

XON
DIGITAL
WHITE PAPER 2.0

JUNE 2023

DISCLAIMER

This document is not intended to be a prospectus, and should not be interpreted as such. The information provided herein should not be taken as an invitation or encouragement to invest. Therefore, this White Paper is not in any way related to the sale of securities in any jurisdiction around the world.

Rather, this White Paper serves as a technical description of the XON Digital Ecosystem's features and sub-components. We encourage you to review the legal section at the end of this White Paper for more information.

It's important to note that this White Paper, version 2.0, was published in June of 2023. The information contained herein is accurate as of that date, but may be subject to change in the future. Any updates or modifications to the XON Digital Ecosystem will be reflected in subsequent versions of this White Paper. As always, we recommend consulting with a professional advisor before making any investment decisions.

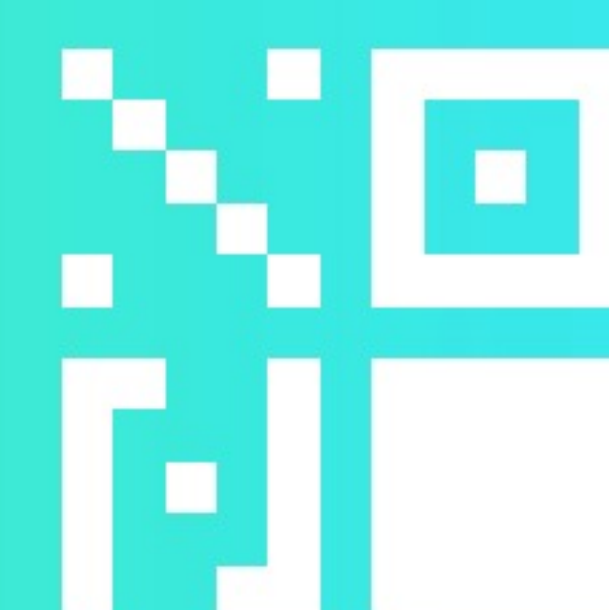


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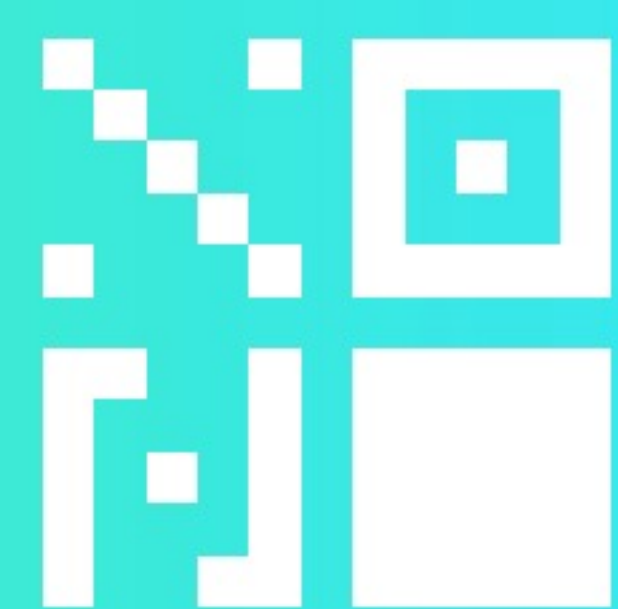
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ABSTRACT

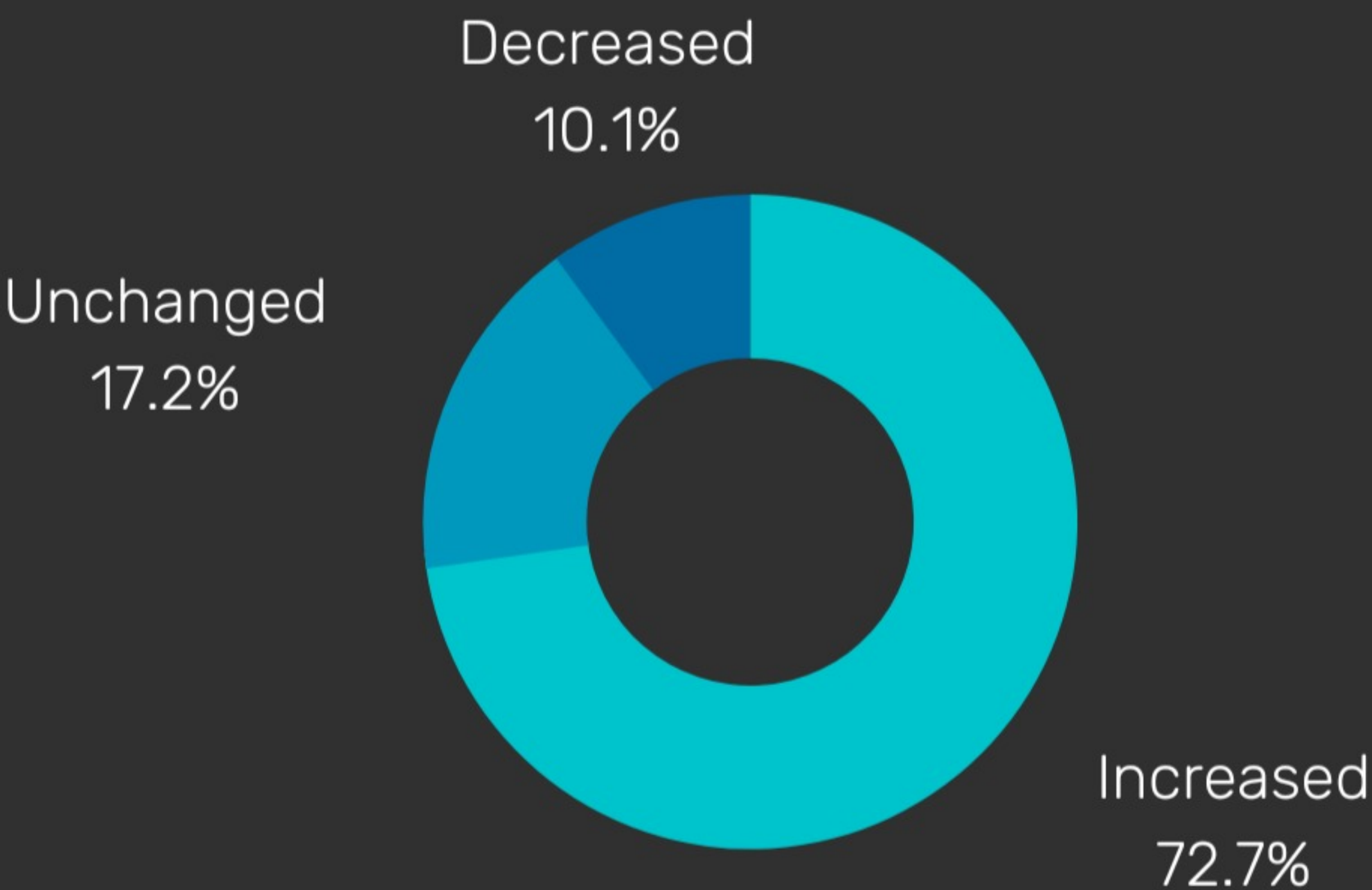
The preceding year witnessed a transformative period in the world of cryptocurrency and blockchain industry, with its fair share of challenges and successes.

This dynamic sector witnessed significant changes driven by shifting global economies, supply chains, and the rise and fall of various cryptocurrencies and financial institutions. In this introduction, we acknowledge the impact of these events on the industry and delve into the implications they have for our research.

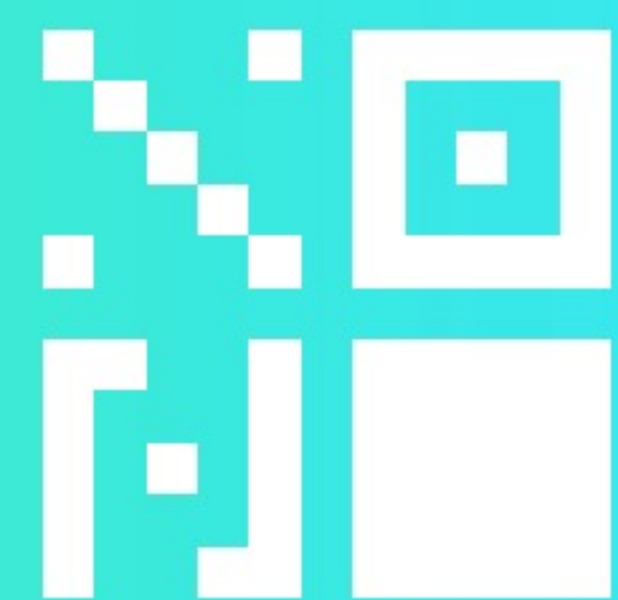
Despite the difficulties faced in 2022 and the ongoing turbulence in the broader financial sector in 2023, global confidence in the underlying technology of crypto and blockchain remains strong. Our research indicates a growing positive sentiment towards these technologies over the past six months. As consumer demand and interest in blockchain and digital assets continue to rise, financial institutions and businesses are exploring and embracing their maturing use cases and real-world utility.

Financial Leaders' Optimism in the Blockchain Industry

Between 2022 and 2023, there has been an increase in finance leaders' confidence in the crypto industry.



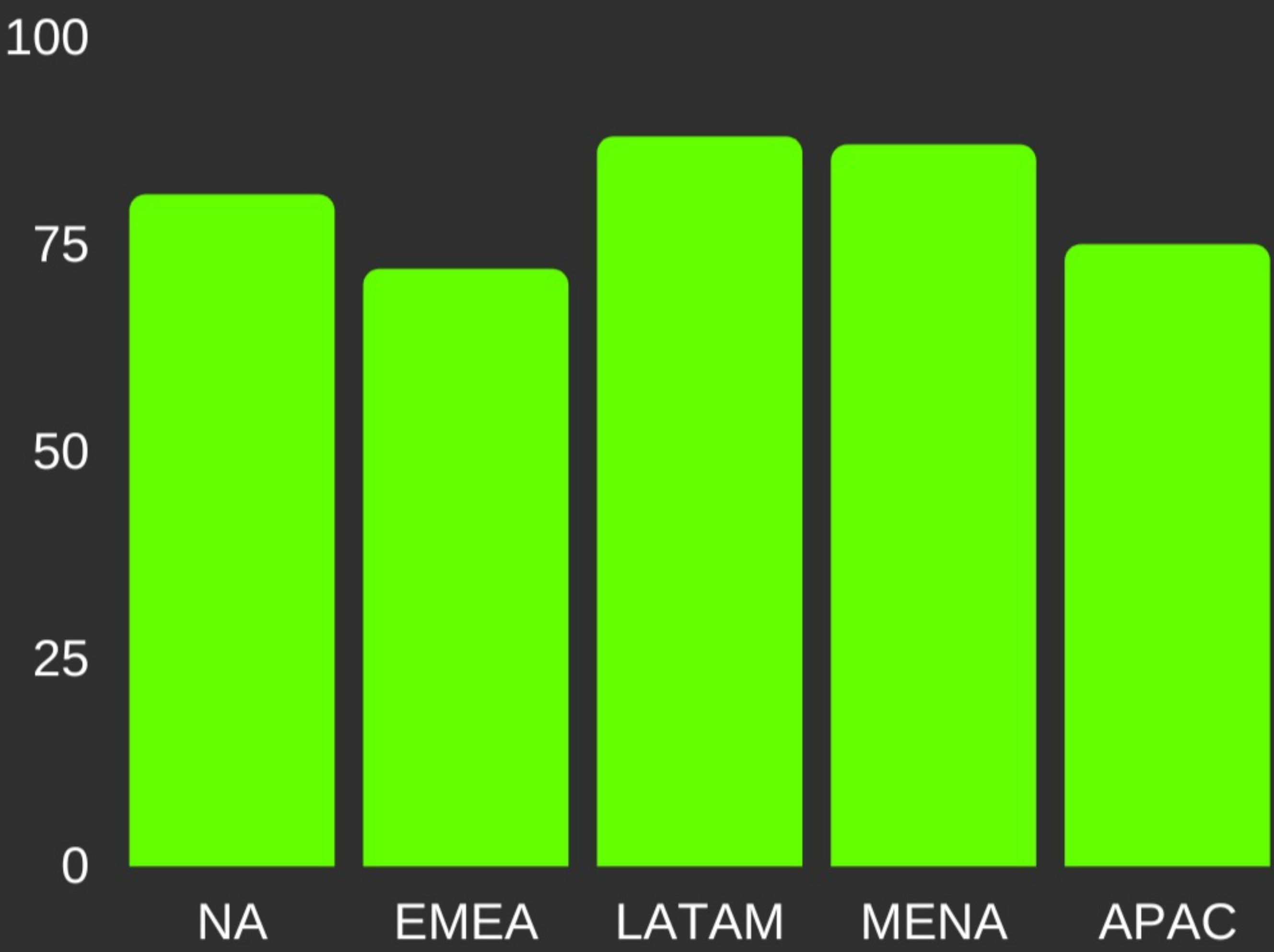
The evolving global finance landscape is heading towards a future where value moves as seamlessly as information does today, referred to as the Internet of Value. It is crucial for enterprises and financial institutions to understand and demystify the primary topics, trends, and technologies in order to pave the way forward for partners, customers, and the industry as a whole.



Even though not exhaustive, this version (2.0) of the XON white paper aims to be a guiding resource for companies and financial institutions seeking to comprehend the everyday business value that crypto can provide. The world of crypto is still in its early stages, and this document aims to shed light on the ongoing developments and opportunities that lie ahead.

**Regional Confidence
in Integrating
Cryptocurrency Solutions
for Businesses**

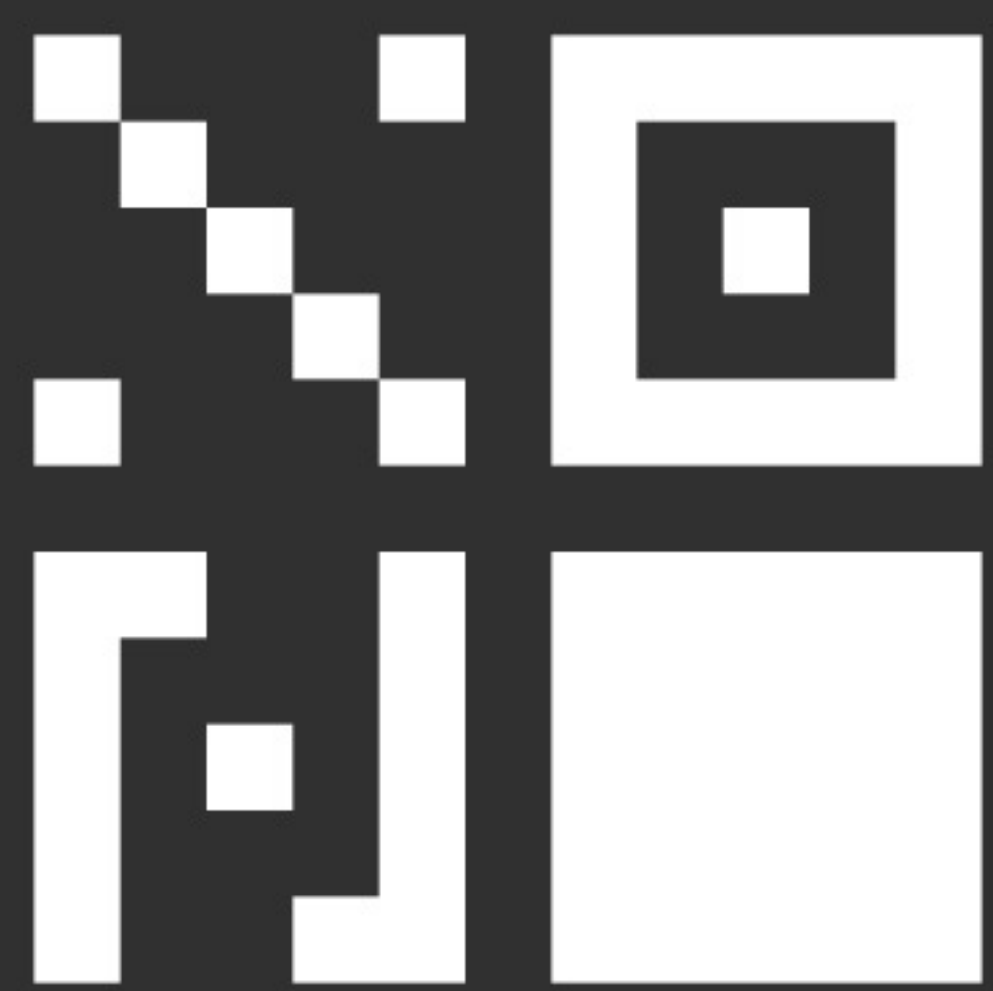
Latin America (LATAM) is more bullish on enterprise and institutional use of crypto for business followed by the Middle East and North Africa (MENA).



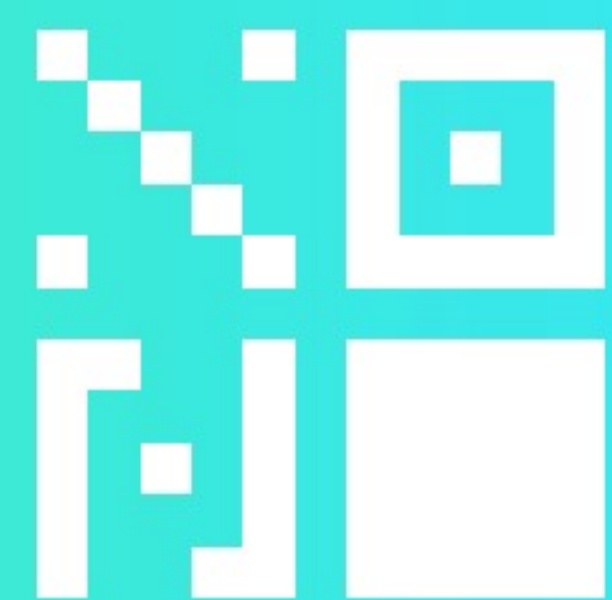
In alignment with our 2022 White Paper, this year's edition is organized with a particular focus on payments, funds management, and fractional ownership.

By delving into these areas, we aim to introduce our products to investors and businesses, providing them with the knowledge and understanding required to navigate this transformative landscape and embrace the true potential of crypto and blockchain technology.

The journey of building with crypto is far from complete; in fact, it is just the beginning.



XON DIGITAL
Building new bridges
between **humans**
and **blockchain**.



OVERVIEW

XON is a comprehensive ecosystem of products and services designed to bridge the gap between humans and blockchain technology. Our mission is to enhance the accessibility and user experience of blockchain-based applications, making them more intuitive and user-friendly for everyone.



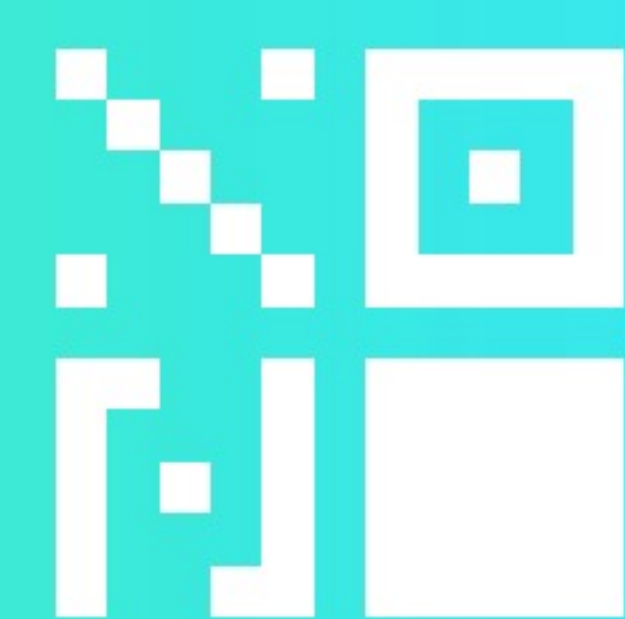
XON aims to develop solutions to facilitate and enhance the transition to a new, digitally-driven, transparent, and sustainable world.

Through our products and services, we want to empower individuals and organizations to leverage the full potential of blockchain, driving the next wave of digital transformation.

In the financial sector, we want to direct our efforts towards solving global challenges, with a particular focus on cross-border payments, insurance services, asset management, fractional ownership, decentralized identification and privacy, marketplace platforms and more.

The ultimate goal is to pursue and develop key technologies that will drive entire sectors in a new phase of efficiency, inclusion and expansion.

To achieve this mission, XON will build each product on a secure, scalable and reliable, public blockchain protocol.



PUBLIC LEDGER

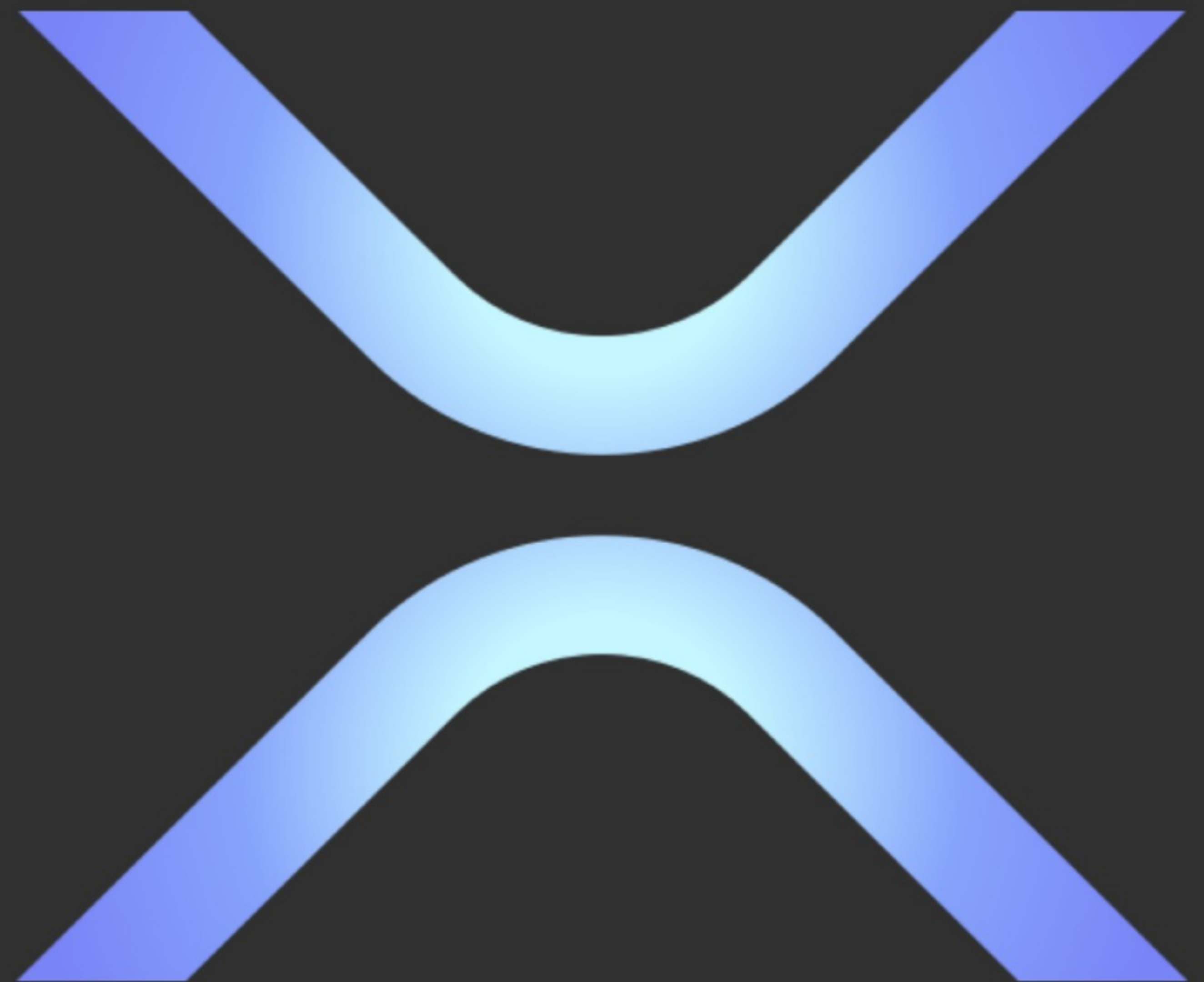
XON is the acronym of **XRPL Overlay Network**. It is a dynamic ecosystem of interconnected applications and services leveraging the XRP Ledger.

The **XRP Ledger** (XRPL) is a decentralized, public blockchain developed by Ripple and led by a global developer community.

The ledger is managed by a peer-to-peer network, and it is accessible for anyone to connect their computer to it. The community responsible for maintaining the ledger consists of a wide range of individuals, including software engineers, server operators, users, and businesses.

With its easy development process, low transaction costs, and a supportive and knowledgeable community, XRPL offers XON developers a robust open-source foundation to successfully undertake even the most demanding projects.

In the XON vision, we regard XRPL as the **standard backbone** for future decentralized and interconnected networks.

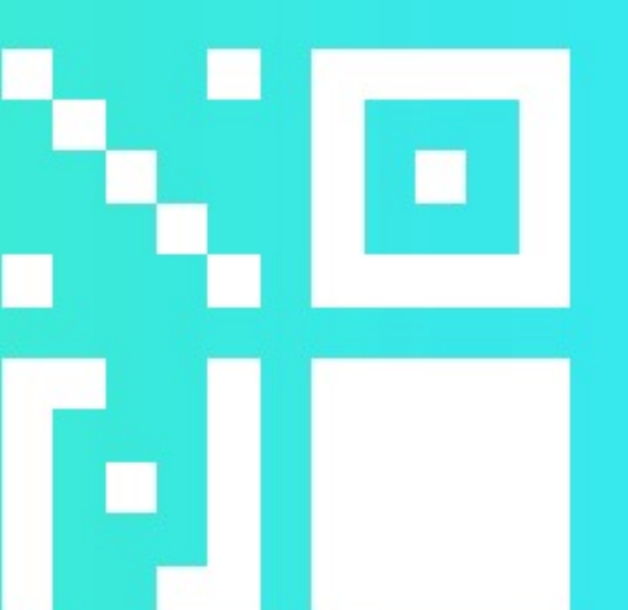


CONSENSUS PROTOCOL

XRPL utilizes a consensus protocol where validators (designated servers) reach agreement on the order and outcome of XRP transactions every 3–5 seconds.

All network servers follow the same rules, promptly confirming any compliant transaction according to the protocol. These transactions are publicly accessible and protected by robust cryptography, ensuring system integrity.

The ledger allows anyone to operate a validator, with over 150 active validators currently managed by universities, exchanges, businesses, and individuals. Furthermore, the consensus protocol fosters increased decentralization over time as the validator pool expands.



IMPACT

Given the increasing usage of the technology, it is of utmost importance to take immediate actions to ensure its long-term environmental sustainability. The XRPL boasts a distinctive consensus mechanism that is not only eco-friendly but also eliminates the need for resource-intensive mining to settle transactions. This impressive feature enables the XRPL to maintain efficiency without compromising on security, decentralization, or scalability. Furthermore, any minimal energy consumption is effectively offset through the utilization of carbon credits via EW Zero, an open-source blockchain decarbonization tool.

LEDGER FEATURES

The XRPL is the top choice for developers who prioritize both security and performance while embracing the opportunity to build on the most environmentally friendly blockchain.

However, these advantages are just the beginning, as the XRP Ledger offers a wide range of additional benefits to explore.

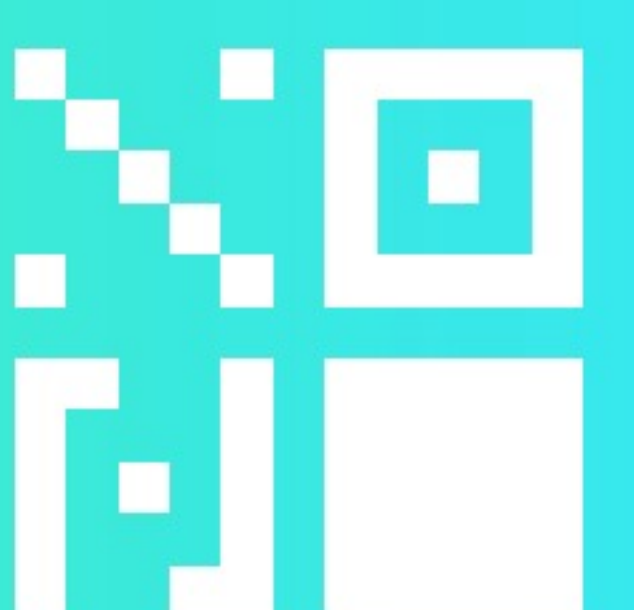
High Performance: XRPL demonstrates exceptional transaction settlement capabilities, enabling the completion of thousands of transactions within seconds. With unwavering reliability, it consistently processes up to an impressive 1,500 transactions per second (24x7).

Low Cost: on the XRP Ledger, transaction fees are incredibly low, averaging at a mere \$0.0002 per transaction.

Sustainable: The XRPL is 61000x more energy-efficient than POW (proof-of-work) based blockchains, such as Bitcoin.

Distributed: the XRP Ledger boasts a public and decentralized structure, making it highly transparent and inclusive. Being open-source, it encourages collaboration and innovation, supported by a global network of hundreds of validators.

Stable: XRPL has established a reputation for unparalleled reliability, evident through its impressive track record of over 70 million closed ledgers since 2012. Its consistent performance throughout the years further solidifies its position as a trusted and dependable platform.



CORE FUNCTIONS

XRPL provides a comprehensive set of native functionalities to empower the development of innovative products of the XON Ecosystem.

These building blocks include:

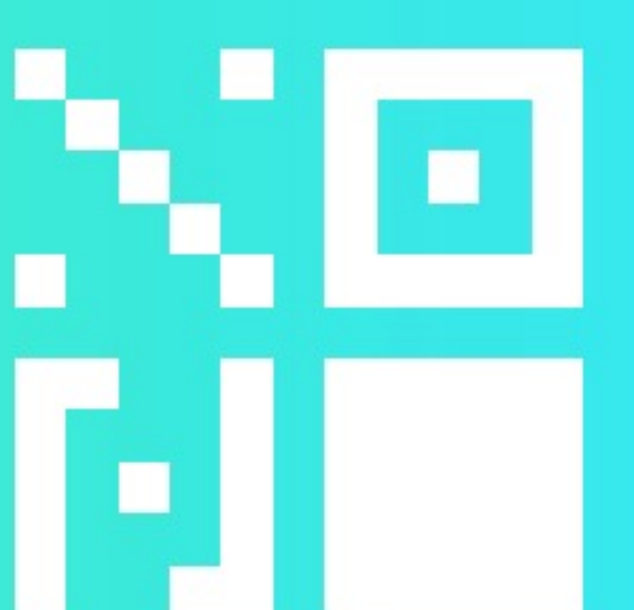
Cross-Currency Payments: seamlessly facilitate transactions across different currencies, enabling efficient and frictionless cross-border global payments in a matter of seconds.

Asset Creation And Exchange: empower the creation and exchange of native assets on the ledger, allowing for the representation and transfer of various digital assets, while also providing a built-in Decentralized Exchange (DEX).

Multi-Signing: enhance security and trust by implementing multi-signature capabilities, enabling multiple parties to validate and authorize transactions.

NFTs: enables the seamless representation and transfer of Non-Fungible Tokens. These assets encode ownership of unique physical, non-physical, or purely digital goods, such as artworks, in-game items, music albums, e-books, and more.

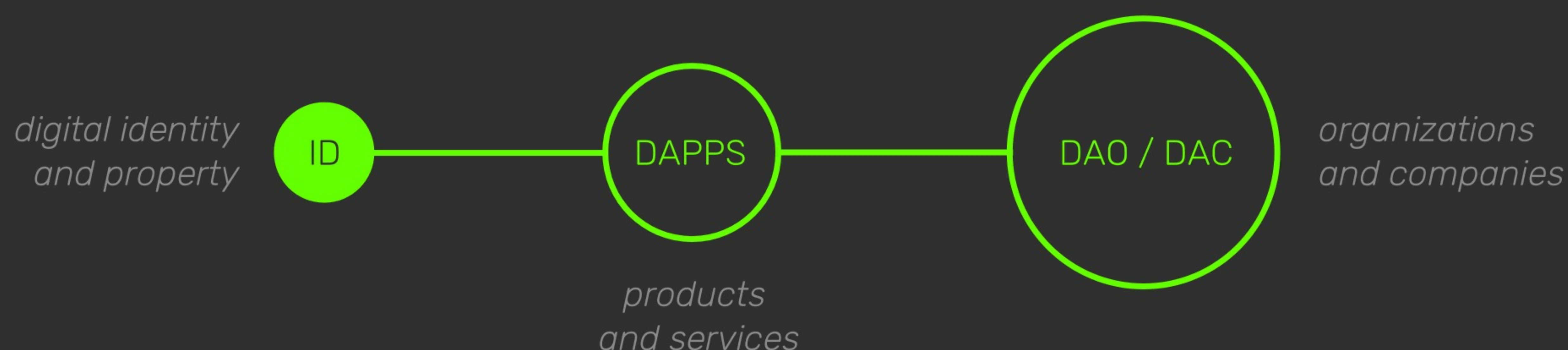
Smart Contracts: provides smart contracts (known as Hooks) to unlock programmable functionality, enabling the creation of sophisticated and automated processes on the XRPL using small, efficient WebAssembly modules.



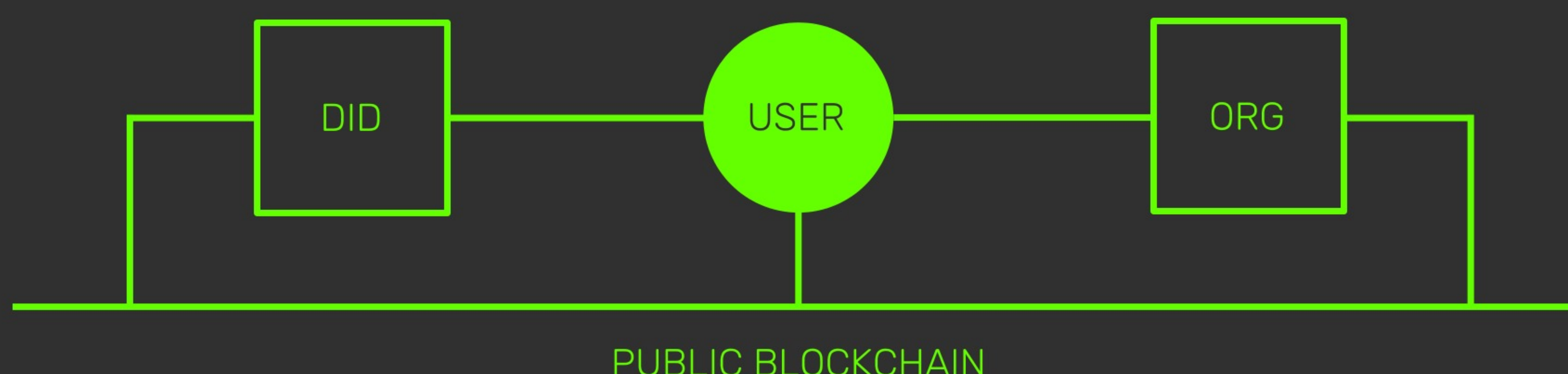
PROJECT

XON wants to revolutionize identity and property management using blockchain technology, enabling users to control their data and assets without relying on centralized models or third-party identity providers.

The first stage is focused on users, credential systems, and property. With blockchain technology, it is possible to adopt a new concept in the management of credentials and asset ownership.

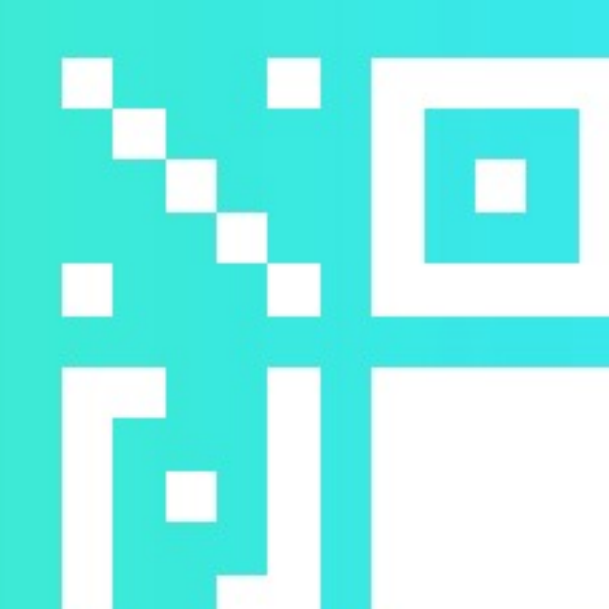


In the XON Ecosystem, we envision the user as the main actor controlling everything related to their identity and property. This crucial shift allows us to abandon both the traditional Centralized Model (accounts with shared secrets, like username/password) and the use of Third Party Identity Providers (IDP) via protocols like SAML or OAuth.



The various entities in the blockchain are involved as Decentralized Identifiers (DID). Each DID does not need to keep data of the user claiming a property. The user keeps their own data, and on the blockchain, only hashes without content are stored. This simplifies data management and improves privacy. This system allows us to manage a root-of-trust without a central authority or a single point of failure.

The first group of products will be developed around this concept, and their success will play a fundamental role in kickstarting the entire ecosystem.



MANAGEMENT

In the fast-paced world of cryptocurrencies, the management and custody of digital assets are key considerations for individuals, companies and financial institutions.

Embracing robust custody solutions and exploring the potential of DeFi protocols will empower institutions to securely navigate the evolving crypto landscape, unlocking new opportunities for innovation, financial inclusion, and regulatory compliance.

As the realms of cryptocurrency custody and institutional adoption of DeFi converge, the stage is set for a transformative era of digital asset management.

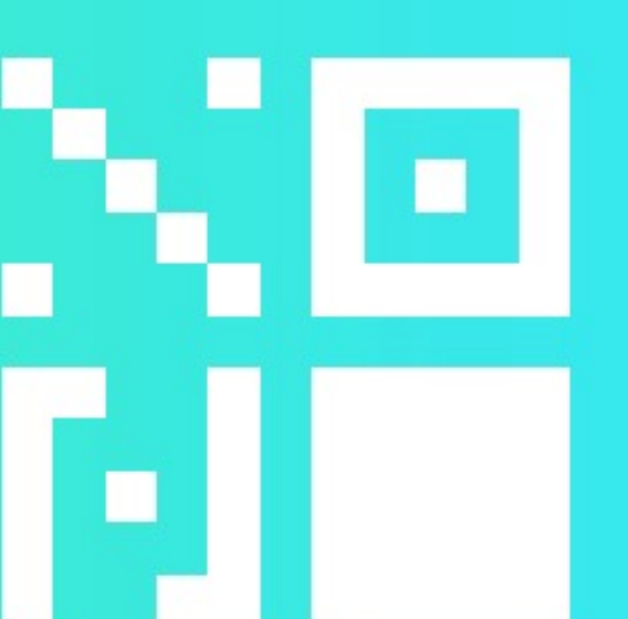
Crypto Custody refers to the secure storage of tokenized assets, with two main options: Self-custody and Managed Custody.

Self-Custody, offers autonomy, privacy, security, financial inclusion, and decentralization. However, it requires individuals or companies to take on the responsibility of safeguarding assets and may have limitations in functionality.

Managed Custody solutions relieve businesses of private key management and offer secure and convenient access to digital assets. However, relying on a third-party custody solution can introduce potential delays, hidden fees, and factors beyond the asset owner's control.

For private investors, ensuring the **security of the devices** hosting crypto wallets is a crucial factor to consider when contemplating self-custody management. In the wake of recent cyber-attacks, such as zero-click malwares targeting phones, the preservation of device integrity has emerged as a new and pressing challenge.

While employing devices exclusively dedicated to crypto activities can mitigate the risk of exposing assets to potential cyber threats, at XON Digital, we eagerly anticipate advancements in biometric systems to confront the security and challenges of tomorrow.



IDENTITY

DeFi has disrupted traditional finance by providing an open platform, but institutions need decentralized identity (DiD) for compliance and risk management. DiD verifies identities and asset ownership securely, enhancing compliance and facilitating institutional DeFi while ensuring privacy and security.

Blockchains provide transparent transaction histories, but hide individual identities. Institutional DeFi requires institutions to disclose wallet data for compliance. Decentralized Identity enables secure verification of identities and asset ownership.

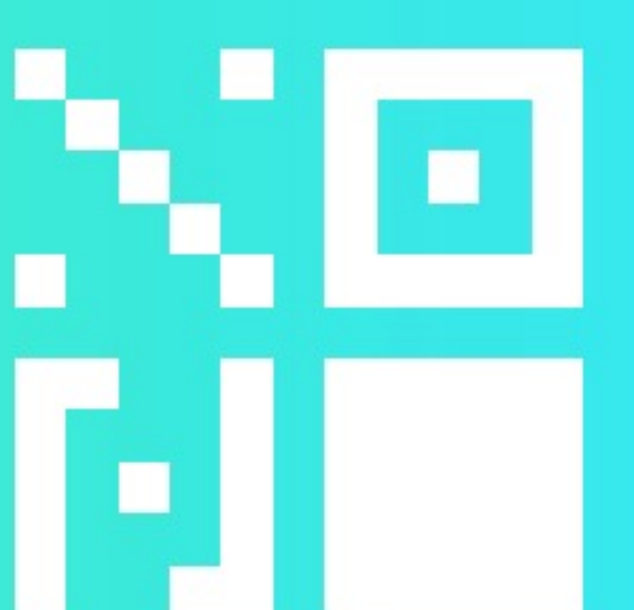
DiD enables institutions to access participant data securely. Developers use DiD and zero-knowledge proofs to meet compliance without compromising privacy. Platforms like Polygon, Hyperledger, and XRPL protect user information while meeting regulatory requirements.

DiD revolutionizes industries globally, offering secure transactions and enhancing privacy, security, and interoperability. With a projected market of \$65 billion, DiD is crucial for regulatory compliance and DeFi applications.



Finance leaders foresee DiD's impact in multiple industries. Growing market expects DiD to be crucial for future DeFi, fostering trust and transparency globally.

- Financial Services: DiD enhances compliance, onboarding, and secure transactions, boosting efficiency.
- Healthcare: DiD securely stores medical records, granting patient control and authorized access for healthcare providers.
- Supply Chain Management: DiD improves traceability, authenticity, and transparency, reducing fraud and ensuring integrity.
- Government Services: DiD enables secure digital identities, enhancing service delivery while minimizing identity theft and fraud.



PAYMENTS

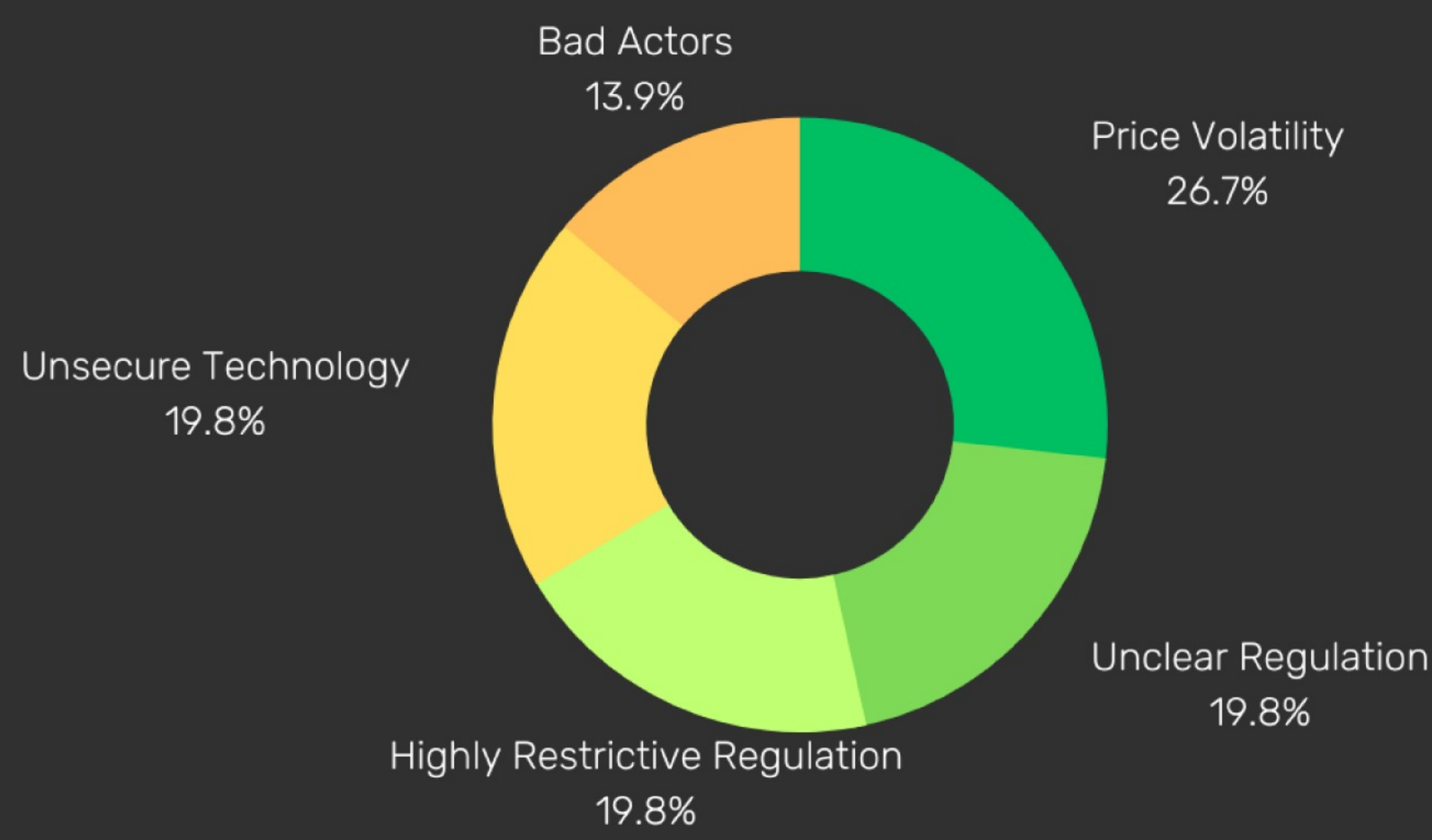
Crypto payments are increasingly used by financial institutions, enterprises, and customers. They offer advantages like **cost-effectiveness** and **real-time settlement**. Regulatory clarity is crucial for widespread adoption, and progress has been made in several countries. Collaboration among governments is needed to avoid stifling progress and innovation.

More enterprises than financial institutions plan to use crypto for payments. Most current crypto users prefer direct transfers from their own digital wallets. Compliance professionals often use payment service providers (PSPs) for regulatory compliance.

Future adoption aims to accept crypto payments and enable customers to make crypto payments. Enterprise respondents prioritize top four use cases and show greater potential for growth and adoption, driven by e-commerce companies. Over 25% of online businesses plan to accept crypto payments by 2025 due to the impact of the COVID-19 pandemic.

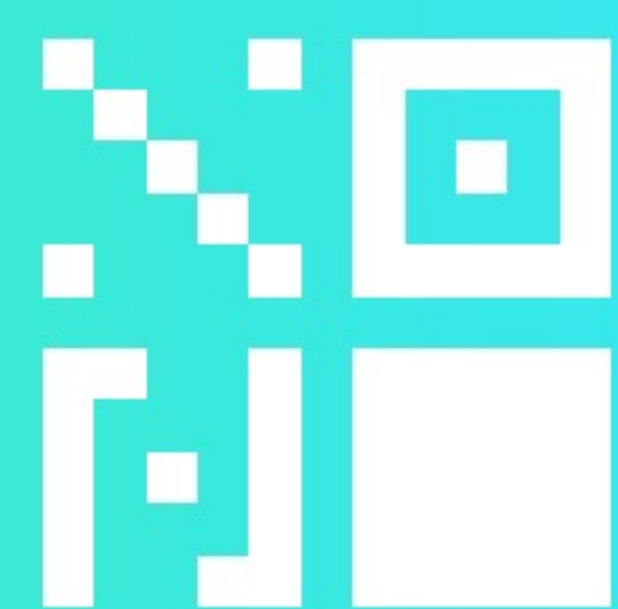
Crypto Payments: Exploring the Perceived Risks

Global payments leaders recognize faster payments as the primary advantage in integrating cryptocurrencies into cross-border transactions, while emphasizing the need for safeguards against price volatility.



Crypto payments offer significant **cost savings** compared to traditional fiat payments, with fees of less than 1% for merchants. Blockchain-based cross-border transactions can save banks up to \$10B, while accepting crypto increases cross-border sales for 77% of merchants.

Traditional cross-border transactions often incur added fees due to payment failures and manual processes, posing challenges for both financial institutions and enterprises. Cost of payments and high interest rates are the top pain points for enterprises in cross-border payments.



FRACTIONABILITY

In the world of blockchain technology, **tokenization** has emerged as a revolutionary concept, enabling the representation of various real-world assets as digital tokens. These tokens hold tremendous value and possess the potential to transform traditional markets and industries.

From currencies and assets like stocks, real estate, and gold to art, intellectual property, and access rights, tokenization opens up a wide range of possibilities. XON Digital explores the concept of tokenization, its key benefits, and its potential impact on the future of business.

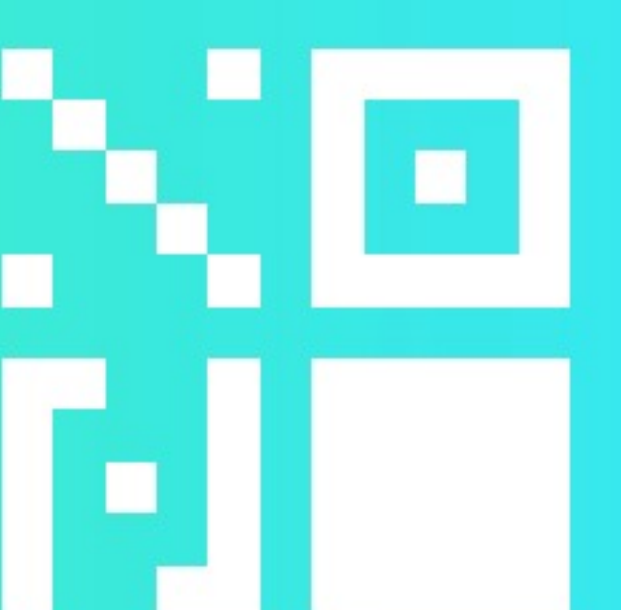
At its core, tokenization refers to the process of **digitizing real-world assets** and representing them as tokens on the blockchain. This digital representation of value brings numerous advantages and disrupts traditional market infrastructures.

Tokenization enables **fractionalized ownership**, dividing assets into smaller units. This fractional ownership facilitates increased customer engagement, brand loyalty, and financial inclusion by allowing a broader range of individuals to participate in investments.

By tokenizing assets, capital flows can be **streamlined**, enabling faster settlement times and reducing the complexities associated with traditional financial processes. Tokenization increases liquidity for traditionally illiquid assets such as real estate and private equity.

Moreover, it enables the creation of **multi-tier pricing** structures, catering to different investor preferences and risk appetites. This approach can integrate compliance processes directly into digital wallets and digital identities, ensuring regulatory requirements are met effectively and efficiently.

As more assets are tokenized and additional use cases for tokenization are explored, the future of tokenization appears promising. According to Boston Consulting Group (BCG), the tokenization of global illiquid assets is estimated to be a **\$16 trillion business** opportunity by 2030. This projection highlights the potential for tokenization to revolutionize the financial landscape.



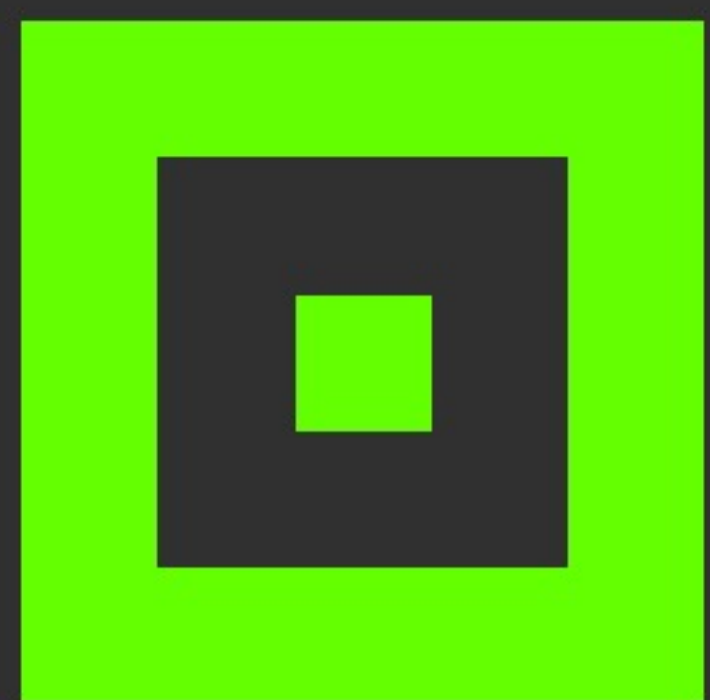
ECOSYSTEM

XON Digital is currently focused on developing a comprehensive range of products within the XON Ecosystem. Our primary offerings include an utility token, a secure wallet, and a decentralized marketplace.

The utility token serves as a digital unit representing value and grants users access to various services within the ecosystem. It plays a crucial role in enhancing the functionality and value proposition of our platform.

Our secure wallet is a fundamental component of our infrastructure, serving as a reliable tool for the secure storage and transfer of cryptocurrencies and other cryptographic assets. With its robust security measures, users can trust that their digital assets are well-protected.

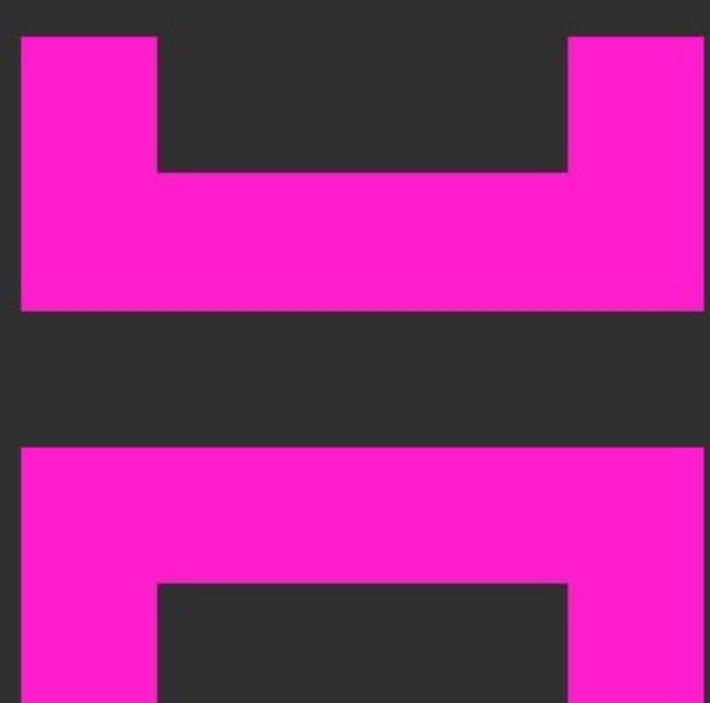
Additionally, our decentralized marketplace is a key feature that contributes significant value to the entire ecosystem. Through this marketplace, users can engage in trading activities and even create new digital assets using the XRP Ledger's public blockchain. This decentralized approach empowers users and fosters a dynamic and vibrant ecosystem.



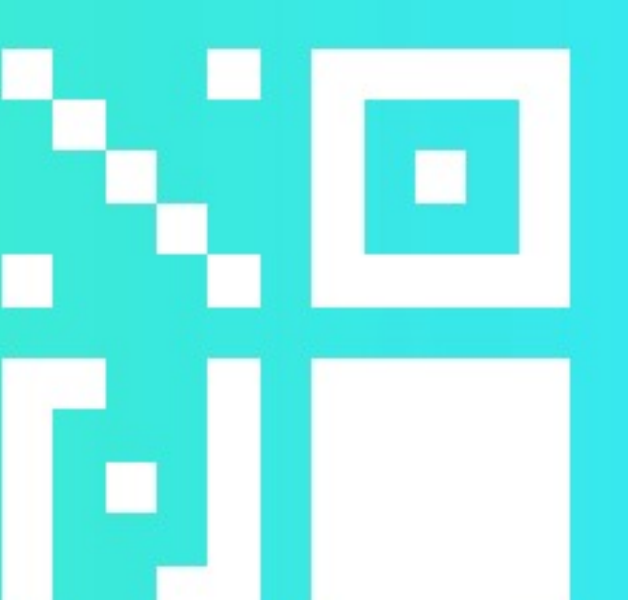
XON The utility token of the XON Digital Ecosystem. Holders have early access to the network's products



XONIC Self-custodial wallet that executes transactions, manage assets and connects users to services.



XONAR A fully decentralized marketplace to mint and manage tradable assets like NTFs.

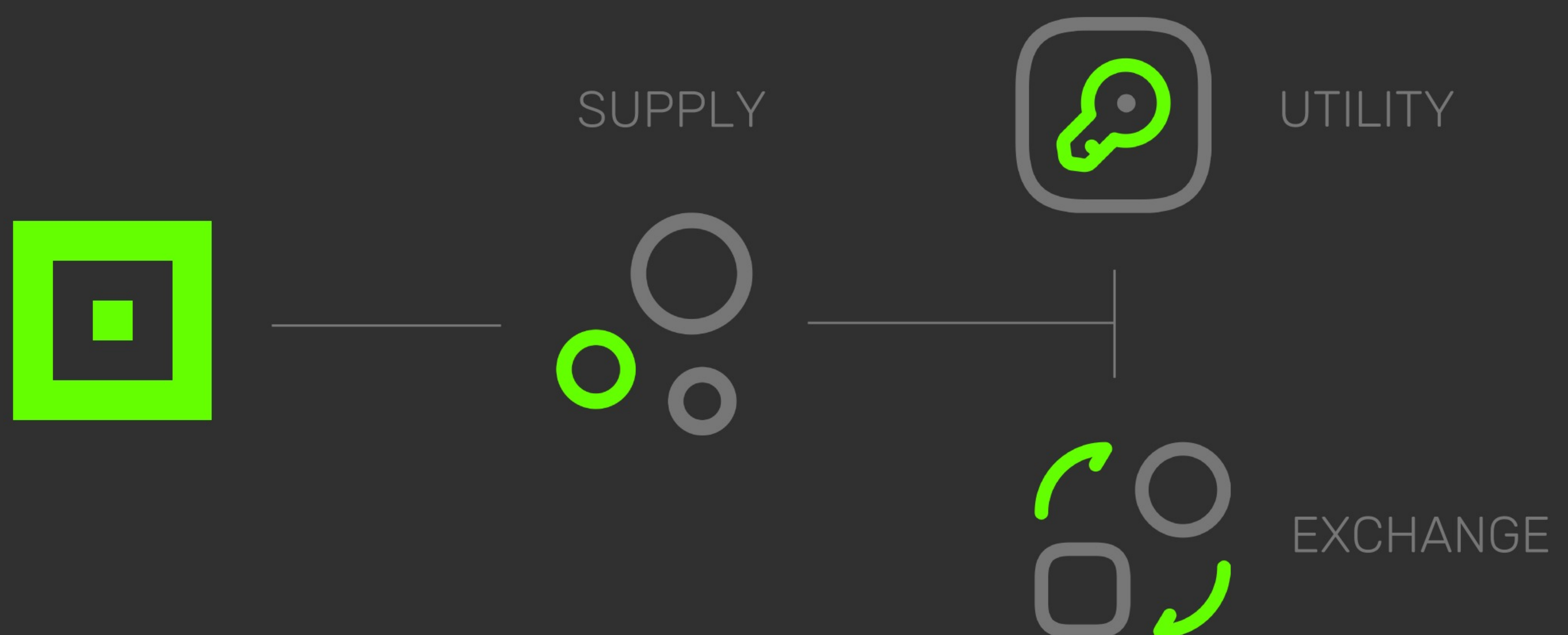


XON TOKEN

XON is the native token of the XON Digital Ecosystem. It is considered an **utility token** that represents value and grants access to current and future XON Digital products and services.

Holding XON tokens not only **unlocks access** to the entire ecosystem but also enhances its overall value.

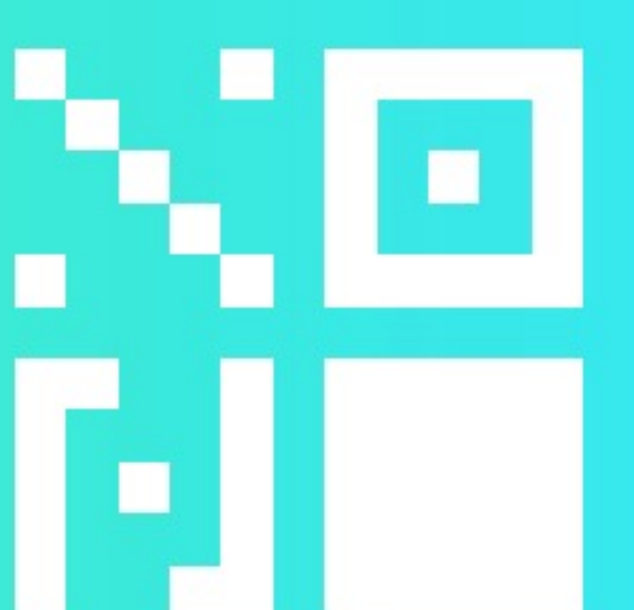
Additionally, it can be used for cross-currency payments and traded on the native decentralized exchange with XRP and other currencies.



XON Tokens are created by an **Issuer Account** on the XRPL. The issuer account holds the total supply of the tokens and is responsible for issuing new tokens and burning existing tokens as needed.



In order to hold a fungible token on the XRPL, an account must establish a **Trust Line** with the issuer account. The Trust Line allows the account to hold and transfer the token, and can be modified or revoked by the account holder at any time. In order to hold and trade the XON token, you need to create a Trust Line with the Issuer Account.

The circulating supply of XON tokens can change over time as tokens are issued, burned, locked, or held in reserve. However, in the case of XON tokens, it can never exceed its total liquidity of **1 Billion**. It's important for holders and traders to keep track of the circulating supply of a token to better understand its value and market dynamics.

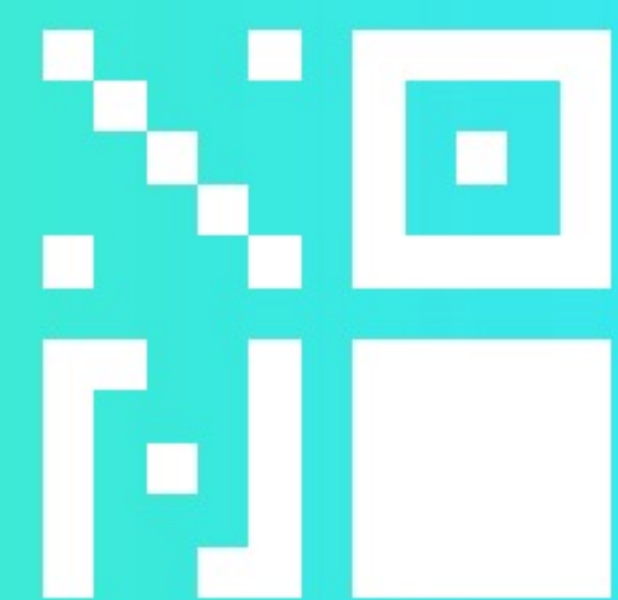


TOKEN PROPERTIES

Detailed specifications and numerical data of the XON Token.

Issuing Account	rswdYCe1dy1LK2wA1Kcs9j8Za3UupBes3K
Circulating Supply *	> 7.000.000
Amount Issued	50.000.000
Token Liquidity	1.000.000.000
Token Symbol	XON
Token Sign	
Decimals	15 digits
QR Code (Issuing Account)	
Official Website	xon.money

* Values as of June 2023



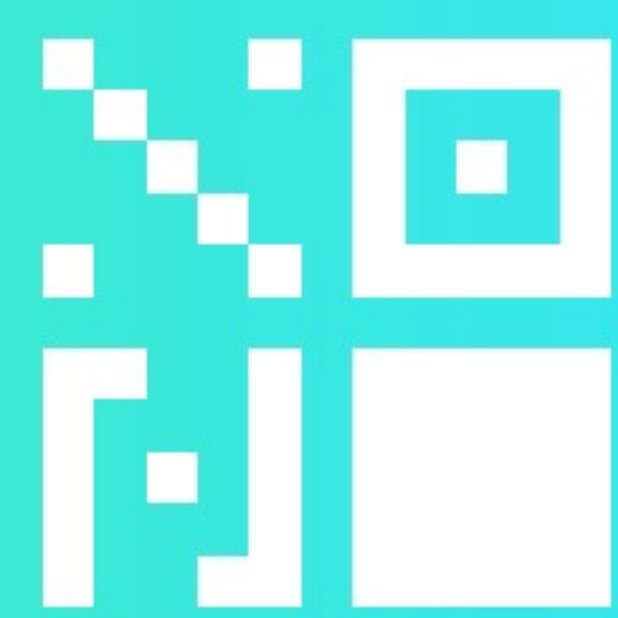
TOKEN DISTRIBUTION

The distribution of the XON tokens is illustrated in the table below:

Public	25 %
XON Team	35 %
Community Fund	20 %
Expansion Fund	20 %

The benefit of a **Community Fund** is to help the XON ecosystem grow globally by supporting various projects within the XON network. The Community Funds will be used primarily for funding brand new projects and other initiatives voted on by the XON community.

The aim of an **Expansion Fund** is to increase the global reach of the project and help to increase the value of the XON token in the long term. This fund serves marketing and promotional purposes for the XON Digital Ecosystem, such as covering listing fees for XON on global exchanges, international promotion campaigns, and rewards.

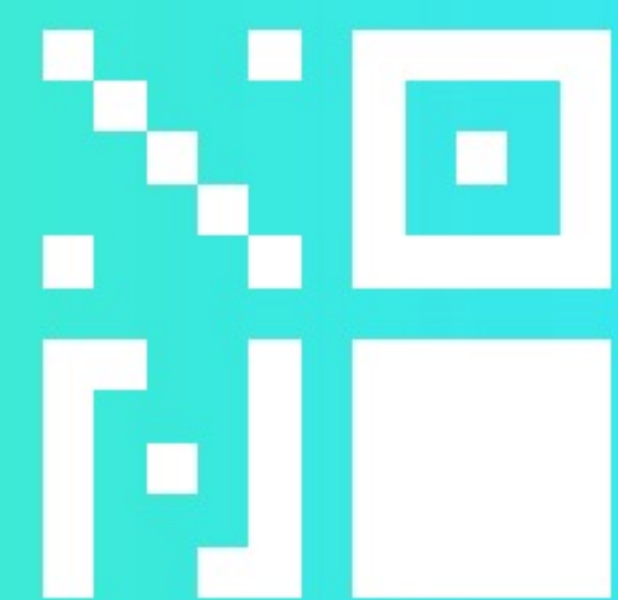
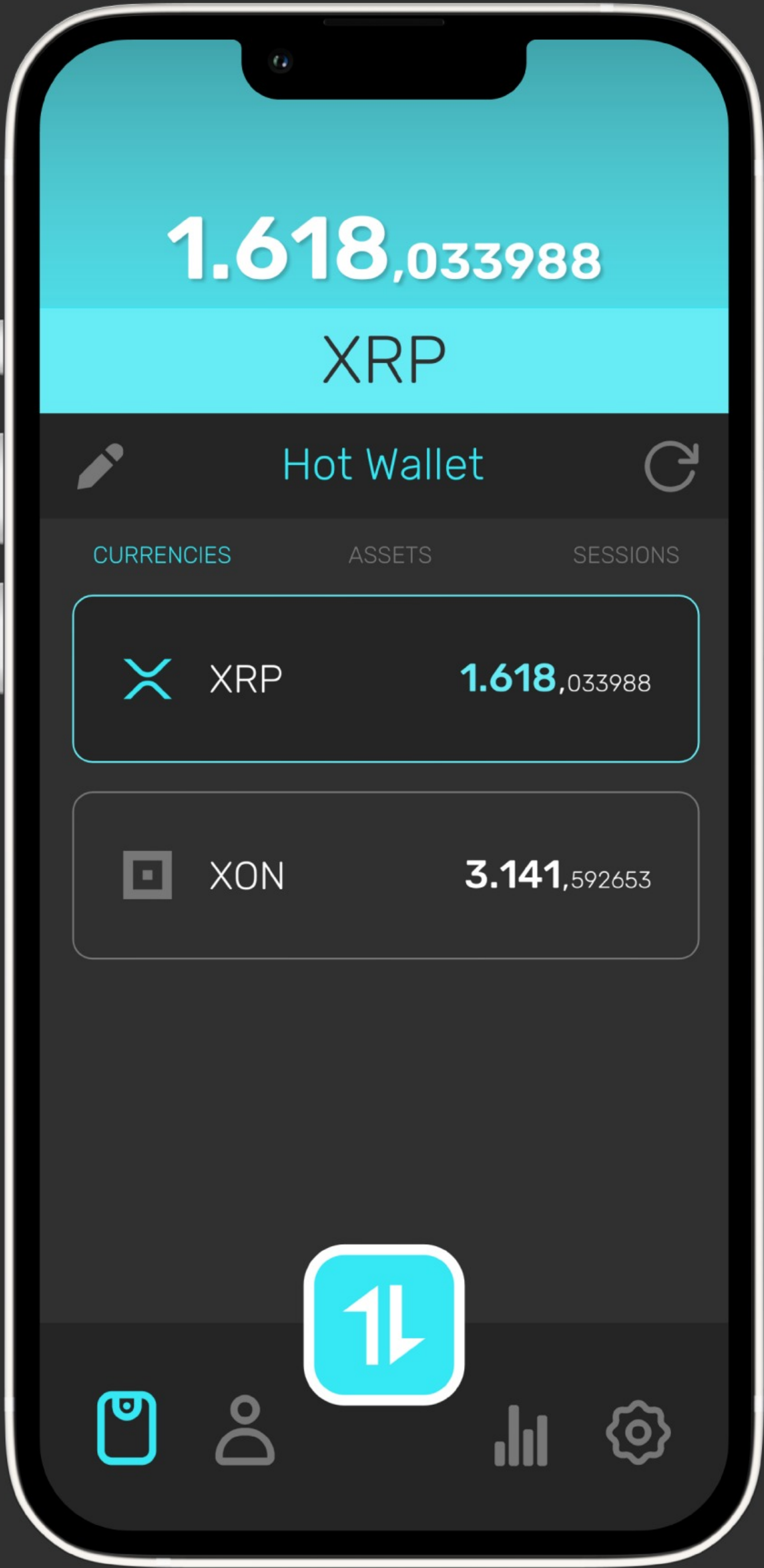


XONIC WALLET

XONIC is a self-custodial wallet that executes transactions, manage assets and connects users to services.

With XONIC, individuals can confidently manage their assets, knowing that their keys remain protected and inaccessible to anyone else. This strong emphasis on security enables seamless collaboration and interaction within a secure environment.

XONIC seamlessly bridges the gap between users and their assets by eliminating barriers. With the option to unlock the app using a passcode or cutting-edge biometrics such as fingerprint or face ID, users gain complete and direct control over their assets.



FEATURES OF XONIC

User-Friendly Interface

XONIC provides a rich and intuitive user interface, making it easy for both beginners and experienced users to navigate and manage their assets holdings.



Multiple Accounts Management

Users can create manage multiple accounts on the XRP Ledger directly within the XONIC app. It simplifies the process by eliminating the need to manually set up XRPL accounts.

Multisignature Support

XONIC wallet supports XRP Ledger's multisignature functionality (Multisig). It allows multiple parties to jointly control an account, providing added security and flexibility for business and personal use cases.

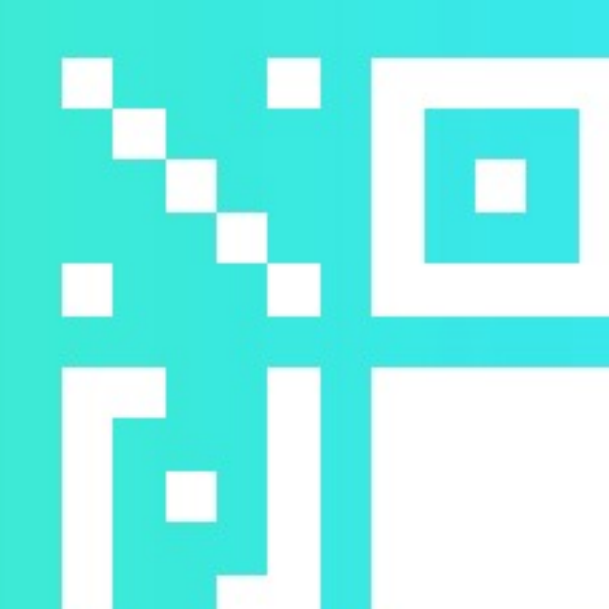
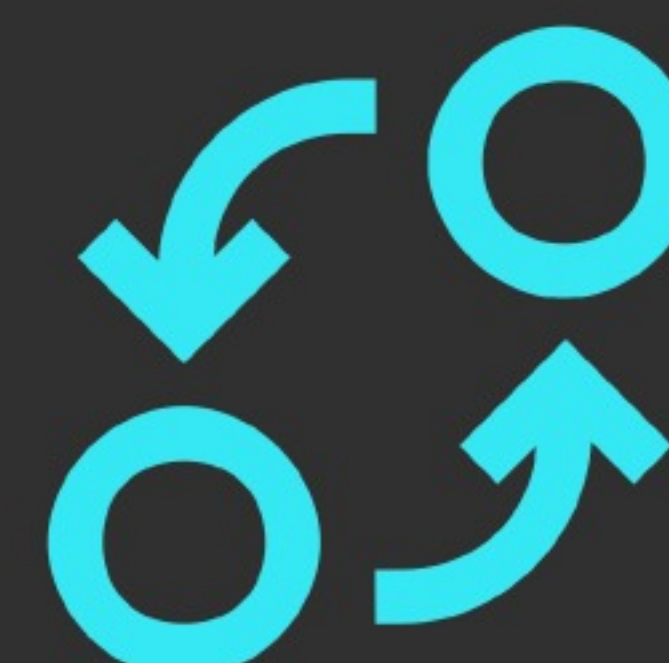


Developer-Friendly APIs

XONIC will offer a comprehensive set of APIs (Application Programming Interfaces) for developers, enabling them to integrate XONIC's functionalities into their own applications and services.

Trustlines, DEX and NFT

XONIC simplifies trustline management, allowing user to easily manage and trade currencies and assets (such as tokens, NFTs and other digital holdings) on the XRPL built-in native Decentralized Exchange.



XONAR MARKETPLACE

XONAR is the fully decentralized marketplace of the XON Digital Ecosystem where is possible to mint and trade digital assets.



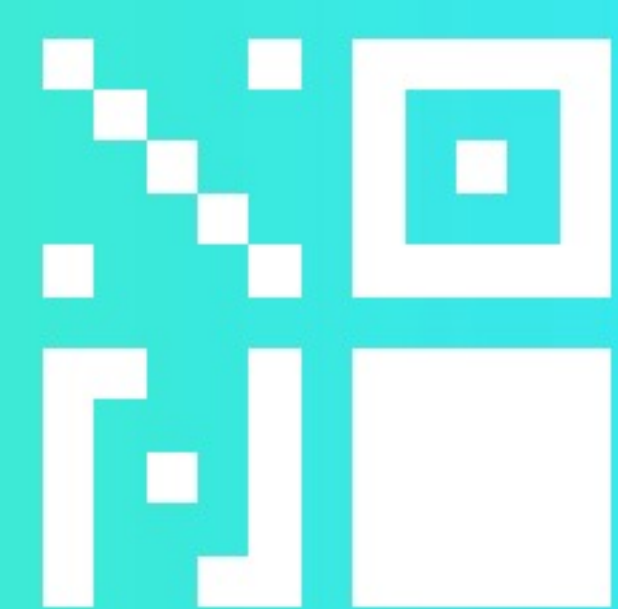
NFTs (Non-Fungible Tokens) serve to encode ownership of unique physical, non-physical, or purely digital goods, such as artworks, in-game items, music albums, e-books, and more.

XONAR offers an innovative user experience in the emerging NFT market. Users can easily create, manage, trade, and burn NFTs on the XRP Ledger.



An NFT seller can handle each individual sale, or alternatively, the process can be turned over to a broker account to maximize the selling price of the NFT.

XONAR is decentralized and built on the public XRP Ledger, with the minting process being handled at the application layer.



BETA ACCESS TO XONAR

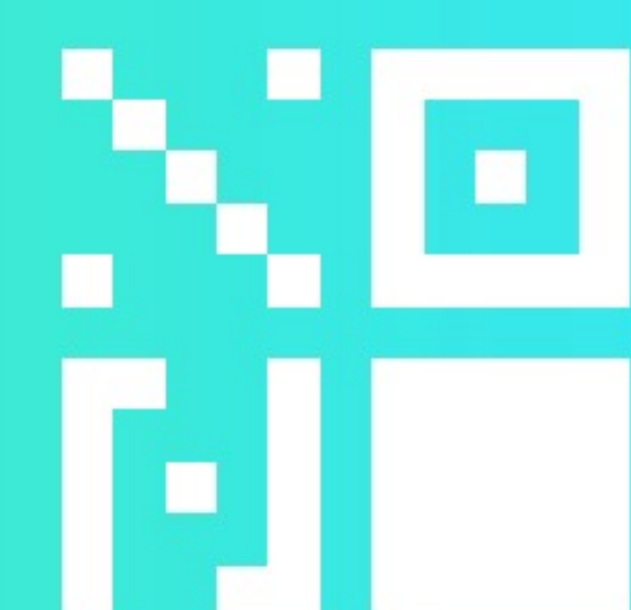
XONAR's initial release is currently in development, and we are pleased to offer early access to the BETA version for all XON holders.

This exclusive opportunity grants users the privilege of being among the first to test the platform and enjoy various benefits. These include special rewards and notably reduced fees for creating NFTs throughout the entire beta period.



By becoming an early user of XONAR, individuals not only enhance their engagement on the platform but also gain access to exclusive rewards.

Beta testers will have the privilege of creating NFTs at significantly reduced fees, and in some cases, even at zero cost, throughout the entire beta period. This exceptional advantage allows users to fully explore the capabilities of XONAR while actively contributing to its development and evolution.



CONTACTS

The following email addresses or links are the official contacts of the XON Digital Ecosystem (as of June 2023). Make sure you are reading the most updated White Paper version (available on the official website).

EMAIL

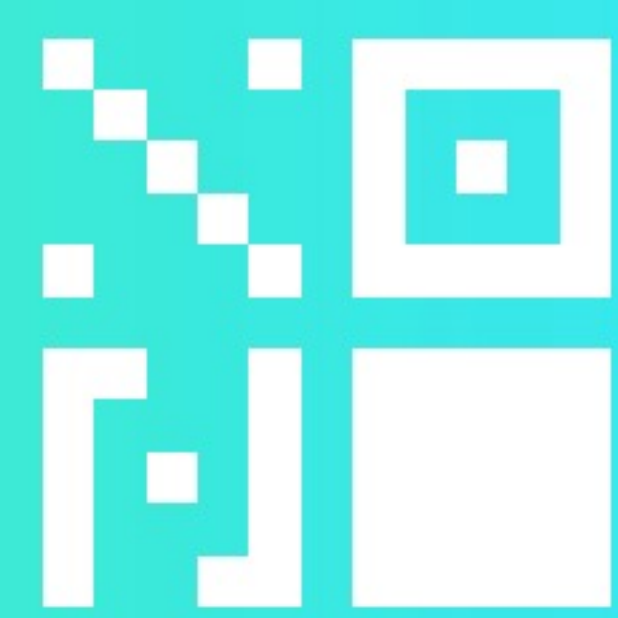
XON DIGITAL	info@xon.digital
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WEB

XON DIGITAL	xon.digital
XON TOKEN	xon.money
XONIC WALLET	xonic.app
XONAR MARKETPLACE	xonar.app

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