



THE FPA WORLD SERIES TOKEN OFFERING WHITE PAPER

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1. MARKET OVERVIEW

Fencing has been historically evaluated as a fragmented market with shards of business here and there, too small to be viewed as a coherent set of attractive investment opportunities. For that reason, it has rarely been given a second chance at evaluation over the decades. If one were to re-evaluate the market with an unbiased eye, there are several key statistics that portraint an entirely different picture of opportunities.

Introduction

Fencing is commonly stereotyped as a wealthy, elitist, and even nerdy sport, that inspires feelings of nobility, tradition, elegance, and historical wisdom.

That being said, Fencing has rarely been understood as having tangible business potential. The reasons are several:

- A fragmented market that has never been evaluated from a global perspective
- A steep learning curve that prevents early adopters to stick with the discipline
- Key resident decision makers not well-versed in business, mostly composed by former athletes, technicians, coaches
- A large lack of coordination among federations and clubs, many of which depend on the public sector rather than private effort
- No financial incentive to improve brand-recognition drastically

While the organizational efficiency of International Federations has vastly improved in the years under the International Fencing Federation (FIE), the efforts to raise Fencing's brand awareness and further complementary brand associations have been poor.

A commonplace rationale of this phenomena from within the community, albeit a very flawed one, pegs to problem to a lack of spectacularity in Fencing, given its "difficult-to-follow" rules across all of the three weapons.

As it might be a concurrent cause to consider, it is a far cry from being the main reason to focus on in order to turn around this Sport as valuable brand.

Market Dimensions & Demographics

The opportunity for fencing as a pool of premium demographic segments with high conversion rates (online and offline) becomes evident as soon as the market gets analysed as a whole.

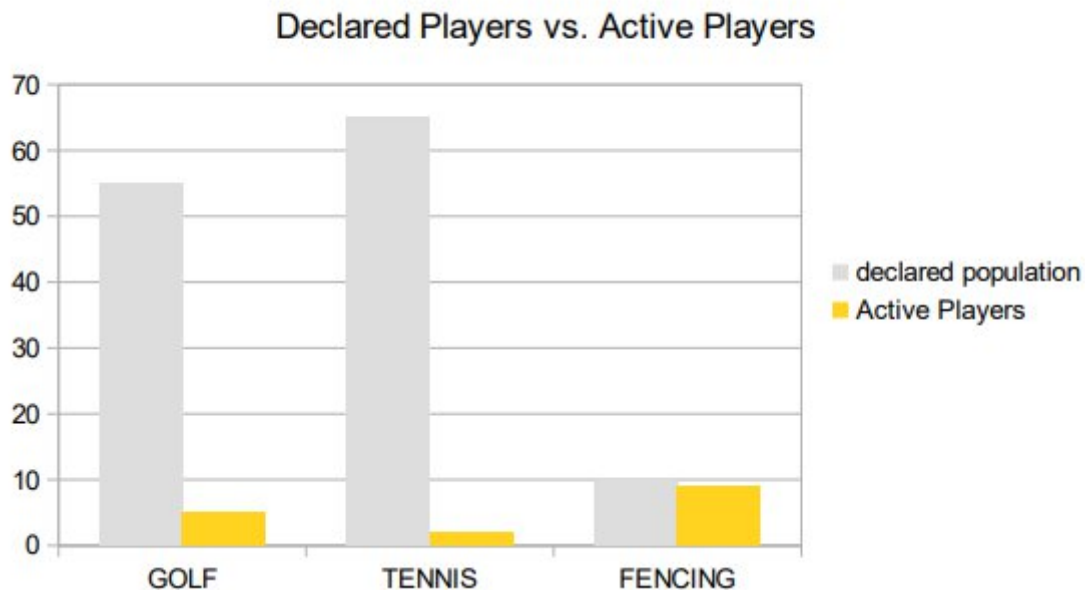
Analysing the market has always been a challenge as the currently fragmented nature of fencing worldwide prevented many from extracting the data from the most relevant geographies.

Our team has undertaken this effort, combining already available information with decades worth of data collected by its partners, including established brands since 1938 (e.g. Carmimari).

Size Matters

To understand Fencing's market size, it is important to understand the nature of this Sport. Unlike tennis and golf, it is hard to properly undertake a fencing match by training less than once a month. For that reason, the market behaviour of Fencing is much closer to Motorsports' than it is to individual Sports: a larger audience and a larger avid player segment, but few to none "occasional" players.

This factor alone easily becomes an advantage as communication to the market-base is more direct, dramatically increasing brand-retention and conversion rates. In fact, compared to the standard 1%, the online shopping conversion rate for fencers is anywhere from **4% to 8%**



This is more than double the rate of a comparable Sport such as Tennis or Golf (source: Statista) on an avid-players user base of around **10M people**.

Some facts:

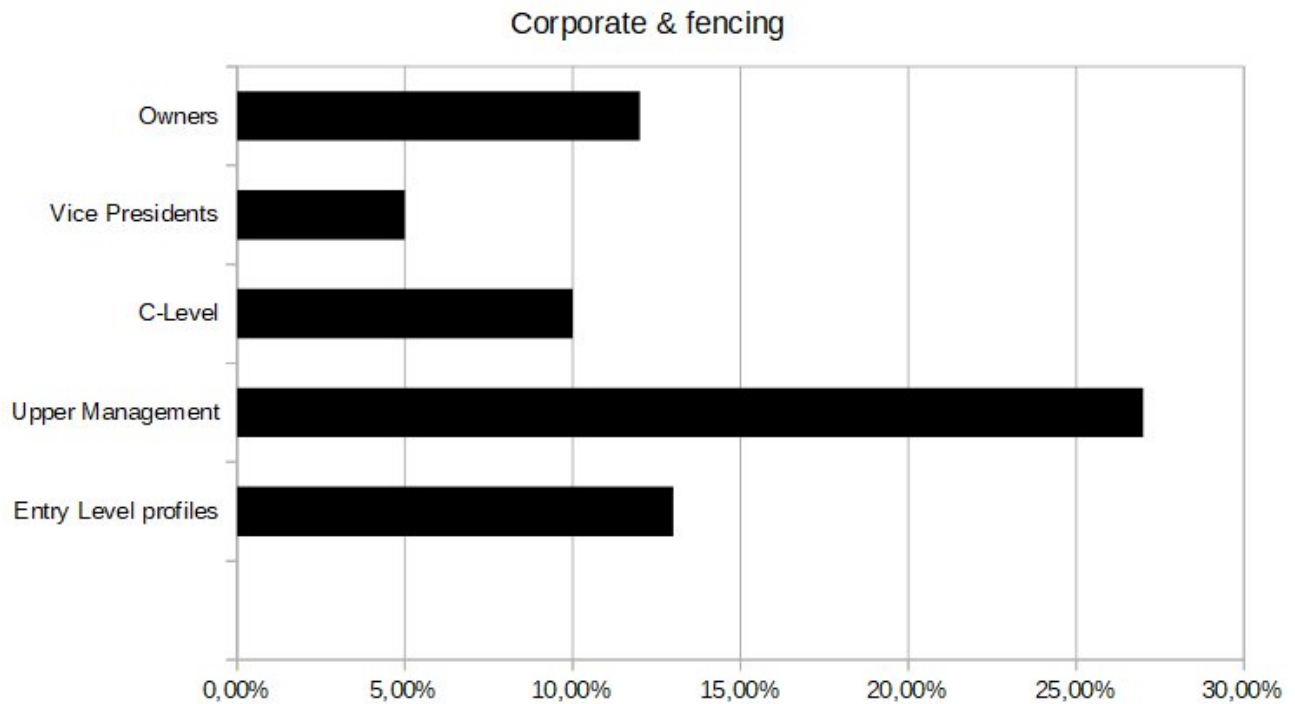
- **10 Million** fencers in the world, fencing at least twice a month;
- **9 Million** fencers fencing avidly every week;
- Fencers less active than twice a week are considered **audience**;
- The **learning curve** of fencing is steep
 - Beginner- training 3 times a week minimum to compete effectively at a small mom-and-pop run local tournament
 - Intermediate- training 4-5 times a week minimum to compete effectively at strong, recognized local tournaments and some national events
 - Expert- training 6-7 times a week minimum, plus strength and conditioning, plus sports psychology sessions, plus nutritional planning, plus sports massages, to compete effectively at national, collegiate, and international events (think Formula 1 levels of professionalism)

Demographics

The first trait about Fencing it's the longevity of the user, translating into a lasting commitment to spread the Sport's brand over the years.

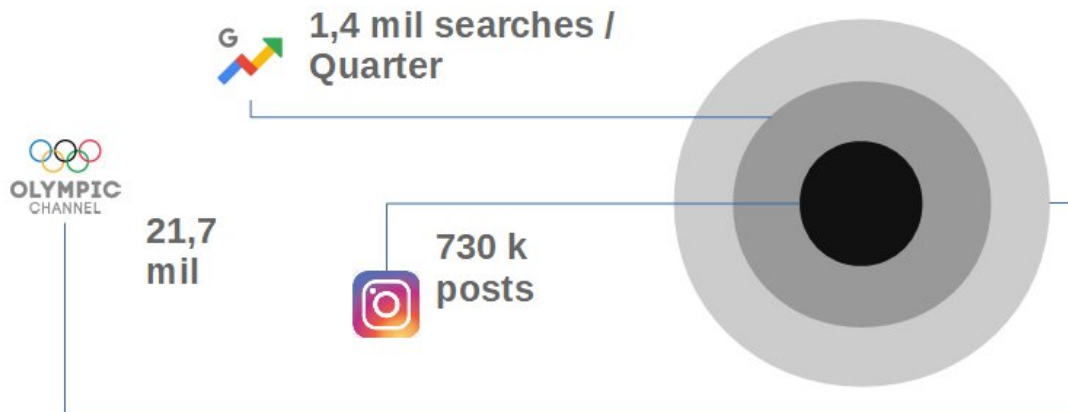
- **5 years old**
- Age valid for First competition per current rules
- **96 years old**
- Current oldest fencing Veteran, representing a Veteran movement of thousands of fencers aged 40-90 encompassing 4 fencing subcategories

Most Importantly, the mix of above-mentioned demography and volume interestingly introduces another valuable variable- the variety of business-related professions found among fencers.



This dataset underlines the potential wealth of influencers and buyers in a market that so far has rarely been organized into a single reachable pool.

This is also well-backed by the data on Media Audience and Proactive Searchers via Social Media & Internet, as depicted below:



- Close to **22 Mil** viewers chose to watch Fencing over TV and Streaming during the Olympic Season;
- Almost **1,5 Mil** searches are performed on Search Engines about the Sport of Fencing;

2. TURNING FENCING INTO THE NEXT BRANDING POWERHOUSE

Benefits & Results: Opportunities

Cultural Influence Opportunity

Despite all the historical financial shortcomings of Fencing as a Business, its impact as a sport has been consistently remarkable throughout the decades, worldwide.

Many generations of Global Leaders in Politics, Business, and the Arts have been greatly influenced by the sport of Fencing (Mark Zuckerberg, Bruce Dickinson). It's the very same reason for which many Ivy-leagues universities around the World value achievement in Fencing as admission credits; it's the very same reason why the same Universities teach Fencing on their campuses.

Heavily concentrated with beyond-the-looks values, and being the only western martial art to embody centuries of culture, make Fencing an incredibly totalling lifestyle, jealously safeguarded by Fencers that strive to find it and utilize it in every aspect of their lives.

The strong learning curve of the Discipline results in higher loyalty than any other general sport or fitness activity.

Market Evaluation Opportunity

Compared to other Sports communities, the market segmentation of Fencing is incredibly undervalued, especially in emerging markets.

Fencing efficiently encompasses some of the most valuable targets in the consumer market:

- 54% of fencers aged over 30 have a senior management role in leading companies and businesses;
- Fencing enrolment begins at ages 8-10, targeting mid-high income families, that are willing to invest into the education and the future of their kids;
- Fencer loyalty is cemented between 14 and 18 yrs of age. The segment aligns perfectly with influence buyers around the world, resulting in spending-capable teenagers as trend setters among peers;
- Tourism is a crucial component of any elite sport. As the value-generating segments of this market travel are the competitions that are hosted around the world, they bring in direct revenue for hoteliers and restaurants as well as indirect revenue from the local audience at the competitions venues. As no serious brand association has ever been connected to these venues yet, the potential in revenue is massive;
- Opportunity in new geographies: the Asian, specifically the Chinese market, are a developing market for Fencing. Market research proves the rise of a new lifestyle-minded middle class in China, looking to identify itself with new values compatible to the society they live in. A big motivational lever remains education. Currently, at least 250.000 Fencers are already registered in China, expected to double in the next 3 yrs. A Fencing club opens every 1.5 months in major Chinese cities.

The right time to extract value from Fencing with a cross-country, private Initiative

To monetize the hard work of many Athletes, Professionals, Coaches, Volunteers and Clubs around the World, it is time for Fencing to open itself to not only International Market, but to the Financial Markets as well.

To achieve both objectives, we need to introduce expertise from various fields into our ecosystem, such as economics, marketing, public relations & spin control, corporate strategy, arts.

The effort needs to be coordinated centrally by a geographically-distributed for-profit consortium, abiding to the rules of the major Fencing Federations, open to any stakeholder and aimed at a single target: to develop a fencing-centric Ecosystem that can help recognize the value of this brand for Corporations and Businesses alike.

Engaging the interest of Corporations and Institutional sponsors means pushing the edge of any aspect of Fencing, from the format of competitions to the competition venue of the events; from the clubs' finances and evaluation systems; to the main ingredient for any sport: the Athletes - at any given level - their Profile and the Audience's perception.

People and their untold stories should be the focus for the marketing of Fencing both when taught and spoken about. From the young fan to the senior executive. The resulting experience needs to be the greatest value add and the greatest selling point of Fencing: history-in-the-making, a movement where the core values of Fencing, perseverance, time-management, critical and strategic thinking, all wrapped in blanket of elegance...pave the way to the future-self we want to become.

3. INTRODUCING FPA: A PRIVATELY SYNDICATED TOUR & MARKETPLACE

The “Fencing Professionals Assembly” (or “FPA”) is our project to bring all the benefits and opportunities of Fencing in terms of Business, Branding, Media and Experience into one, single Organization

Specifically:

EXPERIENCE: the tour

High Stake prizes;

- **5 top-tier locations;**
- Media-attractive event format with pre/after-parties;
- **Athletes Rights Management;**

LEADERSHIP: executive engagement

- **Plug-in tool** for other Leadership programs and Business Schools;
- Fencing as a mean to tackle complex scenarios, to impact business and social change;

DEVELOPMENT: training & education

- **Consulting:** bringing current and future fencing clubs up to professional sports standards;
- **Prep. Academy for professionals:** technical, but also focused on soft skills for local impact;

The FPA’s first mission will be to recruit the best Executive and Senior talents around the World to boost awareness of Fencing among high-network individuals from day one. Sourcing senior talent will also contribute in bringing the much-needed competences Fencing has been lacking in recent decades to improve its business stature, as previously mentioned.

Such talents will be organized around several areas:

1. a “Founding Partners” program;
2. an Advisory Board;
3. an Executive Committee;
4. a Technical / Rules Committee

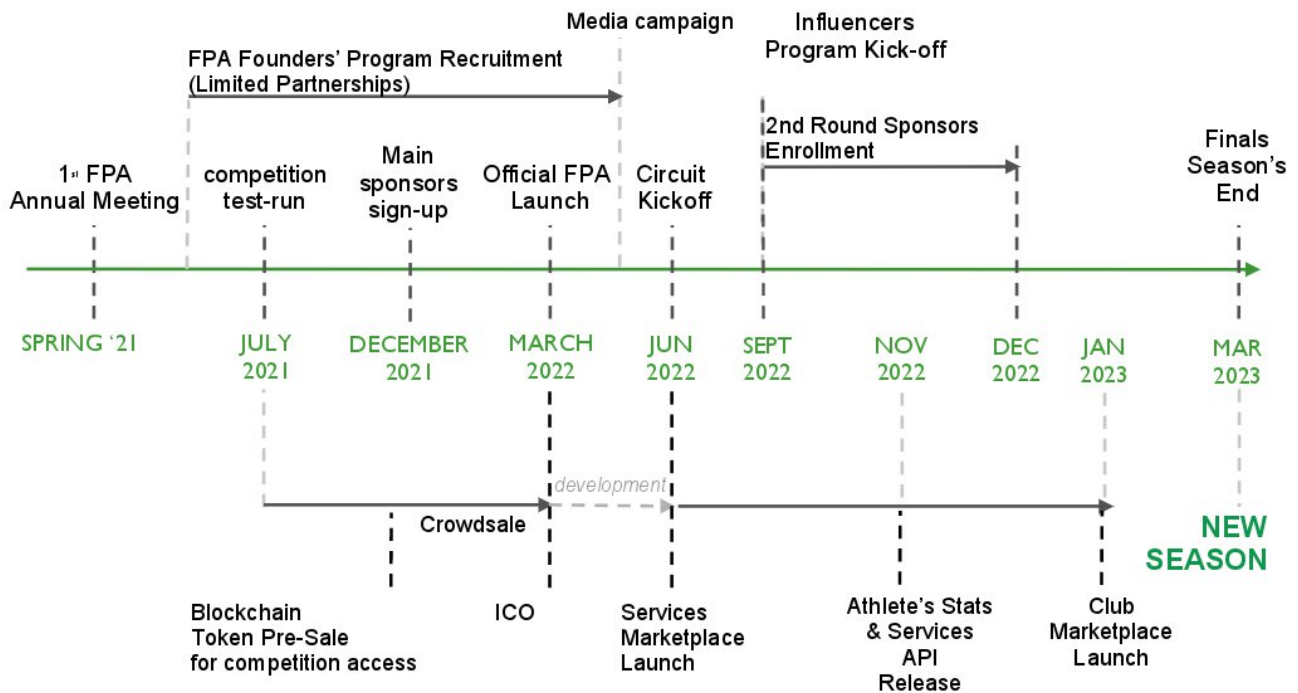
It is FPA’s core belief that the tokenization of Fencing will contribute to the achievement of much of these objectives crucial for the success of the sport.

The FPAX token will allow for memberships, shared participation in the profits from Fencing, and the creation of a vibrant marketplace of Athletes, Sponsors, Professional Services, and Travel Destinations inside the well-defined curated ecosystem of our World Tour Organization.

The main objective for FPA in the early stages of founding the Fencing token economy will be to push any one stakeholder in the ecosystem of this sport to adopt the FPAX Token, through the promotion of a sensible earnings-potential structure, and detailing the usage and benefits of a utility token for the formalization of services access between parties.

4. THE ROADMAP

THE ROADMAP : how we are going to deploy Fencing 2.0



5. FPAX MARKETPLACE & TOKEN

5.1 BLOCKCHAIN NETWORK CHOICE: WAVES

FPA has selected Waves as the platform of choice for its token issuance strategy mostly due to security, speed, and stability factors.

Waves approach to tokens gives more focus on the stability and security of the system than features. The solution has been chosen also for its fast deployment factor as well as the target Countries we are addressing: Europe, as well as China are stability-first adopters mixed with a high ease of usage and adoption factors.

While several proof-of-concept tests are undergoing with FileCoin protocols, FPA prefers a faster release at the moment to immediately enable access to its token and the related benefits to all current and prospective stakeholders.

Another relevant aspect is the ICO and Post-ICO related security. As it has been already proven, arbitrary code execution surface attack is not possible within Waves, which makes the system much safer than Ethereum. This is paramount as FPA maintains - on top of its profitable business activity - a strong Institutional presence, which cannot be jeopardized by a potential loss of credibility from an attack on its ICO.

As to ensure long-term value for Investors, FPA also appreciates how integrated the Waves ecosystem is, with fiat gateways and decentralized token markets.

5.2 FPA MARKETPLACE: A PLATFORM TO LEVERAGE BRANDING, PROFESSIONAL SPORTS CONSULTANCIES FOR CLUBS AND ATHLETES, AND TO EMPOWER THE BUSINESS ECOSYSTEM OF FENCING

FPAX is the name FPA has given to its token, aiming to become the main exchange currency for a marketplace among an ever-expanding community of consultant providers, media channels, gear suppliers, investors and the fan-base encompassing all the public support that is required to build a thriving economy in the Sport of Fencing.

The FPAX also represents the main token for a season pass (or per event) to all FPA World Tour competitions and events, as well as for a Club's FPA membership fee.

Specifically, the FPAX Marketplace ("the Venue") acts as an exchange platform for micro-sponsorship, Athlete services, Competitions Conciergerie (from Sponsors to guests), other companies – such as logistics, hoteliers, suppliers -. It represents the Sum of the fencing- related interactions achieved by FPA globally, as well as the main system to navigate an Athlete's and his/her team's career within the World Tour Competitions.

FPA's objective is to structure these connections, beginning with the existing ecosystem of fencing, which has never before privately federated, while allowing new subjects to tap into the business opportunities of this Sport and access the ecosystem immediately, with a single point of entrance. FPA intends to support each party on the platform to autonomously trade services with their respective counterparts - with the support of FPA staff – with respect to their objectives - organized in the following areas of operation (AOP):

- 1) **Athlete-centric:** the competing Athletes themselves, athlete's coaches and sparring partners, and related improvement professionals, also Suppliers and individual Sponsors;
- 2) **Marketing-centric:** encompassing a sponsoring platform for both Individuals and SMEs, wanting to benefit from media exposure of FPA World Tour Competitions. Competing Athletes, Fencing Clubs, Media Marketing Firms, Brand Consultants, Small and Digital Medias not federated as Main or Official Partners of the FPA World Tour Competitions;
- 3) **Experience-centric:** Fencing clinics and campuses, Professional and Corporate Coaching, Hoteliers, travel solution providers, Food & Beverages suppliers, Parties and After-Parties access and management;
- 4) **Competition-centric:** Referees, suppliers, clubs, participants, public, sponsors and logistics partners in organizing and animating the Competitions' venues and events.

The marketplace and the FPAX's joint mission is aimed at allowing for an easier and more efficient capital flow into the Sport of Fencing, turning it into a profitable Professional Sport (Tennis, Golf, Formula 1, etc.). The token will contribute to this goal by facilitating or reaching several objectives in our Circuit:

1. To provide Membership Access to the FPA Organization and:

- Subscription to competitions
- Membership proof for Individual Athletes and Clubs joining FPA
- Connect to other blockchains to integrate ranking and competitions results

2. To provide credit usable for Professional Services and for the development of fencing-related business practices:

- Media Managers and Management Rights
- Micro-Sponsorship to individual Athlete/Influencers in the world of Fencing
 - By Individuals, companies (athletes representing products; tangible, financial, etc.), clubs, federations, etc.
- Coaching, Training and Medical Services access
- Fencing Camps and Clinics offers
- Qualifying Tournaments and private competitions organization

3. To provide a visibility Platform for FPA's Members, specifically Athletes by:

- Facilitating the Athletes' or their representatives' exposition to individual Sponsorship and Co-Branding agreements
- Generating and image-distribution platform
- Offering a betting platform to fans and supporters of Athletes and their results

The FPAX token is used to regulate the above-mentioned transactions between parties and - depending on a Party's role in the FPA - several nodes might receive FPAX as a mean of investment, as an incentive to join or simply access the World Tour Circuit by buying FPAX token to later spend on the marketplace.

5.3 FPAX USAGE ON THE MARKETPLACE

FPAX is going to be configured as a utility token. It will be spendable between and by the adherents to the FPA Initiative, mentioned in the section above (5.2).

The token will be utilized on "the Venue" a marketplace where the spender can either buy or invest in all FPA members' value propositions and services, which belong to one of the 4 fencing-centric pillars expressed in the section above (5.2). Several use cases can be exemplified, but not limited to, as follows:

- An Athlete (also known as "Competing Member") can hire media professionals to manage his/her branding rights, paying the resulting advisory service via tokens. He/She can also hire an FPA-certified Agent;
- The Competing Member can also choose to sell training/coaching hours to an aspiring member and receiving payments via token from the paying sparring partner;
- A Club (also known as "Member Club") can either rent its spaces via token payments or offer training time to a prospecting Athlete, outside – but not against – the rules provided by the International Fencing Federation, or the National Federation the club belongs to;
- PR/Media Agencies can pitch or buy visibility through the Marketplace via tokens;
- Sponsors (both in-industry like suppliers and off-industry) can buy visibility on an Athlete, through their Agent or directly;
- Donations can be made to various fencing clubs or organizations in order to further promote the sport of fencing as an investment vehicle

FPAX's valuation will be based on the rate of distribution that the token will have among users, hence its market share, and its rate of adoption with regard to spend on Partners' and FPA's services on the marketplace ("the Venue").

The services pool and the Venue are built upon FPA's current operations established both through the Carmimari and ONTC brands, and are currently being established in China, the United States and Europe (Milan), continuously adding network nodes as the FPA Initiative grows.

5.4 SUPPORTING FPAX ADOPTION IN FENCING

Given the amount of use cases for the token, adoption among peers offering relevant services is going to be crucial. As Fencing is currently hungry for talents in business, marketing, promotion of the individual, and the movement as a whole, recruiting through the token will be as important within the world fencing as well as *outside* of the world of fencing where the majority of necessary skills and talents currently lie.

6. FPAX CROWDSALE

6.1 STRUCTURE

The ICO structure is designed to give the best opportunities for anyone who would like to participate from the very beginning.

A total of 45,000,000 tokens will be issued and will be allocated in the following ratios:

- 40% sold in crowdsale
- 26,56% kept as a reserve fund-raisers
- 5% allocated to incentivize partners and clients
- 18,94% allocated to advisors and team
- 10% allocated to Marketing

The price of FPAX during the main ICO event will begin at 5 EUR per 1 FPAX token during the first two hours.

The crowdsale seeks to collect the equivalent to a minimum of EUR 1.0 Million (soft cap) which will allow FPA to accelerate and scale most of the Competitions' dates as well as to transfer on a digital marketplace all the services offered by and to FPA members.

A second milestone of Eur 10.5 Million (hard cap) is present, which will be used to accelerate the growth of the Competitions' dates and prizes dimension to more efficiently market Fencing in a list of pre-selected countries (Europe and the Asia).

All transactions confirmed during the crowdsale period from the start of the ICO will be filled with FPAX in an order of arrival without limitation until the total number of FPAX tokens dedicated to the ICO main event distribution has been distributed.

FPAX tokens will be transferable 7 days after the end of the crowdsale.

6.2.TOKEN ALLOCATION

40% of the tokens will be sold during the crowdsale and therefore will be allocated to buyers.

The Number of FPAX tokens is a fixed supply of 45,000,000.

Demand for FPAX will vary.

FPAX tokens are required to subscribe to one Competition or to all competitions within the Circuit and to make any transaction occurring inside of the FPA World Tour Ecosystem. FPAX supply will decrease as they begin to be utilized on the marketplace, as they will be locked.

Clearly, the more services that are offered to and by Fencing Professionals on the marketplace (and to FPA's equity pool) the greater the FPAX demand will be. It is expected that with these dynamics already in place before the ICO, token prices will be affected as well on the crypto exchanges.

A further 11% will be kept in liquidity reserve to fund operations of selected up and coming projects/individuals with great potential and to stimulate spending among parties on the marketplace.

The remaining tokens will be retained for Contingency and distributed among the team of experts and advisors working on the Future of the FPA World Tour. The vesting period for such allocation will be of 24 months.

6.3 USE OF SALE PROCEEDS

We anticipate that funds collected during the crowdsale will be allocated in the following manner:

- 15% Marketing
- 15% Legal & Compliance
- 35% Event and Venues Organization & Local promotion
- 25% Total prize bounties
- 10% Team expansion

The Actual allocation may vary depending on the final amount raised during the crowdsale and on the conditions and terms achieved with partners in logistics, venues and events.

6.4 USAGE OF ICO FUNDS

We have envisioned a conservative budget for FPA's first year of operations, that includes most of the OPEX to both maintain the World Tour organization and every single competition venue.

The breakdown is as follows:

EXPENSES	
OPEX	€527.000,00
Offices	€64.000,00
Milan	€60.000,00
Other location	€4.000,00
Team	€295.000,00
Employee A	€50.000,00
Employee B	€70.000,00
Employee C	€60.000,00
Employee D	€55.000,00
Employee E	€45.000,00
Interns	€15.000,00
Business Development - Team	€20.000,00
Competitions	€83.000,00
Montecarlo Event	€30.000,00
Shanghai Event	€41.000,00
Milan Event	€12.000,00
Additional Event Budget	€15.000,00
Miscellaneous	€50.000,00
PRIZES CAP	€138.000,00
Main Events (2)	€40.000,00
Runner Up events (2)	€28.000,00
Final prize	€50.000,00
Social Impact Event	€20.000,00
TOTAL EXPENSES (B)	€665.000,00

7. TEAM

FPA relies on a dedicated team of Talents and Executives with years of experience in developing highly successful brands particularly in the context of two highly complex ecosystems as Fencing and Sports Branding both are. We have profound understanding of all the needs of both investors and invested parties.

We are a strong and experienced team, coming from diverse backgrounds, including: Venture Capital, Banking, Entrepreneurship, Tech, Branding and Marketing, and – of course – Fencing. We built successful startups in the past and this time our ambitions are significantly higher.

NAME	ROLE	BIO
Francesco Rossi	CEO	https://www.linkedin.com/in/francescor/
Alessandro Tamborini	Partner – Investor	https://www.linkedin.com/in/alessandro-tamborini-b368397/
Emanuela Zini	Head of Marketing	https://www.linkedin.com/in/emanuelazini/
Giada Sannazzaro	Team Leader	https://www.linkedin.com/in/giada-sannazzaro/
Marco Di Martino	Athlete Roster Relations	https://www.linkedin.com/in/marco-di-martino-121317196/
Edoardo Agamennone	Legal	https://www.linkedin.com/in/edoardo-agamennone-5706884/
Louie Mae Bilog	Content Media Manager	https://www.linkedin.com/in/louie-mae-bilog/

Joining us are the teams from Carmimari - one of the oldest fencing brands in the world, inventors of the Electric Foil – and ONTC, the best brand in fencing equipment in terms of price/quality ratio.

You can find more information on the team in the publicly available deck.

8. LEGALIZATION

FPA SRL is the founding company of FPA and currently most of its operations and expenses are running through it. FPA SRL is owned by the ONTC/Carmimari Group (Argumented Commerce SRL), a Fencing Supplier operating in the market since 1955. The FPA SRL branch has been opened to focus specifically on this initiative in all its iterations.

FPA is a limited company incorporated in Milan, Italy. We have selected Italy given the extremely transparent legal and financial conditions for the investor, its relevance to the Sport of Fencing, and as its natural centrality geographically within Europe.

In line with such choice, the ICO will be executed in accordance with the laws of Italy and the European Union and said laws will constitute the bulk of the regulatory framework of the FPAX token.

9. RISKS DISCLOSURE

Some other risks to consider, as described below, are:

- 9.1. **Principal risk:** Investing in the FPAX will put the entire amount of your investment at risk. There are many situations in which the FPAX project may fail completely or you may not be able to get back your contribution partially or entirely. In these situations, you may lose the entire amount of your investment. For investments in initiatives like the current one, although the risk of a total loss of capital is mitigated by the track record of Carmimari, ONTC and all the Athletes involved over the past years of operations, it remains nevertheless a possibility. Investing in start-up projects involves a high level of risk and you should not invest any funds unless you are able to bear the entire loss of the investment.
- 9.2. **Returns risk:** The return on the investment, if any, is highly variable and not guaranteed. Some competitions and products proposed on the marketplace may be successful and generate significant returns, but many will not be successful and will only generate small returns, if any at all. Any returns that you may receive will be variable in amount, frequency and timing. You should not invest any funds in which you require a regular, predictable and/or stable return.
- 9.3. **Liquidity risk:** In case of unsuccessful beginning of the operational activity, or for any other unforeseen reasons, it might be difficult to sell your FPAX tokens. Furthermore, there may be restrictions on the resale of the utilities you purchase and your ability to transfer them in your country of residence because of emerging regulation or some other reasons. You should not contribute to the ICO any funds in which you require the ability to withdraw, cash-out, or liquidate within a certain period of time.
- 9.4. **Instrument risk:** You should consider technological, legal and infrastructural risks of the FPAX token itself, because it is based on a third-party decentralized solution which is not controlled and cannot be controlled by the project management team or yourself. You should take the time to understand the nature of the instrument that you are contributing to.
- 9.5. **No voting rights:** As a smaller stake FPAX holder you shall have no voting rights or ability to influence the direction of the project. Nevertheless, specific venues both virtual and real will be provided to listen to all the opinions and wishes from the holders of any FPAX token.
- 9.6. **Valuation risk:** Unlike buying a share in publicly traded companies that are valued publicly through market-driven stock prices, the valuation of start-up projects like FPAX is difficult to perform. The issuer is setting the initial price for FPAX tokens and you may risk overpaying for your stake. The price you pay for your FPAX may have a material impact on your eventual return, if any at all. Please consider the fact that FPAX has never been and is unlikely to be traded on the open market and there is no market-confirmed price guidance for it.
- 9.7. **Failure risk:** Investments in start-up projects are speculative and these projects often fail. Unlike an investment in a mature business where there is a track record of revenue and income, the success of a start-up initiatives often relies on the development of a new product or service that may or may not find a market. You should be able to afford and be prepared to lose your entire contribution.
- 9.8. **Disclosure risks:** The FPAX project is at an early stage and is only able to provide limited information about its business plan and operations because it does not have fully developed operations or a long trading history. Besides, the FPAX project is not providing some critical information regarding its business, technological and financial affairs to participants to protect its know-how and exact business model from the competitors. Therefore, there might not be enough information for you to make an educated judgement about the project's future outcomes.
- 9.9. **Personnel risks:** A participation in an initiative like FPA is also an investment in the management team of the project. Being able to execute on the business plan is often an important factor in whether the business is viable and successful. You should be aware that a portion of your investment will fund the compensation of the project's employees, including its management, public supporters and promoters, or earlier contributors. You should carefully review any disclosure regarding the project's use of proceeds. You should also carefully consider the experience and expertise of the management team and make your own judgement about their level of competence.
- 9.10. **Growth risk:** For such a network to succeed, it will need to expand significantly in terms of visibility and milestones. There can be no assurance that it will achieve this expansion. Expansion may place a significant strain on the project's management, operational and financial resources. To manage growth, the project will be required to implement operational and financial systems, procedures and controls. It also will be required to expand its finance, administrative and operations staff. There can be no assurance that the project's current and planned personnel, systems, procedures and controls will be adequate to

support its future operations. The project's failure to manage growth effectively could have a material adverse effect on its business, results of operations and financial condition.

- 9.11. Competition risk: The FPAX project may face competition from other upcoming or existing companies and federations, some of which might have received more funding than FPA has. One or more of the project's competitors could offer services similar to those offered by the project at significantly lower prices or better conditions.
- 9.12. Market demand risk: While the FPAX project believes that there will be customer demand for its services and formats, there is no assurance that there will be broad market acceptance of the project's offerings.
- 9.13. Control risks: Because the project's founders, directors and executive officers are among the project's largest FPAX holders, they can exert significant control over the project's business and affairs and have actual or potential interests that may depart from yours. The FPA project's founders, directors and executive officers own or control a significant percentage of the project. Such persons will have significant influence over corporate actions.
- 9.14. Currency risks: Many Countries currently have in place a complex system of capital controls. Although a direct impact of such controls over the FPAX project is not currently detectable, possible regulatory changes in this regard may have a negative impact on the FPAX token.

The foregoing risks do not purport to be a complete explanation of all the risks involved in acquiring FPAX tokens. Each participant is urged to seek their own independent legal advice and read the relevant documents before making a determination whether to participate in the Project.