



XENOVERSE

New Assets for All New Financial Universe

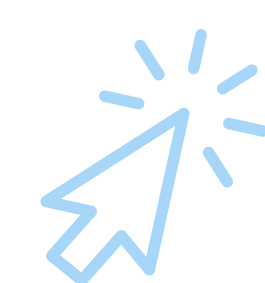
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This White Paper states the current views of Xenoverse regarding the cryptocurrency P2P Xenoverse loan and equity investment, Pawnshop intermediary service, and second-hand luxury deal platform. Xenoverse, Inc. reserves the right to revise or update this White Paper in any respect without prior notice. The information presented in this White Paper is for information purposes only and does not legally bind Xenoverse, Inc., or any other related parties. This document is for informational purpose only and does not constitute and is not intended to be an offer to sell, a solicitation of an offer to buy, or a recommendation of: (i) Xenoverse Tokens(XENO), (ii) an investment in the Xenoverse, Inc. platform or any other project or property of Xenoverse, Inc. or (iii) shares or other securities in Xenoverse, Inc. or any affiliated or associated company in any jurisdiction.



Whitepaper Contents



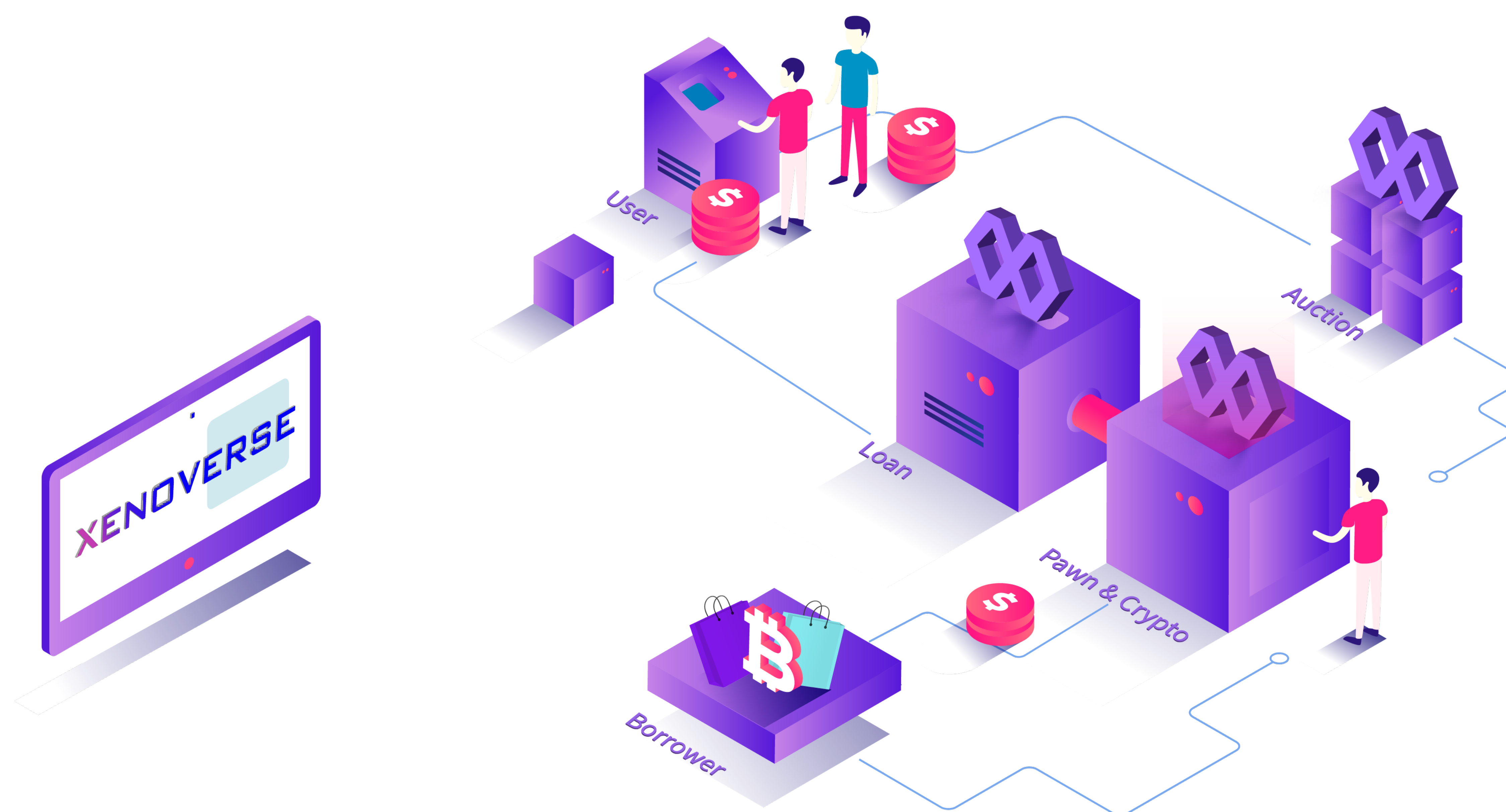
01 Executive Summary	3
02 Introduction & Concept of the Platform	5
1. Problem	5
2. Introducing Xenoverse	5
2.1. Xeno Loan	6
2.2. Xeno Auction	7
2.3. Xeno Pawn	9
3. Next Generation Target Market	10
03 Token Economy	11
1. Xeno Cash Pool, Xeno Lock Pool, and Xeno Crypto Loan	11
1.1. Xeno Auction	11
1.2. Xeno Profit Pool	11
04 Road Map	12
05 Conclusion.	12



01 Executive Summary

The Xenoverse platform is a new ecosystem designed to transform the pawnbroker capital industry and second-hand goods trading industries, starting with Korea and Japan, in Southeast Asia and around the world. The platform aims to provide comprehensive financial services and transaction transparency and efficiency for all stakeholders in the industry. The Xenoverse platform has the following vision: “New Assets for All New Financial Universe.”

The Xenoverse platform aims to bring new vitality and paradigm to the financial and trading markets based on used luxury goods, cryptocurrency, and chattel assets. Xenoverse proposes new financial services for those who have long been alienated from the existing financial system, including unbanked, underbanked, credit delinquents and low-credit holders, cryptocurrency investors, small and medium-sized enterprises, pawn shops, and second-hand luxury boutique shops, which are difficult to use existing financial institutions through the revitalization of collateralized loans.



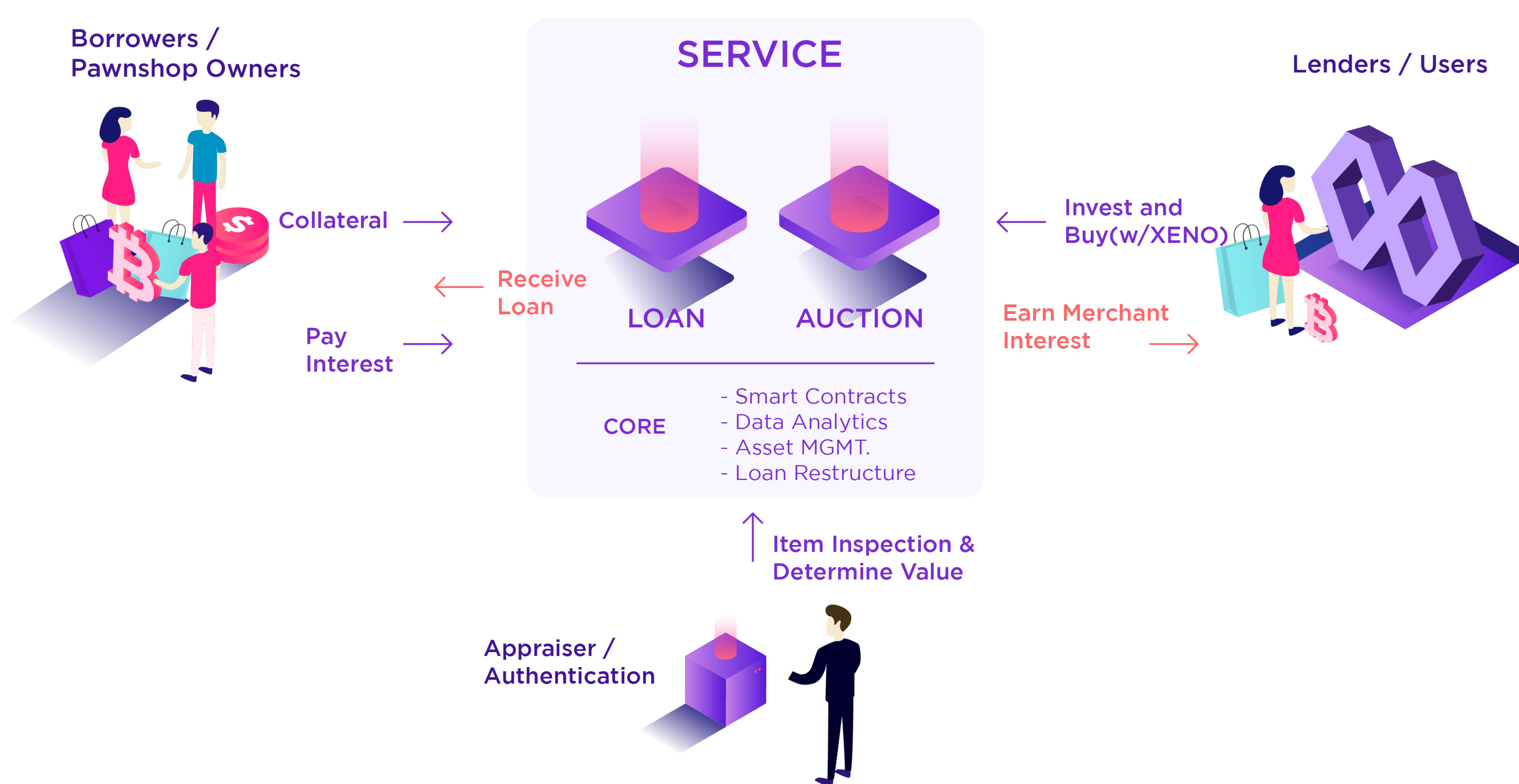
The Xenoverse platform consists of three services: 1) Xeno Loan (cryptocurrency and chattel mortgage investments), 2) Xeno Auction (online auction and e-commerce), and 3) Xeno Pawn (chattel collateralized loan brokerage services).

Xeno Loan and Investment in Xenoverse platform is a service that enables stable collateralized investment classified as a safety asset. Stable collateralized investment is an investment method in acquiring bonds and collateral as safe assets to implement loans to pawn shops, second-hand luxury boutiques and Jewelry shops with certain inventory, and cryptocurrency investors by collateralizing items such as, art, collectibles, antiques, luxury goods, precious metals, rare kidult works, rare cars, and etc.





Xeno Auction is designed to simplify the process of used luxury online transactions to help you effectively cash in on your chattel loan services. The second-hand luxury industry and pawnbroker market cannot be separated from each other. To collateralize the goods for chattel securitized loans, they must be either luxury goods or valuable collateral, including jewelry, collectibles, and high-end electronics. On average, 30% of the agreements forfeits, and pawnshops need to resell the collaterals to keep their business afloat. The issue of reselling these products(forfeited pawns) at pawn shops is issues related to authentication, valuation, and marketing. Xeno Auction is a ground-breaking auction e-commerce company that legally distributes these outstanding collateral at low and fast rates, providing customers with a much lower price than the market price.



Xenoverse pawn makes it easy to get a chattel collateralized loan under optimal conditions by using valuable products they currently own as collateral for those who need a loan service that does not affect their credit. When a user uploads the product information with photos, Xenoverse experts conduct an appraisal of the product and pass the information to pawnshops in the area close to the user to present the loanable amount and interest rate for each company. The user will then decide where he or she wants to trade and receive a chattel collateralized loan. All of these product registration processes, bidding processes, appraisers and auditors' appraisal details, and contracts for lending are all recorded within the blockchain for transparency and decentralization.

All transactions and investments in Xenoverse ecosystem are possible through Xeno, and we will provide maximum access to multiple users through listing Xeno tokens on numerous exchanges. Xeno Foundation will continue to use platform profits for Xeno token by-back and will be incinerated every quarter to avoid excessive Xeno token circulation.





02 Introduction & Concept of the Platform

1. Problem

The market for pawnshops and second-hand luxury goods generally suffers from :

- Lack of expertise to authenticate and evaluate the value of collaterals, and knowledge to market the services and products.
- Lack of network with capital companies and information for wholesale loans (additional collection of funds) that are essential to the owners of pawnshop operations.
- 30% of the average pawnbroker's loans fails to redeem, and pawnshops suffer from the disposal of the forfeited pawns.
- Illegal disposal of forfeited pawns to save taxes and labor, causing social problems in the market.
- Lack of standard regulations, management, circulation, and distribution of second-hand luxury goods creates confusion in the market
- Prevalence of duplicated data, data loss, counterfeiting, tax avoidance, and illegal import and export in the market.
- Lack of expertise, network, and professionals to authenticate, evaluate, certify, and guarantee used luxury goods.
- Qualified experts exist to conduct an appraisal, but their qualifications are limited to those of jewelry.
- Difficulty in determining proper retail prices for used luxury goods.

2. Introducing Xenoverse

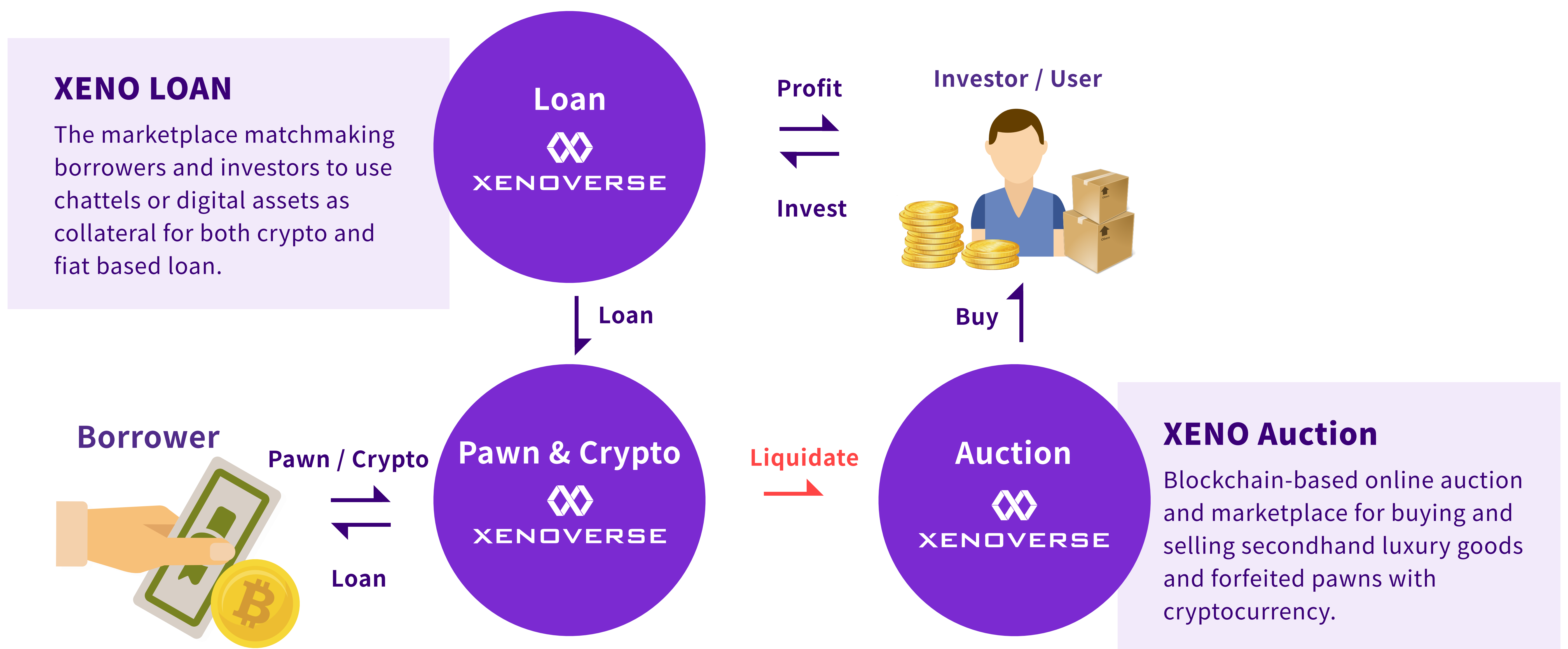
The Xenoverse platform has the following vision :

“ New Assets for All New Financial Universe.”

The Xenoverse platform aims to bring new vitality and paradigm to the financial and trading markets based on used luxury goods, cryptocurrency, and chattel assets.

The Xenoverse platform is a new ecosystem designed to transform the pawnbroker capital industry, second-hand goods trading industry, and cryptocurrency money lending industries in Southeast Asia and around the world, starting with Korea and Japan, and is designed to provide comprehensive financial services and transparency of transactions for all stakeholders in the industry. The Xenoverse platform transforms chattel collateral loan (pawnshops) and used-goods markets (barter trade), the oldest industrial group in human history, solves widespread inequalities in the industry, tax evasion, goods trade, information asymmetry, and counterparty risk issues, and extends the digital assets to encompass the newly growing cryptocurrency money lending business.





2.1. Xeno Loan

Xenoverse platform's Xeno Loan (Chattel Collateralized Loan Investment Service) is a service that enables you to invest in safety asset called collateral confidently. The big difference between typical P2P loan investments and Xeno Loan is that highly exchangeable chattels are collateralized to ensure liquidity and safety. Stable collateralized investment is an investment method in acquiring bonds and collateral as safe assets to implement loans to pawn shops, second-hand luxury boutiques and Jewelry shops with certain inventory, and cryptocurrency investors by collateralizing items such as, art, collectibles, antiques, luxury goods, precious metals, rare kidult works, rare cars, and etc. Xeno Loan using valuable chattels as collateral is the safest P2P loan investment service among existing P2P loan investment products with a purchase guarantee from strategic partner and other third parties, which significantly increases liquidity in the event of insolvency. For example, to receive a real estate P2P loan investment, the P2P market generally offers project financing (PF) based on the credit of the developer and a stake of the property, while Xenoverse P2P chattel collateralized loan investment service significantly reduces the risk of non-performing accidents due to the builder's guarantee of a loan investment in part of the credit and property.

Currently, 170+ pawnbrokers are members of the Xenoverse platform in South Korea. The numbers of pawnshop members amount to about 15 percent of the total 1,500 pawnshops registered with the Korea Consumer Loan Finance Association (CLFA). Besides, 220+ used luxury boutique shops, and 23+ Jewelry Shop members are also in the platform. The Xenoverse platform, along with strategic partners, continues to collect vast amounts of information on trade, market value, distribution, and liquidity of collaterals and pre-owned luxury goods.





2.2. Xeno Auction

Xenoverse platform's Xeno Auction (online auctioned e-commerce) enables users to trade in forfeited pawns and used luxury goods quickly and securely. The core of used luxury goods trade is reliability, value assessment, assurance, and fast turnover of the product.

Xeno Auction is an open market place (e-commerce) for second-hand goods transactions that exclusively deal with forfeited pawns, and provides the following services :

- 1) The pawnbroker can sell and purchase the forfeited pawns to or from the regular customers (B2C) and other business owners (B2B).
- 2) Used luxury goods boutique owners can sell and purchase pre-owned luxury goods to or from regular customers (B2C) and other business owners (B2B).
- 3) Regular customers can sell and purchase secondhand goods to or from general customers (C2C) and business owners (C2B).
- 4) If the seller (business owner and regular customer) wishes, the seller can sell the product with the guarantee audit using the authentication and appraisal service through Xenoverse's professional and experts.
- 5) A consignment service is also available. Xeno Auction's professional studio takes detailed photos of the product, conduct appraisals from the appraisers, and offer warranties.

In other words, Xenoverse revolutionizes the disposal methods of forfeited pawns, which has been a chronic challenge in the pawnbroker market, and unlike the existing used market service, ordinary sellers can expand the Buyer Pool increasing the chance of selling by enlarging the pool of purchasers such as corporate buyers. By enabling the auction sale methods from Bottom-Up bidding to Top Down bidding, or the sale of a general pricing system, depending on the seller's needs, the seller can gain price competitiveness and gain additional marketing channels as the seller run ads within the Xenoverse platform.





Also, we collected the selling price of goods in Xeno Auction, along with the price quotations of second-hand luxury goods provided by strategic partners and boutique shop members. Then, Xenoverse analyzes big data from second-hand markets to estimate the real second-hand consumer price. With the cooperation of professional appraisers and auditors, the wholesale price of used luxury goods can be estimated, so the wholesale market price of used luxury goods between corporations can be estimated as well. Based on this, we can offer the warranty services to the public by assisting audit service from boutique shop members, professional appraisers, and professional authenticators.

Additionally, for the convenience of all sellers, ERP (Enterprise Resource Planning) is provided free of charge to all sellers according to the type of sellers, enabling real-time account receivables management, sales management, purchase management, inventory management, delivery management, revenue management, and customer management.

Currently, 230+ used luxury boutiques joined the Xenoverse platform through its strategic partners, Daiya Corporation and Brandnara, which are offline stores that serve as the door-to-door purchase service, field appraisal service, and distribution network of Xeno Auction. With the exclusive contract with Daiya Corporation's Japanese headquarters, 310+ second-hand luxury boutiques and 6+ second-hand luxury auction houses will be joining in the Xenoverse platform within 3Q of 2019.

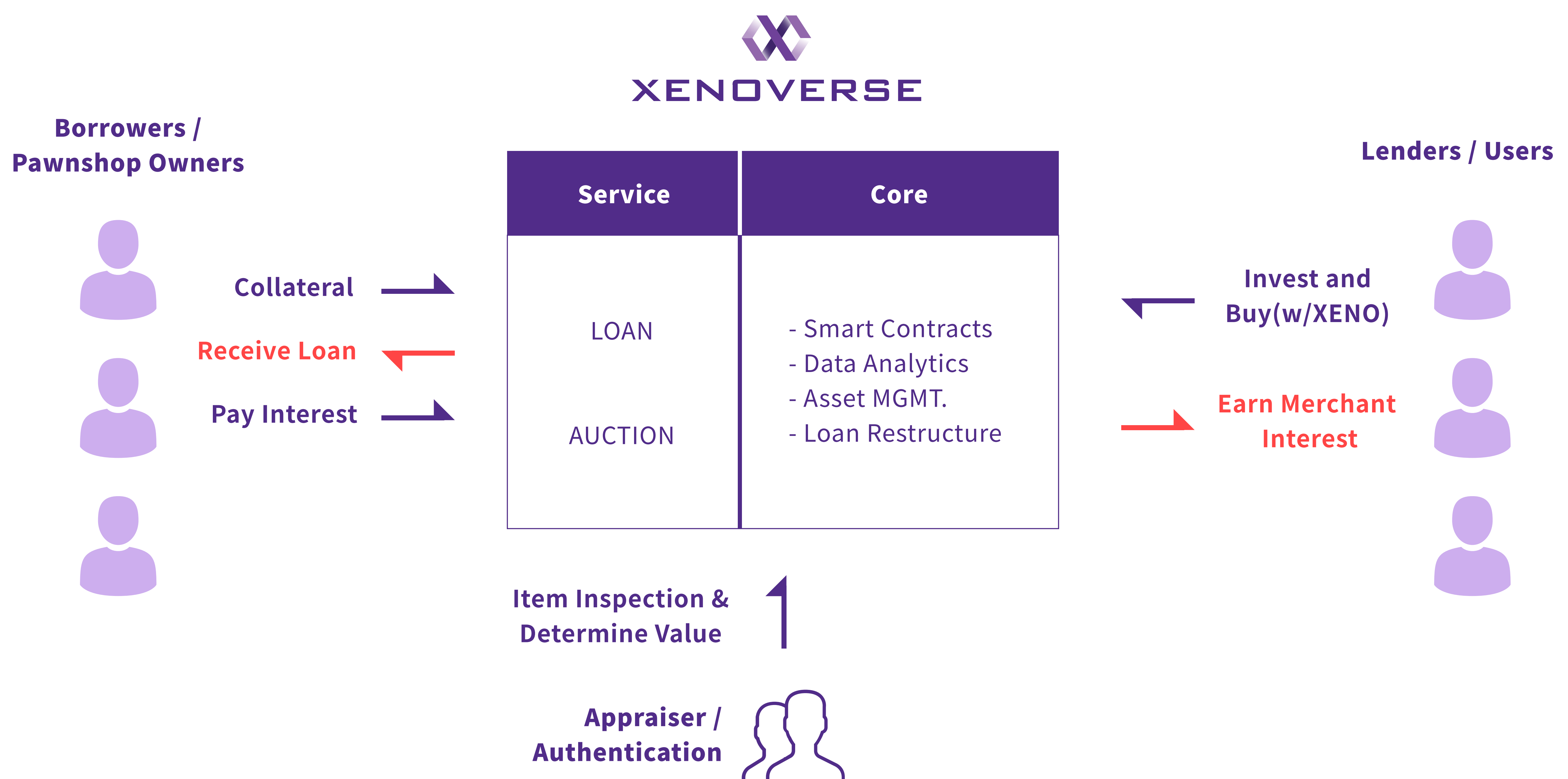




2.3. Xeno Pawn

Offline pawnbroker loans from licensed pawnshops are collateralized loans that use valuables as collateral. A pawnbroker's loan allows consumers who don't want to use credit and need cash to take advantage of the valuable products they currently own.

When a user posts his or her product information along with photos on the Xeno Pawn service on the Xenoverse platform, Xenoverse's strategic appraising partners will be able to appraise and evaluate the product, deliver the information to local pawnshops. Then, local pawnshops may conduct another evaluation if they choose to do so. The consumer/user receives the terms and bids offered by the local pawnshops, who decides which of them they want to visit or do business with and then enters into a cash transaction. All of these product registration processes, bidding processes, appraisers and auditors' appraisal details, and contracts for lending are all recorded within the blockchain for transparency and decentralization.





3. Next Generation Target Market

The Southeast Asian market is the fastest growing area of internet usage in the world. Of the more than 600 million people, 260 million use the Internet, making it the world's fourth-largest Internet market. Due to Indonesia and others, the world's fastest-spreading Internet usage, 480 million people are expected to use the Internet by 2020. The growth is also attributed to a large number of young people, whose 70 percent of the population is known to be under 40 years of age (57 percent in China) and only 27 percent in Southeast Asia have bank accounts. In developing countries like Cambodia, bank account ownership drops to 5%. That means about 438 million people in the region are unbanked. The Philippines is one of Asia's lowest bank using country, with more than 70 percent of adults over the age of 15 remaining unbanked. According to a central bank study, more than 80 percent of the population in downtown Manila is unbanked, with only three million households using credit cards. As a result, about 72 percent of the population, more than 100 million people, rely on about 18,000 pawnshops to play the role of banks. Ninety percent of pawnshops are unbanked, and unlike the United States, developing countries like the Philippines are in a similar situation.

The latest data shows that as many as 56 million Filipinos are using mobile devices, with 99 percent using social media. This means that most Filipinos are unbanked, but are technology-sensitive digital native and are ready to improve their lives with innovative solutions.

Starting with the 2019 Prime Targets, Korea, the United States (some states), and Japan, Xenoverse aims to enter into a total of 10 countries by 2020, including Korea, the United States, Japan, Britain, Mexico, Vietnam, and the Philippines. Entering into other countries will wait until the Xenoverse successfully establish itself in these countries.





03 Token Economy

1. Xeno Cash Pool, Xeno Lock Pool, and Xeno Crypto Loan :

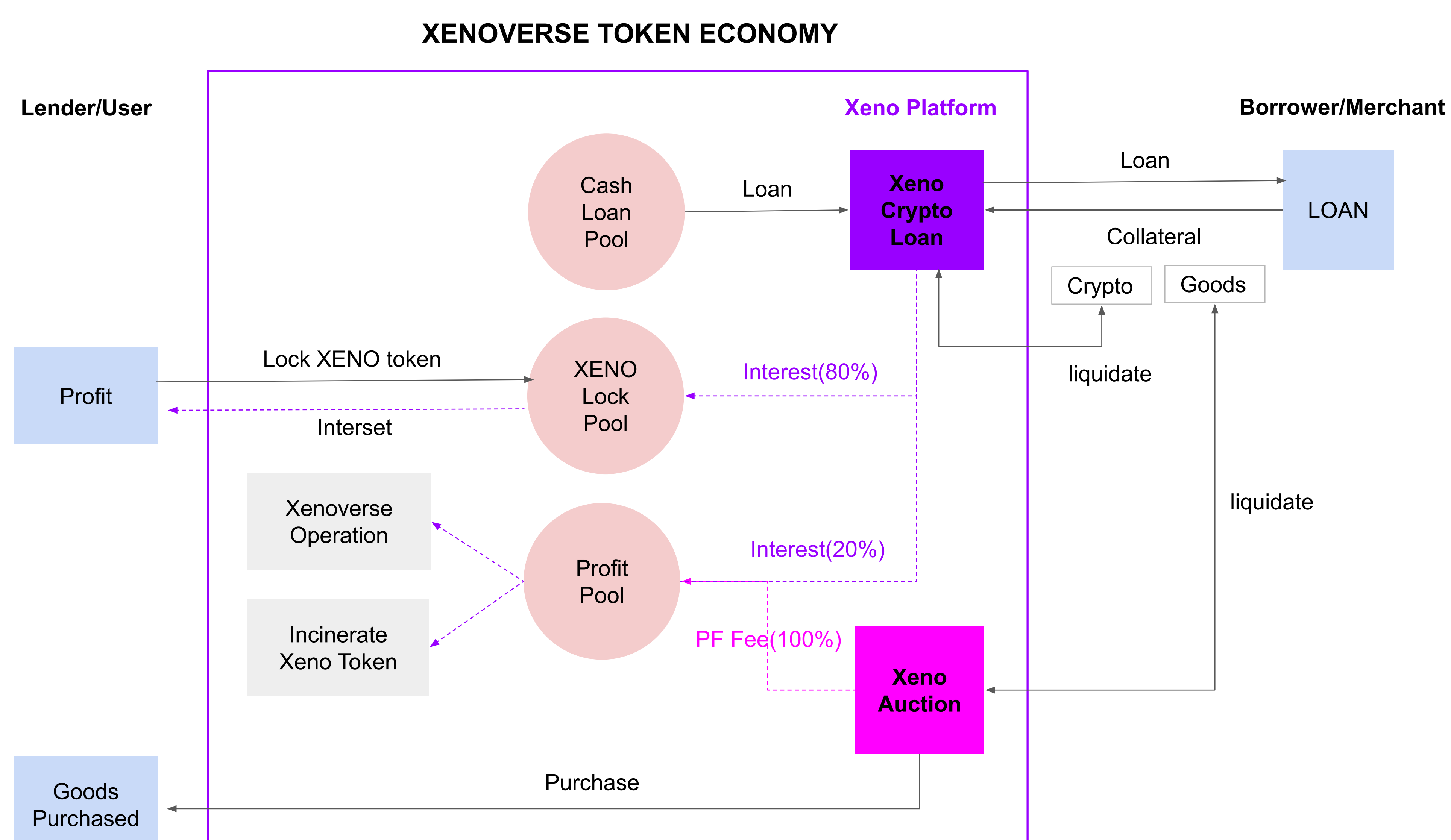
Using the investment funds, we establish a Xeno Cash Pool. Xeno Cash Pool is used as a loan investment fund and collects 8-15% interest per annum. 80% interest income is distributed to Xeno Lock Pool monthly, and the remaining 20% is attributed to Xeno Profit Pool. The Xeno platform directly operates Xeno Crypto Loan to maximize monetization and expand the market size by reducing the cost of traditional capital services. When Xeno holders lock up their ownership in Xeno Lock Pool, they can generate high-interest income without the risk of complex collateral analysis or bankruptcy of unredeemed loans.

1.1. Xeno Auction

Xeno holders can always participate in Xeno Auction and purchase a wide range of second-hand goods or valuables. Xeno Auction is a service that allows not only regular sellers but also pawnshop owners and second-hand boutique shop owners to dispose of and trade in forfeited pawns or inventories. Xeno Auction services solve market inefficiency and the disposal of illegal wastes and allow Xeno holders to purchase used luxury goods and valuables at a lower price than the traditional market price. All revenue from Xeno Auction will be attributed to Xeno Profit Pool.

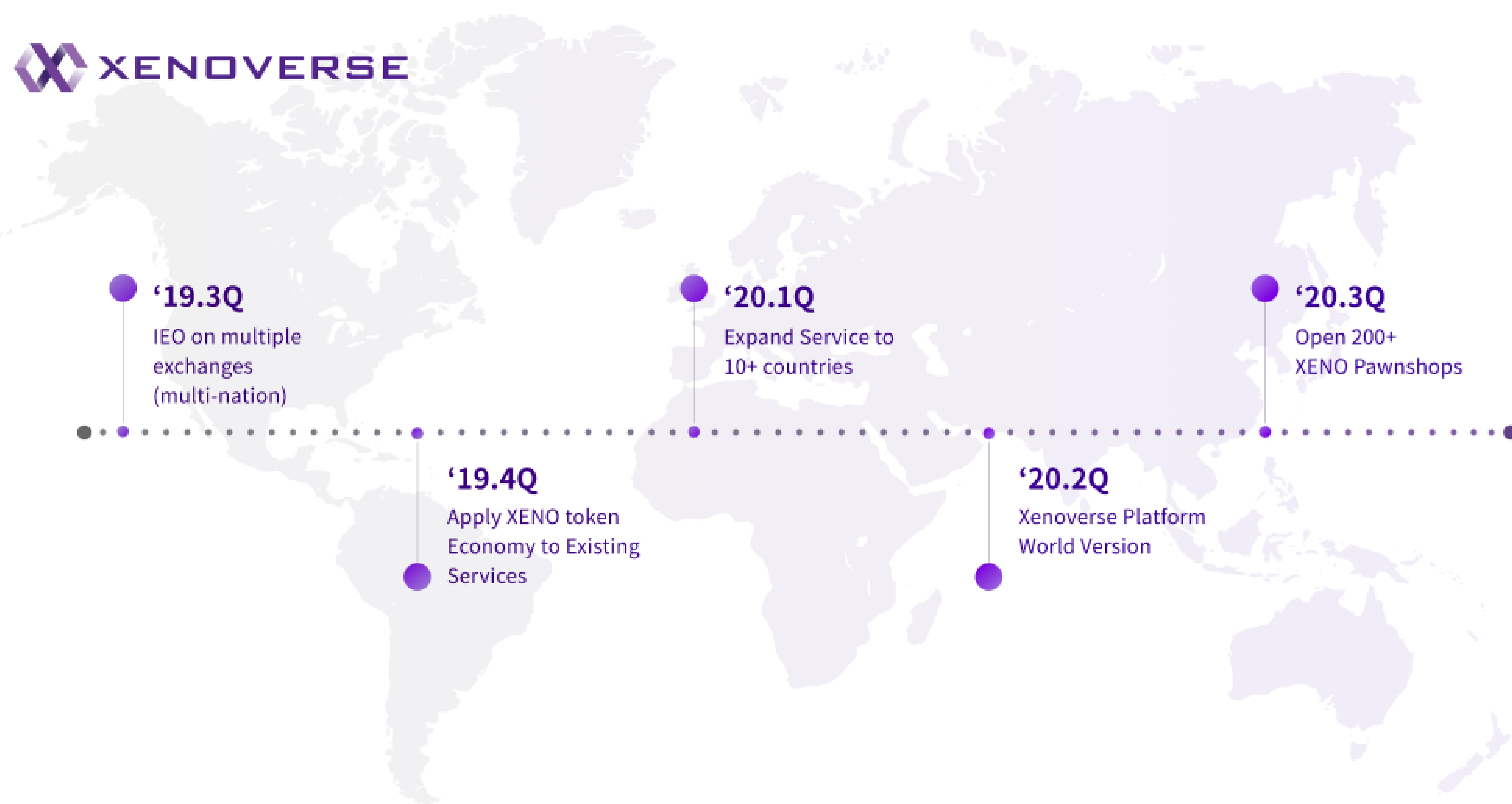
1.2. Xeno Profit Pool

Xeno Profit Pool is used for operating funds and Xeno incineration. Xenoverse will use its operating profit every quarter to buy from the market and burn Xeno to prevent excessive Xeno circulation.





04 Road Map



05 Conclusion

The vision of the Xenoverse platform is very simple. We want to include those who have long been sidelined in the financial system, such as Unbank, Underbank, Credit Defectors and Low Credit, Small and Medium Enterprises, pawnshops, second-hand boutique shops, cryptocurrency investors and projects, etc., within Xenoverse's new financial system. Xenoverse's mission is to promote safer and more reasonable use of financial services independent from credit usage by enhancing second-hand transactions and collateralized loans.

Engaging everyone, including the Unbanked population, in a blockchain-based electronic financial system, will not only improve the income of the economically poor but also affect health care and education systems. Xenoverse is working with SMBs, local governments and associations, and local communities to make Xenoverse's mission and vision a reality. Xenoverse never believes we can do this alone. That's why Xenoverse will offer a variety of tools and incentives for partners to participate, support payments using Xenoverse tokens, and ultimately deliver new financial services to everyone around the world through the Xenoverse platform.





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