

Abstract

Bitcoin has surpassed \$60,000 USD and has become legal tender in El Salvador. In the early days of Bitcoin, the price movements were often opposite of the FIAT economy, with the bitcoin price rising when there was a growing mistrust in FIAT currencies. When a country's centralized currency was considered unreliable, tendencies such as people exchanging those currencies for the decentralized bitcoin could be observed. However, in recent years bitcoin has begun to have price movements similar to that of the FIAT economy. Cryptocurrency assets and the FIAT economy are beginning to exhibit similar economic trends.

A few years ago, we saw phrases such as "The beginning of the cryptocurrency and crypto assets era", but now, with cryptocurrency having increasingly deeper ties to the FIAT economy, the true era of cryptocurrency is about to begin. As crypto assets become more and more recognized and accepted, one of the first things that comes to everyone's mind are payment services utilizing crypto assets. However, since certain aspects of bitcoin make it unsuitable for small transactions, there is a demand for alternatives. Local currencies could be one of the answers.

There is also a growing trend towards the digitization of national currencies. By using blockchain to manage currencies, convenience of payment can be improved thus encouraging consumption. By creating a digital currency that can be used conveniently and affordably in the UAE, we can promote consumption and attract more inbound tourism and commerce.

As for local currencies, while there have been implementations of varying scale, a certain level of positive results have been achieved, and even cases of success on a smaller scale have been confirmed.

The trend of blockchain-based payments will continue to grow globally. As blockchain-based payment systems continue to expand, the next trend is expected to move towards greater interconnectivity with other systems through the ability to swap and exchange currencies. Ultimately, holding a major crypto asset or a local currency will make it possible to conveniently use a connected payment system wherever you go in the world.

The Kexus Project aims to spearhead such trends and accelerate the development of digital payments in the UAE. The world's payments are becoming connected through the technology of blockchain, and as this movement spreads, the convenience of crypto assets will improve, leading to a broadening of opportunities for people to engage with this technology.

Introduction

The number of technological innovations in recent years has been remarkable, and the rate at which these innovations are occurring has become so fast that there is now a significant social demand for digitization in many parts of economic sectors all around the world.

In addition, with the growing number of younger children also owning smartphones, the rapid spread of these digital devices has led to a growing need to address the following points.

1. Security, preventing hacking and forgery
2. Reliability
3. High performance
4. Low cost to adopt and use
5. Wide range of usability
6. Support for a wide range of use-cases, not only payments

Blockchain and distributed ledger technologies are promising in terms of technology to answer these needs. Technologies to prevent tampering of ledgers and double transfers, such as Bitcoin, have emerged along with cryptographic assets.

In recent years, a technology called "smart contracts" has emerged that can be applied to a variety of purposes, making it possible to automate things such as contractual processes.

This technology is being utilized not only for payment systems, but has even gained popularity in the fields of music and art in the form of digital contents.

Although the number of payment systems that accept bitcoin payments has been gradually increasing since its introduction a few years ago, the growth of stores that accept bitcoin payments has been slowing down worldwide due to transaction problems.

One of the major problems with Bitcoin is that transactions take a considerable amount of time to process, making it unsuitable for small retail payments.

In some cases, bitcoin transfers appear to be instantaneous, however this is only because the platform that provides the payment system uses the same internal wallet in order to transfer funds, giving the illusion of instant transactions.

However, if the seller and the customer do not have wallets on the same platform, it will take an excessive amount of time to complete the payment (remittance), which means it is not suitable for small payments.

There have been successful examples of payment currencies in smaller regions with less than 20,000 users, and it is anticipated that this new trend in blockchain technology will lead to the creation of economic zones based on digital payments. For this reason, it is important to be able to make payments conveniently in various regions using a common wallet.

In order to accelerate the trend of regional payments being used worldwide, there will come a time when there is a need to be able to exchange one local currency for another and this will require these unique blockchains to be compatible with each other. By being compatible and

with the ability to exchange currencies, users will be able to obtain goods and services conveniently and at a reasonable price wherever they go in the world.

Based on recent advances in digital technology and the needs of the economy and society, the Kexus Project intends to provide a digital payment infrastructure that will contribute to economic development by increasing accessibility and encouraging consumption.

About The Kexus Project

The Kexus Project aims to provide digital incentives for people's daily consumption behavior that are secured in value by a decentralized ecosystem.

Digital rewards/points services, which have become a part of our daily lives, have shifted from being a mere "discount program" to being used as a "measure to attract and retain customers" in the web 1.0 ~ 2.0 era. Furthermore, more and more companies around the world are using loyalty point services not only to "retain customers" (i.e., to acquire repeat customers), but also to "convert customers into fans" (i.e., into loyal customers who become attached to a company or brand and continue to support it over the long term).

While it is of course necessary to implement a variety of other measures in addition to point services to make people become fans, digital incentives have been completely ingrained in our everyday lives as a way to "trigger" people to become fans.

While the market for digital incentives/digital point services is growing, it is true that there are also some volatile aspects, such as the fact that the value of digital points depends on the trust of the company and can lose its value depending on the economic situation of the issuing company.

The Kexus Project will also allow for the signing and settlement of large purchases such as real estate, something that has not been accomplished by conventional payment systems. Up until now, there have been no services that go as far as settlement of real estate contracts with smart contracts due to problems with identity verification and payment screening. However, by incorporating smart contracts, asset collateral, and personal authentication mechanisms, blockchain technology can be used to its fullest potential to facilitate the purchase of real estate. By staking coins issued by the Kexus Project, it is possible to purchase more coins at a discount.

The Kexus Project will centralize digital incentives and digital points in the Kexus merchant network and use it as a gateway to the democratic and decentralized world of cryptocurrency. The project also aims to evolve the digital incentive/digital point service as a Web 3.0 solution that does not depend on the issuing company by backing the value of digital points through a proprietary token.

Kexus Token

Kexus Token is a bridging multi-network token with support for a variety of networks. The Kexus Token will be initially issued through Polygon, which is being touted as a second layer of the Ethereum network that allows for fast processing power and decentralization based on "Proof of Stake," a next generation consensus algorithm. Polygon is expected to solve Ethereum's high fee and transaction problems, and can perform transactions at a lower cost and faster speed than other chains. Polygon's second layer (side chain) also acts as a fast blockchain that runs alongside the main Ethereum blockchain. Polygon, a potential future replacement for Ethereum, is also highly compatible with ERC and can be used for a variety of applications running on the Ethereum blockchain. The total supply of Kexus Token will be fixed, and in the case of added support for more networks, an amount of Kexus Tokens on the polygon network equivalent to the newly issued supply will become locked.

Polygon

Polygon was founded by Jaynti Kanani, Sandeep Nailwal, and Anurag Arjun, later joined by Mihailo Bjelic. The original name of the project was Matic, but the project was renamed to Polygon in 2021. It was created to solve the scalability concerns that had been identified with Ethereum. It is also capable of handling large volumes of transactions of crypto assets. Polygon is organized in multiple layers (hierarchies).

- Ethereum Layer
 - Handles communication with the polygon chain, verifies transactions, and handles staking processes.
- Network Layer
 - Handles block generation, local consensus, and transaction queries
- Security Layer
 - Responsible for security and preventing unauthorized access

Polygon Chains

Polygon supports two major types of ethereum-compatible blockchain networks: stand-alone networks and secured networks.

- Stand-alone chains
 - Independent with its own security system. This allows projects to establish a high degree of independence and provides flexibility in operations.
- Secured chains
 - Networks that set up a pool of professional validators, verifying and validating networks and transactions, such as the service provided by Polkadot. Secured chains generally offer a higher level of security, with the tradeoff of sacrificing a portion of independence and flexibility.

*A blockchain validator is someone who is responsible for verifying transactions on a blockchain.

UAE Merchant Network

The Kexus Project can be used in many retail stores, restaurants, etc., mainly in Dubai and Abu Dhabi, through partnerships with various companies in the UAE.

Incentives for consumption behavior within the UAE will accelerate consumption, and users will be able to complete payments through an app.

Stores can also become participating merchants without having to spend a large amount of money to install a regular payment system.

Payments can be made easily at a wide range of locations, including large shopping malls, supermarkets, food delivery, hotels, etc., and incentives can be offered to attract and retain inbound commerce. By keeping the payment application updated to show store locations and recommended products, the customer can be shown more attractive affiliated stores, further improving spending rates.

1. Expansion of the number of stores utilizing the system
2. Region-based Payment Systems
3. Attracting inbound tourism and commerce.
4. Retention through incentives

By focusing on these four points, the lives of all consumers can be improved with this common payment system, resulting in the creation of a new single ecosystem.

Merchant & User Apps : SPRAY

We will be providing the app Spray to provide a payment and loyalty rewards solution.

Spray is an off-chain loyalty rewards app that allows the user to earn NEX points based on the amount they spend on purchases, and the accumulated points may also be used as payment.

Additionally, accumulated NEX points can be exchanged for Kexus Tokens, and NEX points can also be recharged using Kexus Tokens from various networks.

The app is scheduled to be released in January 2022 and is planned to be available in various shopping centers in Dubai. The number of companies planning to adopt this service is about 110, and the payment service will be gradually implemented by the end of the fiscal year 2022.

NEXFI

NEXFI's plan for the distribution of Kexus Token

Kexus Tokens will initially be distributed to board members, private sale participants, and pre-sale participants. The remaining supply will be reserved for staking members and discount sales. Users can buy additional coins at a reduced price by locking a portion of their active coins, giving them the right to participate in discount sales. In other words, the remaining tokens other than the initially distributed ones will be distributed on the market only as part of Kexus Token Staking benefits through NEXFI. There are also plans for a system where the Kexus Foundation will purchase tokens for a fixed amount for market circulation, which will keep the value of the tokens above a certain level and ensure a stable and gradual growth.

Token Allocation

Public Share 20%
Company 15%
Incentives 10%
Partner Programs 20%
Staking of Service 25%
Farming 7%
Staking 3%
(Al Naboodah Group, etc.)

*The Public Share will grow in proportion as the token economy develops, with the aim of becoming the largest payment currency in the UAE.

Disclaimer

1. This white paper describes the Kexus Project and does not constitute a legal document or legal notice or instruction for any jurisdiction. Individuals, companies, and other organizations should carefully consider the content, risks, benefits, and costs as they read this white paper. If deemed necessary, it is the responsibility of the individual to consult with

experts.

If you decide to participate in the Kexus Project in any way, please read the applicable terms and conditions and this white paper to fully understand the content at your own risk.

2. The content of this white paper and the terms and conditions of your participation in the Kexus Project are subject to change.

Any such changes will be updated on the official website and the white paper release website. Participants and interested parties are responsible for making sure they have reviewed the latest version of the white paper.

The Company reserves the right, at its sole discretion, to make changes, corrections, additions, or deletions of any part of this white paper, business content, service content, or terms and conditions at any time by publishing the changes or amendments on The Company's website.

Purchasers of coins and users of the service will be deemed to have agreed to these changes upon purchasing coins or otherwise participating in the service. Coin holders and service participants should not participate in the service if they do not agree with the content and terms and conditions of this white paper at any point in time.

3. All information presented in this white paper is not intended to provide a basis for investment decisions. We do not assume any responsibility for any loss or damage, direct or indirect, resulting from the use of this white paper.

4. When participating in the service provided by The Company or purchasing coins, participants and purchasers must comply with the laws and regulations of their own jurisdiction. We are not responsible for any damage you may suffer should you ignore the laws and regulations of your area of residence.

5. Understanding the risks regarding the service

If you participate in this service, you do so with the full understanding that there are risks associated with the following items. The Company shall not be liable for any loss or damage incurred by service participants in the event of any of the risks specified in this white paper and all other foreseeable risks.

5.1. Risks associated with technical changes

Crypto assets and blockchain technology are evolving every day.

In the event that new technologies in the same field are newly developed, the services provided may differ from those specified in the initial version of this white paper. With respect to the technology associated with our services, there may be risks such as system failure, significant specification changes by main chain companies, private key loss, related protocol malfunction, failure or abandonment, external hacking, cracking,

and security weaknesses.

5.2. Risks associated with the business itself

The planned projects described in this white paper may not necessarily proceed as originally planned.

Announcements, incidents, accidents, and financial instability related to major world affairs, price movements of cryptographic assets, and all other events that affect this business may cause delays or cancellations of plans.

While the Company will do everything in its power to develop the project, the contents of this white paper are not guaranteed.

Furthermore, The Company does not guarantee any benefits or rights to service users who participate in services provided by The Company.

5.3. Risks associated with the coin market

The Company does not guarantee the value of coins issued in connection using the services provided by The Company to the coin acquirer.

Furthermore, The Company does not reserve any rights with respect to coin ownership.

We do not guarantee that we will support secondary distribution or external evaluation of issued coins.

Coins are subject to liquidity, and The Company shall not be held responsible for any losses incurred by coin purchasers due to a rise or fall in the price of coins, regardless of whether the coins were purchased directly or indirectly.

5.4. Risks of losses not covered by insurance

Unless the user of the service provided by The Company obtains private insurance to insure coins issued by The Company, due to the nature of crypto assets, they are not insurable at face value, unlike bank accounts at financial institutions.

In addition, to the best of the Company's knowledge, no such insurance exists.

5.5. Risks related to laws and regulations

Different jurisdictions have different rules and regulations regarding the sale and exchange of coins and blockchain-related technologies.

There are also jurisdictions that do not have laws and regulations in place and which are not clearly defined.

It is practically impossible for The Company to predict the content of

future laws and regulations in each country with respect to the relevant laws and regulations.

In the event that there are regulatory measures, or changes in laws and regulations in a particular jurisdiction, The Company will aim to provide services in a manner that complies with those laws and regulations, but if it becomes difficult to provide services due to the content of those laws and regulations, The Company reserves the right to suspend operations in that jurisdiction.

5.6. Risks associated with taxation

The characteristics of the taxation of the coins issued by The Company may vary from jurisdiction to jurisdiction and may not be clearly defined. Buyers and holders of coins issued by The Company are responsible for understanding the taxation status of their own jurisdiction.

The Company will not be held liable for any adverse tax treatment, including withholding tax, corporate income tax, or tax filing requirements, that may be imposed on purchasers, holders, or traders of coins issued by The Company.

5.7. Risks of dissolution

The Company will make every effort it can to provide the service no matter the current state of global affairs. However, situations such as national unrest, worldwide financial crisis, extreme price fluctuations in crypto assets, legal tender, extreme fluctuations of the global stock market and credit uncertainty may result in the dissolution of The Company due to reduced usefulness of coins issued by The Company, loss of commercial opportunities, or objections from intellectual property owners.

5.8. Other risks that are not currently anticipated or recognized

Technology businesses that apply new technologies, such as the Company, may involve technologies that are untested or have not yet been fully tested.

Although The Company will perform as much testing and verification as possible, it is possible that not all testing and verification processes will be completed in a finite amount of time. There are also unforeseen technology-related risks and the risk of natural disasters such as earthquakes. This can lead to project delays, interruptions, and dissolution.

6. Security Liabilities

Purchasers and holders of coins issued by The Company are responsible for taking reasonable measures to protect the private key and other information necessary to access the wallet used to purchase, receive, and hold the coins, as well as all other mechanisms used to store the coins.

If a purchaser or holder's private key or other information is lost, the purchaser or holder may lose the ability to access their coins.

In addition, there is a possibility that information necessary for access by the purchaser or holder may be leaked to a third party, resulting in some kind of loss.

This white paper is a translation of the original Japanese version. Translated versions of the original into other languages may exist, however, the genuine version is the Japanese version. Please be aware that there may be some differences in nuance in translated versions.