



Xterio MiCAR White Paper

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Date of Notification: 2025-06-30

This crypto-asset white paper has not been approved by any competent authority in any Member State of the European Union. The person seeking admission to trading of the crypto-asset is solely responsible for the content of this crypto-asset white paper.

This crypto-asset white paper complies with Title II of Regulation (EU) 2023/1114 and, to the best of the knowledge of the management body of Xterio Foundation, the information presented in the crypto-asset white paper is fair, clear and not misleading and the crypto-asset white paper makes no omission likely to affect its import.

Regulatory Disclosures

Statement in accordance with Article 6(5), points (a), (b), (c):

The crypto-asset referred to in this white paper may lose its value in part or in full, may not always be transferable and may not be liquid.

Statement in accordance with Article 6(5), point (d):

The utility token referred to in this white paper may not be exchangeable against the good or service promised in the crypto-asset white paper, especially in the case of a failure or discontinuation of the crypto-asset project.

Statement in accordance with Article 6(5), points (e) and (f):

The crypto-asset referred to in this white paper is not covered by the investor compensation schemes under Directive 97/9/EC of the European Parliament and of the Council. The crypto-asset referred to in this white paper is not covered by the deposit guarantee schemes under Directive 2014/49/EU of the European Parliament and of the Council.

Summary

Warning: This summary should be read as an introduction to the crypto-asset white paper. The prospective holder should base any decision to purchase this crypto-asset on the content of the crypto-asset white paper as a whole and not on the summary alone. The offer to the public of this crypto-asset does not constitute an offer or solicitation to purchase financial instruments and any such offer or solicitation can be made only by means of a prospectus or other offer documents pursuant to the applicable national law. This crypto-asset white paper does not constitute a prospectus as referred to in Regulation (EU) 2017/1129 of the European Parliament and of the Council (36) or any other offer document pursuant to Union or national law.

Characteristics of the Crypto-Asset: The XTER token is issued on the BNB Smart Chain blockchain as a BEP-20 token. XTER Tokens are crypto-assets to be classified as "crypto-assets other than asset-referenced tokens or e-money tokens" under MiCAR. In particular, XTER Tokens are utility tokens intended to provide access to and facilitate interactions within the Xterio platform. Holders of XTER Tokens will be able to use XTER to settle transactions on the Xterio Ecosystem. XTER Tokens are conceived as digital value suitable of being transferred on the BNB Chain. Holders of XTER tokens have no additional rights and obligations other than ownership of the XTER token.

Utility Token Summary: The XTER token has several key functionalities within the Xterio ecosystem: (i) Gaming Utility: XTER tokens are used in first-party games to purchase digital assets, unlock in-game events, join exclusive events, and access special mints. (ii) Platform Transactions: It serves as the medium for all transactions on the Xterio Platform, including purchases and trades. (iii) Ecosystem Rewards: Users can earn exclusive rewards and benefits by utilizing XTER tokens in games and on the platform. (iv) Cross Utility: XTER tokens can be used across various platforms and partnerships beyond the Xterio ecosystem through bridging, enhancing its versatility.

Key Information About the Admission to Trading: Xterio Foundation seeks admission of the XTER token to trading in order to enable more individuals to obtain and use the XTER token so that they can contribute and participate in the Xterio platform, and thereby building a thriving and growing Web3 ecosystem. Additionally, by seeking admission to trading, it aims to increase the liquidity of the XTER token, facilitating equitable access and its exchangeability.

1. Information about the Person Seeking Admission to Trading

Name: Xterio Stiftung (Xterio Foundation)

Legal Form: 2JZ4

Registered address: 16 Dammstrasse, Zug, 6300, CH

Registration Date: 2022-05-17

Legal entity identifier: N/A

Another identifier required pursuant to applicable national law: CHE-130.379.532

Contact telephone number: +65 6263 6199

E-mail address: customerservice@xter.io

Response Time (Days): 30

Parent company: Xterio Foundation does not have a parent company

Members of the Management body:

Name	Business Function	Business Address
Brett Harold Krause	Council Chairman	16 Dammstrasse, Zug, 6300, CH
Christopher Alexander Petrovic	Council Member	16 Dammstrasse, Zug, 6300, CH
Yitao Guan	Council Member	16 Dammstrasse, Zug, 6300, CH

Business Activity: Xterio Foundation is owner of the Xterio platform (xter.io), a Web3 platform with a focus on AI-powered games. Xterio Foundation's mission is to grow a thriving Web3 ecosystem around the Xterio platform through the development of AI and Web3 technology. Xterio Foundation's main business activity includes software development with a focus on AI and blockchain technology.

Newly Established: No

Financial condition since registration: Since its registration and incorporation on May 18, 2022, and its entry into the commercial register on June 3, 2022, the Xterio Foundation has been diligently filing its audited financial annual reports with the Swiss Federal Supervisory Authority for Foundations, in compliance with Swiss law.

The most recent audited financial statements submitted are for the year 2023, while the 2024 financial statements are currently under audit and will be submitted to the Swiss Federal Supervisory Authority for Foundations once completed.

Below is a summary of the financial position of the Xterio Foundation:

2023 Audited Financial Statements (in CHF):

- Liquid assets: 11,171,188.35
- Fixed assets: 5,483,000.00
- Total assets: 18,891,021.78
- Short-term debt: 89,800.00
- Capital: 863,286.99
- Total liabilities and capital: 18,891,021.78

2024 Unaudited Financial Statements (in CHF):

- Liquid assets: 7,611,182.27
- Fixed assets: 5,900,185.18
- Total assets: 16,950,699.34
- Short-term debt: 108,299.99
- Capital: 1,120,818.03
- Total liabilities and capital: 16,950,699.34

Financial Performance:

The Xterio Foundation's financial performance reflects its early-stage focus on investment and expansion, consistent with its mission to advance decentralized software architectures, particularly in gaming and lifestyle metaverses. Its primary financial activities include:

- a. Software Development: Developing decentralized technologies and virtual asset universes.
- b. Operational Costs: Managing administration, compliance, and governance expenses.
- c. Strategic Investments: Fostering long-term growth and ecosystem development, including investments in Xterio AG.

Since its incorporation, the Xterio Foundation has raised over US\$39.1 million, a testament to its financial growth and stability. These funds have been pivotal

in supporting its core activities—software development, operational costs, and strategic investments—driving progress toward its mission. In 2023, revenue was derived from compensation of advance payments (CHF 9,580,055.32) and trademark license fees (CHF 94,620.00). However, significant expenses in software development (CHF 7,592,236.21) and administration (CHF 434,900.79) resulted in a profit of CHF 407,102.11, reflecting a positive financial outcome despite heavy investment.

For 2024, unaudited statements show revenue solely from compensation of advance payments (CHF 3,532,949.25), with no trademark license fee income. Key expenses included software development (CHF 3,311,417.23) and administrative costs (CHF 385,454.06), yielding a profit of CHF 185,731.58. This demonstrates a disciplined approach to expenditure.

The Xterio Foundation remains in good financial standing, adhering to the requirements of the Swiss Federal Supervisory Authority for Foundations. The 2024 audited financial statements will be submitted upon completion of the ongoing audit.

2. Information about the Crypto-Asset Project

Crypto-asset project name: Xterio

Crypto-assets name: XTER

Abbreviation: XTER

Crypto-asset project description: Xterio is a Web3 ecosystem with a focus on AI-powered games. As a pioneer in AI-driven solutions, Xterio integrates advanced artificial intelligence into its gaming experiences and tools, enhancing creativity and gameplay. Through its extensive network, Xterio develops, finances, acquires, publishes, and distributes games in collaboration with leading studios, focusing on immersive, high-quality Web3 gaming experiences within one interconnected ecosystem centered around the XTER token. Xterio's mission is to use AI and Web3 to power our game ecosystem development and publishing capabilities. Xterio hosts 5 innovative first-party games and works with 70-plus partners, serving over 10 million users. Founded by gaming industry veterans, Xterio is dedicated to creating deep and rich gaming experiences driven by player ownership. The platform delivers immersive worlds, compelling stories, and memorable characters to provide extraordinary gaming experiences. Every Xterio game is crafted with passion and commitment to ensure memorable and FUN gameplay! The platform integrates advanced AI tools, such as a graphical engine and emotional chat engine, to deliver immersive, player-owned gaming experiences while fostering developer innovation through its Game-as-a-Service (GaaS) infrastructure.

The XTER token is the native utility token of the Xterio platform. XTER facilitates transactions, in-game purchases, exclusive event access, and ecosystem rewards within Xterio's interconnected gaming universe. With a total supply of 1 billion tokens on the BEP-20 blockchain (with multi-chain bridging), the XTER token supports a multi-token economy, enabling interoperability across games and partnerships.

Details of all natural or legal persons involved in the implementation of the crypto-asset project:

Name	Business Function	Business Address
Xterio Labs Limited	Xterio Labs Limited is responsible for the operation and maintenance of the Xterio platform (xter.io).	Trinity Chambers, PO Box 4301, Road Town,

		Tortola, British Virgin Islands
Michael Tong	CEO and co-founder	N/A
Ryan Cheung	CFO	N/A
Declan Chen	CTO	N/A
Derrick Boo	General Counsel	N/A
Brett Krause	Xterio Foundation Council Chairman	N/A
Chris Petrovic	Xterio Foundation Council Member	N/A
Yitao Guan	Xterio Foundation Council Member	N/A
Brian Lu	Advisor	N/A
Andrew Sheppard	Advisor	N/A
Dianne Schepers	Advisor	N/A

Utility Token Classification: true

Key Features of Goods/Services for Utility Token Projects: The XTER token has several key functionalities within the Xterio ecosystem: (i) Gaming Utility: XTER tokens are used in first-party games to purchase digital assets, unlock in-game events, join exclusive events, and access special mints. (ii) Platform Transactions: It serves as the medium for all transactions on the Xterio Platform, including purchases and trades. (iii) Ecosystem Rewards: Users can earn exclusive rewards and benefits by utilizing XTER tokens in games and on the Xterio Platform.

Plans for the token:

Milestones:

- In 2023, Xterio launched xter.io, the Xterio Platform which is the bedrock of the Xterio Ecosystem.
- In 2024, the game "Age of Dino" was the first game to be integrated to the Xterio Ecosystem.

- In 2025, Xterio released its updated whitepaper and issued the XTER token.

Future Plans:

- **Integration with AI and Gaming Technologies:** Xterio is placing emphasis on AI-enhanced gaming as a core differentiator, and the XTER token supports this vision.
- **Powering AI Tools:** The XTER token may be used to access AI-driven features, such as the graphical engine (e.g., for asset creation) and the emotional chat engine (e.g., for NPC interactions).
- **Incentivizing Innovation:** The token encourages developers to integrate AI technologies into games, fostering cutting-edge experiences. This integration positions the XTER token as a key enabler of Xterio's mission to redefine interactive entertainment.

Resource Allocation: Xterio had secured financial resources (approximately US\$41.6 million) to ensure its successful development and implementation through its private token sale completed in 2022. From the start of the project to the current date, Xterio has used these secured financial resources to engage with service providers and grantees to build an operations team with over 50 dedicated team members, including specialists in key areas like blockchain development, Web3 community development, legal and compliance, marketing, and partnerships. These resources ensure that Xterio is well-positioned to achieve its objectives.

Planned Use of Collected Funds or Crypto-Assets: This is not applicable because there will be no raising of funds or crypto-assets as this is not an offer of the XTER token but rather an admission of the XTER token to trading.

3. Information about the Admission to Trading

Public Offering or Admission to trading: This whitepaper concerns the admission to trading (ATTR).

Reasons for Public Offer or Admission to trading: The Xterio Foundation is not planning a public offering of its native cryptocurrency, the XTER token, as its primary focus is on ecosystem development rather than public fundraising. Instead, the foundation is seeking admission to trading, which involves listing XTER tokens on trading platforms to enhance their accessibility and ensure compliance with relevant laws and regulations. This strategic decision is driven by several key reasons that align with the foundation's mission to foster technological advancement and expand the Xterio platform.

Below is a detailed explanation of the reasons for seeking admission to trading:

1. **Increasing Accessibility to XTER Tokens:** A primary reason for pursuing admission to trading is to make XTER tokens more accessible, particularly within the European Union (EU) and globally. By listing XTER tokens on trading platforms, the Xterio Foundation aims to:
 - a. **Reach a Broader Audience:** Admission to trading enables gamers, developers, and investors across the EU and beyond to acquire and trade XTER tokens easily, expanding the platform's user base.
 - b. **Drive Ecosystem Participation:** Greater accessibility encourages adoption by facilitating engagement with the Xterio ecosystem, including in-game purchases, platform transactions, and community rewards. This aligns with the foundation's goal of building a vibrant, inclusive gaming community that leverages AI and Web3 technologies.
2. **Ensuring Compliance with Laws and Regulations:** The Xterio Foundation is committed to operating within legal and regulatory frameworks, particularly in the EU, which has stringent requirements for crypto-assets. Seeking admission to trading supports this commitment by:
 - a. **Adhering to Regulatory Standards:** Listing XTER tokens on EU-regulated platforms ensures that it operates within a well-defined regulatory framework, imposing strict requirements not only on the trading platform but also on the issuer of crypto-assets in accordance with MiCAR. This regulatory framework aims to safeguard market integrity, enhance investor protection and ensure transparency.
 - b. **Enhancing Credibility:** Operating within a regulated environment reinforces the foundation's reputation as a trustworthy entity, fostering confidence among users and partners. This compliance

is crucial for maintaining the foundation's non-profit status and its focus on advancing decentralized gaming technologies.

3. **Supporting Ecosystem Growth:** Admission to trading is a strategic step to support the growth of the Xterio ecosystem. By increasing the availability of XTER tokens, the foundation aims to:
 - a. **Facilitate Platform Utility:** XTER tokens are integral to transactions, in-game activities, and rewards within the ecosystem. Trading accessibility ensures users can seamlessly participate in these functions.
 - b. **Attract Developers and Partners:** A liquid market for XTER tokens makes the platform more appealing to game studios and technology partners, encouraging them to build and integrate with Xterio. This growth strategy leverages the token's utility to expand the ecosystem's reach and impact.
4. **Enhancing Community Engagement:** The Xterio Foundation prioritizes its community of gamers, developers, and token holders. Admission to trading supports this by:
 - a. **Empowering Token Holders:** Trading platforms provide opportunities for community members to acquire XTER, participate in staking, and potentially influence governance through voting on platform features or updates.
 - b. **Incentivizing Participation:** Increased token accessibility encourages users to engage with Xterio's games, AI tools, and community initiatives, strengthening the ecosystem's vibrancy. This focus on community engagement aligns with the foundation's governance model, which emphasizes token holder interests.

In summary, the Xterio Foundation's pursuit of admission to trading for XTER tokens is driven by the goals of increasing accessibility, ensuring regulatory compliance, supporting ecosystem growth, and enhancing community engagement. By listing XTER tokens on trading platforms, the foundation aims to reach a wider audience in the EU and globally, adhere to legal standards, facilitate platform utility, and empower its community. These reasons reflect Xterio's commitment to advancing its AI-powered Web3 gaming ecosystem while maintaining a non-profit focus on technological innovation and user-centric development.

Fundraising target: This is not applicable as the Xterio Foundation is not planning a public offering of the XTER token and, therefore, is not aiming to raise funds.

Minimum subscription goals: This is not applicable as the Xterio Foundation is not planning a public offering of the XTER token.

Maximum subscription goals: This is not applicable as the Xterio Foundation is not planning a public offering of the XTER token.

Oversubscription acceptance: This is not applicable as the Xterio Foundation is not planning a public offering of the XTER token.

Oversubscription allocation: This is not applicable as the Xterio Foundation is not planning a public offering of the XTER token.

Issue price: This is not applicable as the Xterio Foundation is not planning a public offering of the XTER token.

Offer price determination method: This is not applicable as the Xterio Foundation is not planning a public offering of the XTER token.

Subscription fee: This is not applicable as the Xterio Foundation is not planning a public offering of the XTER token.

Offer price determination method: This is not applicable as the Xterio Foundation is not planning a public offering of the XTER token.

Total Number of Offered/Traded Crypto- Assets: 133.96 million XTER in circulation

Targeted Holders: ALL

Holder restrictions: The XTER token is not being offered to the public through a public offering. Instead, it is intended to be admitted for trading on one or more MiCAR-compliant Crypto-Asset Service Providers (CASPs) within the European Union. Holders of XTER tokens must comply with all applicable regulations and requirements established by the relevant CASP(s) to be eligible to purchase and hold the token. These requirements will include, but are not limited to:

- a. **KYC/AML Compliance:** Holders will be required to undergo Know Your Customer (KYC) and Anti-Money Laundering (AML) verification as mandated by the relevant CASP(s) and applicable regulations.
- b. **Eligibility Criteria:** The relevant CASP(s) will have specific eligibility criteria for their users, which holders of XTER tokens must meet.
- c. **Geographic Restrictions:** The relevant CASP(s) may enforce geographic restrictions in accordance with applicable laws and regulations.
- d. **Other Requirements:** Holders must adhere to any additional terms and conditions, trading rules, or other requirements established by the relevant CASP(s).

While the Xterio Foundation itself does not impose specific holder restrictions beyond regulatory compliance, prospective holders are advised that they will need to comply with the terms, conditions, and policies of any CASP through which they acquire or hold XTER tokens. The Xterio

Foundation makes no representations or warranties regarding a user's eligibility to trade on any CASP. Eligibility is solely determined by the respective CASP(s).

Reimbursement notice: This is not applicable as the Xterio Foundation is not planning a public offering of the XTER token.

Refund mechanism: This whitepaper does not relate to a public offer of crypto-assets, but to their admission to trading. Therefore, rights of reimbursement, withdrawal or refund do not apply.

Refund timeline: This whitepaper does not relate to a public offer of crypto-assets, but to their admission to trading. Therefore, rights of reimbursement, withdrawal or refund do not apply.

Offer phases: This is not applicable.

Early purchase discount: This is not applicable.

Time limited offers: This is not applicable.

Subscription period beginning: This is not applicable.

Subscription period end: This is not applicable.

Safeguarding arrangements for offered crypto-assets: This whitepaper does not relate to a public offer of crypto-assets, but to their admission to trading. Therefore, the safeguarding arrangements for the offered crypto-assets as referred to in Article 10 of MiCAR are not applicable.

Payment Methods for Crypto-Asset Purchase: Holders can trade XTER tokens on third party crypto-assets service providers which will be the sole entities entitled to decide the methods of payment to purchase or sell XTER tokens (i.e. versus fiat currencies or other crypto-assets).

Value Transfer Methods for Reimbursement: XTER token holders are not entitled to be reimbursed by the issuer.

Right of withdrawal: This whitepaper does not relate to a public offer of crypto-assets, but to their admission to trading. Pursuant to Article 13 (4) of MiCAR, the withdrawal period does not apply to tokens admitted to trading.

Transfer of Purchased Crypto-Assets: This whitepaper does not relate to a public offer of crypto-assets, but to their admission to trading.

Transfer Time Schedule: This is not applicable.

Purchaser's Technical Requirements: To hold XTER, a purchaser needs to directly manage a BEP-20 compatible wallet and its private keys or have a third party manage such a wallet and keys. XTER wallets may be cold wallets, disconnected from the internet or hot wallets, connected to the internet.

Placement form: This whitepaper does not relate to a public offer of crypto-assets, but to their admission to trading. Therefore, there will be no placement agent involved.

Trading Platforms name: XTER tokens are sought to be listed on the trading platform of Bitvavo B.V.

Trading Platforms Market Identifier Code (MIC): VAVO

Trading Platforms Access: Trading platforms where the XTER tokens are sought to be admitted to trading have their own web addresses where users can register to benefit from their services. In respect of EU-regulated trading platforms, prior identification of users is required according to applicable AML / CFT regulation.

Involved costs: Costs for accessing third party crypto-asset service provider platforms entirely depend on their commercial decisions and possibly subject to increases in the future.

Conflicts of Interest: No, there are no potential conflicts of interest of the persons involved in the admission to trading, arising in relation to the admission to trading.

Applicable law: The laws of Switzerland

Competent court: The courts competent for the city of Zug, Switzerland

4. Information about the Crypto-Asset

Crypto-Asset Type: The XTER token is a utility token. It is designed to provide access to and facilitate interactions within the Xterio platform, particularly in gaming, transactions, and ecosystem rewards. Utility tokens are typically used to access services or products within a specific ecosystem, and the XTER token aligns with this classification by enabling users to engage with games, make transactions, and receive rewards on the Xterio platform.

Crypto-Asset Functionality: The XTER token has several key functionalities within the Xterio ecosystem:

- a) **Gaming Utility:** XTER tokens are used in first-party games to purchase digital assets, unlock in-game events, join exclusive events, and access special mints.
- b) **Platform Transactions:** The XTER token serves as the medium for all transactions on the Xterio Platform, including purchases and trades.
- c) **Ecosystem Rewards:** Users can earn exclusive rewards and benefits by utilizing XTER tokens in games and on the Xterio Platform.
- d) **Cross Utility:** The XTER token can be used across various platforms and partnerships beyond the Xterio ecosystem through bridging, enhancing its versatility. These functionalities are designed to integrate XTER tokens deeply into the gaming experience and the Xterio Platform operations, making it a central component of the Xterio ecosystem.

Planned Application of Functionalities: Already in place.

Type of crypto-asset white paper: OTHR

The type of submission: NEWT

Crypto-Asset Characteristics: XTER Tokens are crypto-assets to be classified as "crypto-assets other than asset-referenced tokens or e-money tokens" under MiCAR. In particular, XTER Tokens are utility tokens intended to provide access to and facilitate interactions within the Xterio platform. Holders of XTER Tokens will be able to use XTER to settle transactions on the Xterio Ecosystem. XTER Tokens are conceived as digital value suitable of being transferred on the BNB Chain.

Commercial name or trading name: XTER

Website of the issuer: <https://www.xterio.foundation/>

Starting date of the admission to trading: 2025-06-30 (tentative)

Publication date: 2025-06-30

Any other services provided by the issuer: N/A

Identifier of operator of the trading platform: VAVO

Language or languages of the white paper: English

Digital Token Identifier Code: This is not applicable.

Functionally Fungible Group Digital Token Identifier, where available: N/A

Voluntary data flag: false

Personal data flag: false

LEI eligibility: false

Home Member State: NL

Host Member States: DK, AT, BE, BG, HR, CY, CZ, EE, FI, FR, DE, GR, HU, IE, IT, LV, LT, LU, MT, NL, PL, PT, RO, SK, SI, ES, SE

5. Rights and Obligations

Purchaser rights and obligations: Purchasers have no additional rights and obligations other than ownership of the crypto-asset.

Exercise of rights and obligations: Not Applicable.

Conditions for modifications of rights and obligations: The Xterio Foundation is not able to modify any rights and obligations of the XTER Token.

Future public offers: Public offers of the crypto-asset are currently not being contemplated.

Issuer retained crypto-assets: 45,000,000

Utility token classification: true

Key features of goods/services of utility tokens: The XTER token has several key functionalities within the Xterio ecosystem: (i) Gaming Utility: XTER tokens are used in first-party games to purchase digital assets, unlock in-game events, join exclusive events, and access special mints. (ii) Platform Transactions: It serves as the medium for all transactions on the Xterio Platform, including purchases and trades. (iii) Ecosystem Rewards: Users can earn exclusive rewards and benefits by utilizing XTER tokens in games and on the Xterio Platform.

Utility tokens redemption: The utilities associated with the XTER tokens can be used by the holders of XTER tokens accessing the Xterio Platform, and subsequently using the XTER tokens to purchase in-game digital assets for games launched in the Xterio ecosystem, as well as using the XTER tokens to participate in activities available on the Xterio Platform (including AI UGC and AI mini-games).

Non-trading request: true

Crypto-assets purchase or sale modalities: This is not applicable because this whitepaper relates to the admission of crypto-assets to trading.

Crypto-assets transfer restrictions: No restrictions apply to the transfer of the XTER tokens.

Supply adjustment protocols: false

Token value protection schemes: false

Compensation schemes: false

Applicable law: The laws of Switzerland

Competent court: The courts competent for the city of Zug, Switzerland

6. Information on the Underlying Technology

Distributed ledger technology (DLT): The XTER Token is a crypto-asset that is issued on the BNB chain, using the BEP-20 token standard.

Protocols and technical standards: BEP20. The BNB Chain is a blockchain network that uses a Proof-of-Staked-Authority consensus mechanism to validate transaction.

The BNB Chain ecosystem is made up of three main parts that work together:

1. **BNB Smart Chain (BSC):** This is the main platform where smart contracts run. It is fully compatible with Ethereum, which makes it easy for developers to build apps (called decentralized applications or dApps).;
2. **opBNB:** This functions as a layer-2 scaling solution to the BNB Chain which helps to process more transactions at lower transaction costs, while still relying on the security of the BSC;
3. **BNB Greenfield:** This is a decentralized storage infrastructure which enables data management solutions and integrates with traditional Web2 applications. BEP-20 is the token standard on BSC. It allows developers to launch a variety of tokens and introduces features like blacklisting, minting and pausing.

Technology Used: The XTER Token is issued on the BNB Chain, as outlined above. For further details, please refer to the sections titled 'Distributed Ledger Technology (DLT)' and 'Protocols and Technical Standards'.

Consensus Mechanism: The BNB Chain operates using a consensus mechanism known as Proof-of-Staked Authority (**PoSA**), which combines elements of both Proof-of-Stake (**PoS**) and Proof-of-Authority (**PoA**). Under this model, a limited number of validators are selected to produce blocks based on the amount of BNB they have staked as well as their reputation within the network. Typically, 21 validators are active at any given time, and they take turns validating transactions and creating new blocks. The set of active validators is rotated periodically, and their performance is continuously monitored to ensure the security and reliability of the network.

Incentive Mechanisms and Applicable Fees: Validators are incentivized with transaction fees derived from the blocks of transactions they validate. Unlike many other protocols, there is no block subsidy of freshly-minted BNB as BNB is not inflationary.

Use of Distributed Ledger Technology: Yes, but the DLT is not operated by the issuer.

Audit: Yes, 6 December 2024

Audit outcome: The outcome of the technology audit over the XTER token was that the audit reviewed all aspects related to the compatibility of the BEP20 specification and other known BEP20 pitfalls/vulnerabilities and no issues were identified.

7. Information on Risks

Issuer-related Risks: Xterio Foundation, the issuer of XTER tokens, is subject to several risks that could impact the stability and reliability of XTER tokens.

- a) **Regulatory Compliance Risks:** Crypto asset issuers must follow various regulations in different jurisdictions. Non-compliance may lead to fines, sanctions, or bans on the offering, affecting its success and market acceptance.
- b) **Operational Risks:** These involve the issuer's internal processes, personnel, and technologies that impact crypto-asset operations. Failures can cause disruptions, financial losses, or reputational damage. The issuer will outline any potential future operational improvements or changes, and the timeline for implementing any updates if they are expected to occur at a later date.
- c) **Financial Risks:** The issuer is exposed to liquidity, credit and market risks that may affect its operations, obligations or the stability and value of the crypto asset. Changes in financial conditions, including operating costs and market dynamics, could affect the issuer's ability to sustain its operations and meet its financial obligations.
- d) **Legal Risks:** Legal uncertainties, potential litigation, or adverse judicial rulings can present considerable risks to issuers. Legal challenges may impact the legality, usability, or value of a crypto-asset.
- e) **Reputational Risks:** Negative publicity, whether due to operational failures, security breaches, or association with illicit activities, can damage the issuer's reputation and, by extension, the value and acceptance of the crypto-asset.
- f) **Dependency on Key Individuals:** The success of some crypto projects can be highly dependent on the expertise and leadership of key individuals. Loss or changes in the project's leadership can lead to disruptions, loss of trust, or project failure. **Conflicts of Interest:** If the issuer's interests do not align with those of the crypto asset holders, risks arise and potentially leading to decisions that are not in the best interests of the asset holders, impacting the value of a crypto-asset or damage the credibility of the project.
- g) **Counterparty Risks:** Risks associated with the issuer's partners, suppliers, or collaborators, including the potential for non-fulfilment of obligations that can affect the issuer's operations

Admission to Trading-Related Risks: The XTER tokens will be admitted to trading on trading platform operated by crypto-asset service providers. The below contains an non-exhaustive list of offer-related risks:

- a) **Third-Party Risk:** If crypto assets are approved for trading on third-party platforms, holders of XTER may be subject to the terms and conditions of such trading platforms. If XTER is delisted from such trading platforms, the liquidity and value of XTER may be adversely affected. Once delisted, XTER becomes inaccessible to users of those trading platforms, limiting the number of potential buyers and sellers of XTER. With fewer active trading platforms where XTER can be traded (and fewer potential buyers and sellers), price discovery for XTER becomes inefficient, resulting in wider spreads and increased slippage which may lead to potential losses to XTER holders. In addition, operational disruptions to the trading platforms could affect the ability to buy or sell XTER in a timely manner, which could further undermine its value. Examples of such operational disruptions include system outages due to hardware failure, software vulnerabilities, or cyberattacks (e.g. DDoS).
- b) **Regulatory Compliance Risks:** Crypto-asset service providers, including operators of a crypto-asset trading platforms, are subject to regulatory requirements across various jurisdictions. Non-compliance with applicable regulations may result in fines, sanctions, or bans on the offering XTER, affecting its success and market acceptance. In certain circumstances, holders may be compelled to sell their crypto-assets at a loss if the operator of the crypto-asset platform is no longer permitted to facilitate trading or the transfer of assets to other wallets, whether wallets offered by service providers authorised to provide the relevant services.
- c) **Market and Liquidity Risks:** Crypto assets like XTER are highly volatile and may experience extreme price fluctuations within short periods, leading to substantial gains or losses. Crypto assets like XTER may also suffer from low liquidity, making it challenging to buy or sell large quantities without impacting the market price, which could result in significant losses, particularly in fast-moving market conditions.
- d) **Legal Risks:** Legal uncertainties, potential litigation, or adverse judicial rulings can present considerable risks to the admitting to trading. These risks may arise from evolving regulatory frameworks, differing interpretations of applicable laws across jurisdictions, or enforcement actions by regulatory authorities. Legal challenges could affect the legality, usability, or value of XTER, potentially leading to restrictions on trading, delisting, or limitations on the transfer of assets. Such developments may adversely impact the credibility of the project, investor confidence, and the overall market acceptance of XTER.
- e) **Risk of Platform Insolvency:** If the platform on which XTER is traded becomes insolvent, bankrupt or fails to meet its obligations, there is a risk of partial or total loss of the XTER held by users. The closure or

operational disruption of exchanges may result in the inability to access or trade XTER, causing significant harm to such XTER holders.

Crypto-Assets-related Risks: The following risks are associated with the XTER token:

- a) **Technology Management Risks:** Inadequate management of technological updates or failure to keep pace with technological advancements can render a crypto-asset, or the project it is connected to, obsolete or vulnerable to security risks.
- b) **BNB Chain Risks:** XTER tokens are transacted on BNB Chain only, which, similarly to other blockchains, may be subject to technical vulnerabilities and be exposed to attacks (i.e. for example 51% attacks and creation of untrue forks) that could potentially undermine the transactions being processed or alter the history of transactions.
- c) **Smart Contract Risks:** XTER tokens will be used in conjunction with smart contracts. Smart contracts may be exposed to technical vulnerabilities and exploitations that could lead to losses for holders.
- d) **Loss of access to XTER Tokens:** The secure management of private keys is crucial for accessing cryptocurrencies. To reduce the risk of loss, users should rely on reputable wallets and trusted custody services.

Project Implementation-Related Risks: The success of new platforms and ecosystems strongly depends on the engagement of participants. There can be no assurance or guarantee that there will be sufficient interest or participation in the elements or use of XTER or the Xterio platform. It is possible that the Xterio platform will not be used by a large number of gamers, developers and other entities or that there will be limited public interest in the creation and development of Web3 platforms or ecosystems (such as the Xterio platform and ecosystem) more generally or distributed applications to be used on the Xterio platform. Such a lack of use or interest could negatively impact the development of the Xterio platform or ecosystem and therefore the potential utility of XTER. Other projects may have the same or a similar vision as the Xterio Foundation. Many of such other projects are profit-oriented, substantially larger and have considerably greater financial, technical and marketing resources than the Xterio Foundation does, and thus may attract more gamers or developers than the ecosystem initiated by the Xterio Foundation. It is possible that alternative networks could be established that utilize a similar strategy or technology as the Xterio platform and attempt to facilitate services that are materially similar to the Xterio platform's services. The Xterio platform may compete with these alternative networks, which could negatively impact the Xterio platform and XTER. As a result of such implementation risks, the

Xterio platform may shut down and XTER tokens may no longer have any utility.

In addition, the Xterio platform also faces security vulnerabilities. Despite using advanced cryptographic standards, potential flaws in the implementation of smart contracts could expose the Xterio Platform to hacks or exploits. As a result of such security vulnerabilities, holders may lose all or part of their XTER tokens.

Technology-Related Risks: The following technology-related risks have been identified:

- a) Risk related to Private Keys: The security of crypto-assets depends on private key management, which is essential for accessing and controlling the assets (e.g., initiating transactions). Inadequate management practices, or the loss or theft of private keys or their credentials, can result in the permanent loss of access to crypto-assets.
- b) Cyber Security Risks: Blockchain networks can be exposed to various cyber-attacks, such as 51% attacks, where an entity gains control of the majority of the network's consensus, Sybil attacks (i.e. an attack where an attacker creates multiple fake identities or nodes in a network to gain disproportionate influence or disrupt consensus, or DDoS attacks (i.e. an attack causing a network to be overwhelmed with excessive traffic from multiple sources, making it slow or unavailable to legitimate users). These incidents may disrupt the network's operations and impact data integrity, influencing its security and reliability.
- c) Scalability: As the number of users and transactions grows, a blockchain network may face scaling challenges. This could lead to increased transaction fees and slower transaction processing times, affecting usability and costs.
- d) Reliance on Underlying Technology: Blockchain technology is dependent on foundational infrastructures, including specific hardware (including but not limited to network servers) and network connectivity (including but not limited to internet connectivity). These components may be susceptible to attacks, outages, or other interferences.
- e) Settlement and Transaction Finality: A blockchain's settlement is designed to be probabilistic, meaning there is no absolute guaranteed finality for a transaction. There is a risk that a transaction could be reversed or multiple versions of the ledger could persist due to circumstances such as forks or consensus errors. The risk decreases as more blocks are added, making it more secure over time. Under normal circumstances, however, once a transaction is confirmed, it cannot be reversed or cancelled. Crypto-assets sent to an incorrect address cannot be retrieved, resulting in the loss of those crypto assets.

- f) **Economic Self-sufficiency and Operational Parameters:** A blockchain network needs to handle enough transactions to remain sustainable and economically viable.. If it fails to reach this level of activity, it may struggle to stay secure or relevant. This could lead to changes in how the network operates, such as adjustments to transaction fees, reward systems, governance rules, or technical settings like the size and timing of new blocks.
- g) **Consensus Failures or Forks:** Faults in the consensus mechanism can lead to forks, where multiple versions of the ledger coexist, or network halts, potentially destabilizing the network and reducing trust among participants. This could lead to XTER tokens losing their utility either temporarily or permanently.
- h) **Protocol Vulnerabilities:** Even with thorough testing, there is always a risk that unknown bugs may exist in a blockchain protocol, which could be exploited to disrupt network operations or manipulate account balances. Also, bugs or vulnerabilities in smart contract code can expose blockchain networks to potential hacks and exploits. Any flaw in the code can lead to unintended consequences, such as the loss of crypto-assets or unauthorized access to sensitive data.
- i) **Technological Disruption Risk:** Advances in technology or the development of new technologies could render blockchain systems, or their components, insecure or obsolete. An example of such advances are the development of quantum computing which may pose a threat to existing cryptographic technology used to secure blockchains by compromising the security of wallets, signatures and transaction histories. This may result in the theft or loss of crypto-assets or compromise the integrity of data within the network.
- j) **Governance Risk:** Governance in blockchain technology (including the BNB Smart Chain) involves the processes for making decisions about network changes and protocol upgrades. Ineffective governance models can result in poor decision-making, delayed responses to issues, and potential network forks, which could affect stability and integrity. Additionally, there is a risk of disproportionate influence by a group of stakeholders, leading to centralized power and decisions that may not reflect the interests of the broader public. This may negatively impact the holders of XTER tokens and may even lead to XTER tokens having no purpose or use on the Xterio Platform.
- k) **Privacy Risk:** The inherent transparency and immutability of blockchain technology can present challenges to user anonymity and privacy. As all transactions are publicly recorded on the blockchain, there exists a potential risk for the exposure of sensitive data. The ability of the public to link certain transactions to specific addresses may result in

vulnerabilities such as phishing attacks, fraud, or other malicious activities.

- l) **Data Corruption Risk:** Corruption of blockchain data, whether through software bugs, human error, or malicious tampering, can undermine the reliability and accuracy of the system. As a result of such corruption of blockchain data, holders may lose all or part of their XTER tokens.
- m) **Third-Party Risks:** Crypto-assets depend on exchanges and wallet providers for trading and storage. These platforms can face security breaches, operational failures, and regulatory issues, risking loss or theft of crypto-assets.

Mitigation measures: Bug Bounty program: Xterio's bug bounty program on immunefi fosters ongoing platform refinement by incentivizing experts and ethical hackers to uncover and report system vulnerabilities to Xterio. Under Xterio's bug bounty program, experts and ethical hackers who have successfully identified system vulnerabilities will be receive financial rewards. Comprehensive security audits: Xterio conducts security audits for all smart contract codes before they are deployed. These evaluations are performed by third-party security experts proficient in blockchain technology, which provide a level of assurance over the security of the Xterio ecosystem.

8. Information on Sustainability Indicators

Consensus mechanism: As set out in Section 6. The BNB Chain operates using a consensus mechanism known as Proof-of-Staked Authority (**PoSA**), which combines elements of both Proof-of-Stake (**PoS**) and Proof-of-Authority (**PoA**). Under this model, a limited number of validators are selected to produce blocks based on the amount of BNB they have staked as well as their reputation within the network. Typically, 21 validators are active at any given time, and they take turns validating transactions and creating new blocks. The set of active validators is rotated periodically, and their performance is continuously monitored to ensure the security and reliability of the network.

Incentive mechanisms and fees: As set out in Section 6. Validators are incentivized with transaction fees derived from the blocks of transactions they validate. Unlike many other protocols, there is no block subsidy of freshly-minted BNB as BNB is not inflationary.

Beginning of the period to which the disclosure relates: 2025-01-01

End of the period to which the disclosure relates: 2025-05-28

Energy consumption: 0.368 kWh

Energy consumption sources and methodologies: The energy consumption estimates reported in this Section are based on publicly available data from independent research institutions. The methodology involves calculating the average energy consumed per transaction on Binance Smart Chain and extrapolating that figure across an approximate volume of 46,000 transactions for the purpose of MiCA-related disclosures. The total estimated energy usage on Binance Smart Chain is approximately 0.368 kWh.

Sources used: Independent sustainability analysis & Binance Validator documentation – Estimates based on 21-node PoSA model including testnet nodes. (~0.008Wh per transaction) Opentaps: [Estimating the Energy Impact of the Binance Smart Chain](#)

Renewable energy consumption: N.A.

Energy intensity: N.A.

Scope 1 DLT GHG emissions – Controlled: N.A.

Scope 2 DLT GHG emissions – Purchased: N.A.

GHG intensity: N.A.

Key energy sources and methodologies: N.A.

Key GHG sources and methodologies: N.A.