matic rebranded itself to Polygon in 2020), as the 2020 rebrand saw Polygon shift focus from scalability to interoperability. And interoperability will be one of the main differentiating factors going forward and should bring substantial advantages to CargoX. CargoX's smart contracts are blockchain agnostic and ready for interoperability,



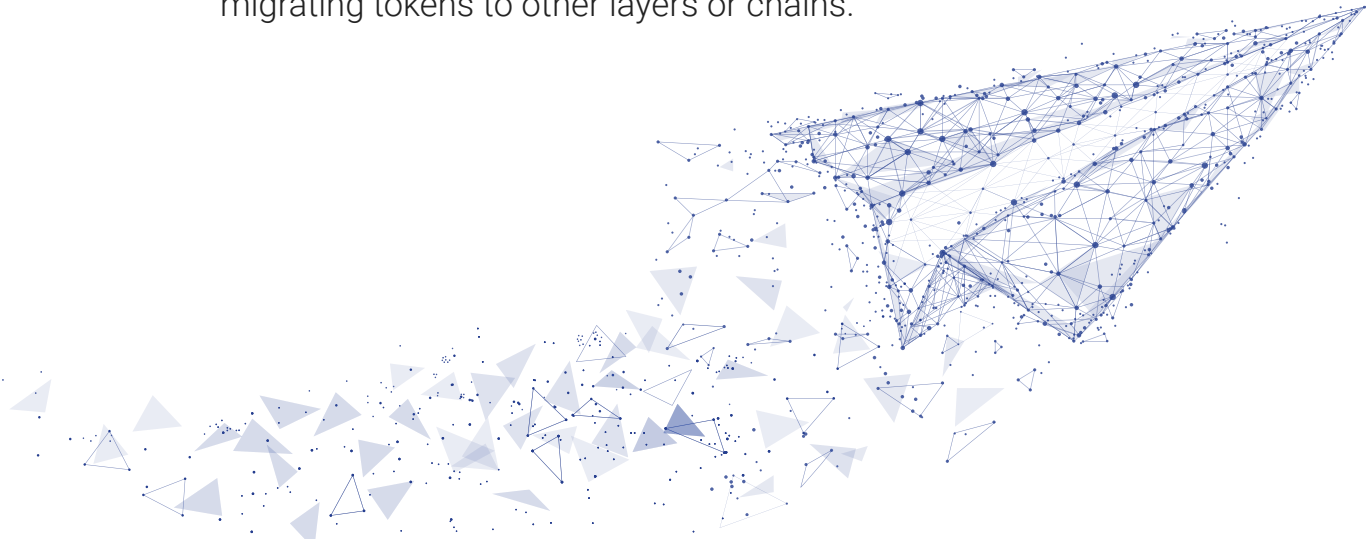
allowing us to swiftly deploy to other blockchains should the need arise, and can also be multihomed for true interoperability.

? Why manual and not automatic CXO purchases?

When we migrated our smart contracts to Matic (now Polygon), one of the calls we used in the CXO token smart contract was not available, therefore we left the CXO smart contracts (as ERC20 tokens) on the Ethereum network. This meant that from that moment onwards we were unable to synchronously process CXO tokens with every blockchain document transfer.

Therefore we introduced a monthly CXO burn event, based on the number of issued documents (real-time statistics available on <https://cargox.info>). We will continue with similar periodic strategic investment fund growth events when we will announce the number of acquired CXO tokens, which will be transferred to our cold wallet.

The fate of CXO as an ERC20 token is not set in stone. While our long-term commitment is to completely automate CXO token usage, the current situation, where smart contracts providing the blockchain document transfer are on a blockchain dislocated from the native ERC20 CXO token, implies that this is a temporary solution. We do not wish to migrate or bridge the CXO token to the Polygon network, as ERC20 is still the de facto standard of high-quality projects and a golden standard. With ETH2 around the corner, we will rather keep our focus on growing the real-world business. We are very optimistic about what Ethereum 2 is bringing to the table, and also the accelerated timeline that was recently announced by Vitalik Buterin. But should that change, we will consider migrating tokens to other layers or chains.





As always, CargoX reserves the right to change a part or all of the document at any time if it deems it necessary for economic, legal reasons, or requirements of the regulators or the competent authorities.