ChangeX

Whitepaper

What's in this report?

Background & Executive Summary

A crypto veteran team with a track record of three successful projects (HYDRA, LockTrip, Bitcoin Gold) undertakes the development of a next-generation product that provides a seamless experience for unlocking crypto's most powerful DeFi and CeFi features in combination with traditional banking with SEPA functionality and a Crypto Visa Card.

The blockchain space has gone through transformational growth in the last decade, with 2017 being an inflection point in terms of recognition and trust. The previous popular question "Will crypto survive another year?" has turned into "Will there be another new ETF for Bitcoin or Ethereum?".

The paradigm shift has enabled crypto to penetrate a much broader audience with exponential growth. Through DeFi, the initial "store of value" utility has transcended into a global and ultra-liquid ecosystem that empowers a plethora of investment tools for anyone to take advantage in a fair and permissionless way.

Among the broad set of assets and tools, on protocol level, Proof-of-Stake assets have marked the dawn of a new phase for blockchain technology. Enjoying higher TPS, lower block time, and much higher energy efficiency, PoS assets have without a doubt claimed a central spot in the future of blockchain. With their unique ability to offer economic security through staking, PoS assets are eliminating the physical boundary of mining rigs which previously made it impossible for the mainstream user to effectively mine BTC. ChangeX aims to become a one-stop shop for trading, staking, DeFi lending, and fiat-to-crypto trading, allowing inexperienced users to benefit from a safe, easy-to-use, and mobile-friendly experience while storing, preserving, and growing their wealth on their mobile device. ChangeX has experience in developing working blockchain-based solutions, and the team behind is well-versed in all things crypto and fintech.

The future of money is here, and ChangeX.io is tapping into this opportunity by leveraging the collective wisdom and experience of a team that has been through thick and thin in the world of crypto for over a decade.

Project philosophy

Cutting-edge technology goes mainstream

The world of crypto has been evolving at a rapid pace over the past years, with the variety of on-chain applications skyrocketing.

When we look back at the short history of blockchain, it all started with a basic decentralized ledger called Bitcoin, which emerged in 2009. Bitcoin opened up a completely new branch in the human technology tree, by allowing people around the world to exchange money in a fully decentralized and permissionless manner. This innovation meant that the internet was no longer only a tool for freedom of speech and data accessibility, but to a certain extent also a gateway for financial freedom.

As much of a breakthrough this was, the pace of innovation has only accelerated since then. Quickly we saw Bitcoin branching out into a number of forks, each coming with differences in the code base and their own features. As more and more people discovered blockchain, different views and visions emerged as to what "digital money" should be. These were early signs of creativity meeting financial freedom. Or, in other words: the competition of currencies had begun.

While the mainstream population is still trying to get used to the idea of decentralized money, the number of use cases and smart applications has experienced a "Cambrian explosion". The simple exchange of money is now nothing more than the tip of the iceberg, as the emergence of smart contracts (programs that can be deployed on the blockchain) resulted in countless new innovations and opportunities.

If you ask the average person on the street, they will likely have heard about Bitcoin and the blockchain, but will they know about decentralized exchanges, liquidity mining, the concept of staking or automated market makers?

The gap between the mainstream user and the ever accelerating pace of innovation is widening every day. This gap acts as a technological entry barrier, even for the majority of crypto holders (or interested audiences).

ChangeX.io realizes that the step from "fiat banking" to "crypto ownership" is only half the journey and that the hurdles from "crypto ownership" to "DeFi participation" are equally significant.

The philosophy of ChangeX is to act as a bridge between the blockchain and the end user by removing all entry barriers and offering a simple user experience.

From bank customers to crypto holders

In order to create a fully functional, comprehensive DeFi ecosystem, ChangeX.io will also act as a bridge between the fiat and crypto worlds, making it easier for "traditional bank customers" to turn into "crypto holders".
As a core product philosophy, ChangeX will incorporate elements of centralized finance to act as a simple and uncomplicated fiat gateway.

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You want to convert fiat to crypto?

Pay with your credit card and end up with the corresponding amount as per current market rates, directly from inside the mobile app.

You want to use your crypto assets to pay for your restaurant bill?

Simply use your ChangeX Crypto Visa card to spend assets from within your app balance.

Summary of the ChangeX Philosophy & Vision:

- Removing the entry barriers for "traditional bank customers" to become "crypto holders";

- Removing the entry barriers for "crypto holders" to become true "DeFi participants";

- Offering a seamless mobile-first experience, which unlocks the power of DeFi in just a few clicks.

Product Vision

In order to honor its philosophy that crypto must become accessible to the everyday user, ChangeX is developing a mobile-first experience app with a sound purpose. The app design will allow users to access and take advantage of various DeFi and CeFi products with a single click, while also incorporating traditional fiat banking, thus completing the economic circle. The narrow door to the world of crypto will be open to everyone, no matter their competence.

ChangeX aims to achieve this by providing all necessary tools to navigate the space at your disposal.

You want to stake your coins on the chain, but don't want to go through the trouble of deploying a node?

Stake with a single click from inside the ChangeX mobile app, with hybrid decentralized flexible staking pools, as well as true decentralized staking where possible.

You want to participate in liquidity mining, but don't know how it works?

ChangeX has you covered. Add your assets to your preferred liquidity pool with a single click from inside your app.

You want to leverage your positions to achieve a higher APR?

ChangeX is one of the first apps that designs leveraged positions for staking and liquidity mining products. You will be able to select your leverage in one click from inside the ChangeX app and enjoy a much higher APR, with up to 2x boost.

You want to lend your stablecoins to earn interest?

Make your assets accessible to the decentralized lending markets with a single click. ChangeX will broadcast your wish through the blockchain and take care of the tracking on your behalf.

All of the above will act as a bridge for regular "crypto holders" to turn into "DeFi participants", thus removing the entry barriers towards more sophisticated products built directly on the chain, including, but not limited to the following:

Ⓐ Staking Pool & Leveraged Staking

An innovative feature that enables margin positions for long-term staking, providing increased APR.
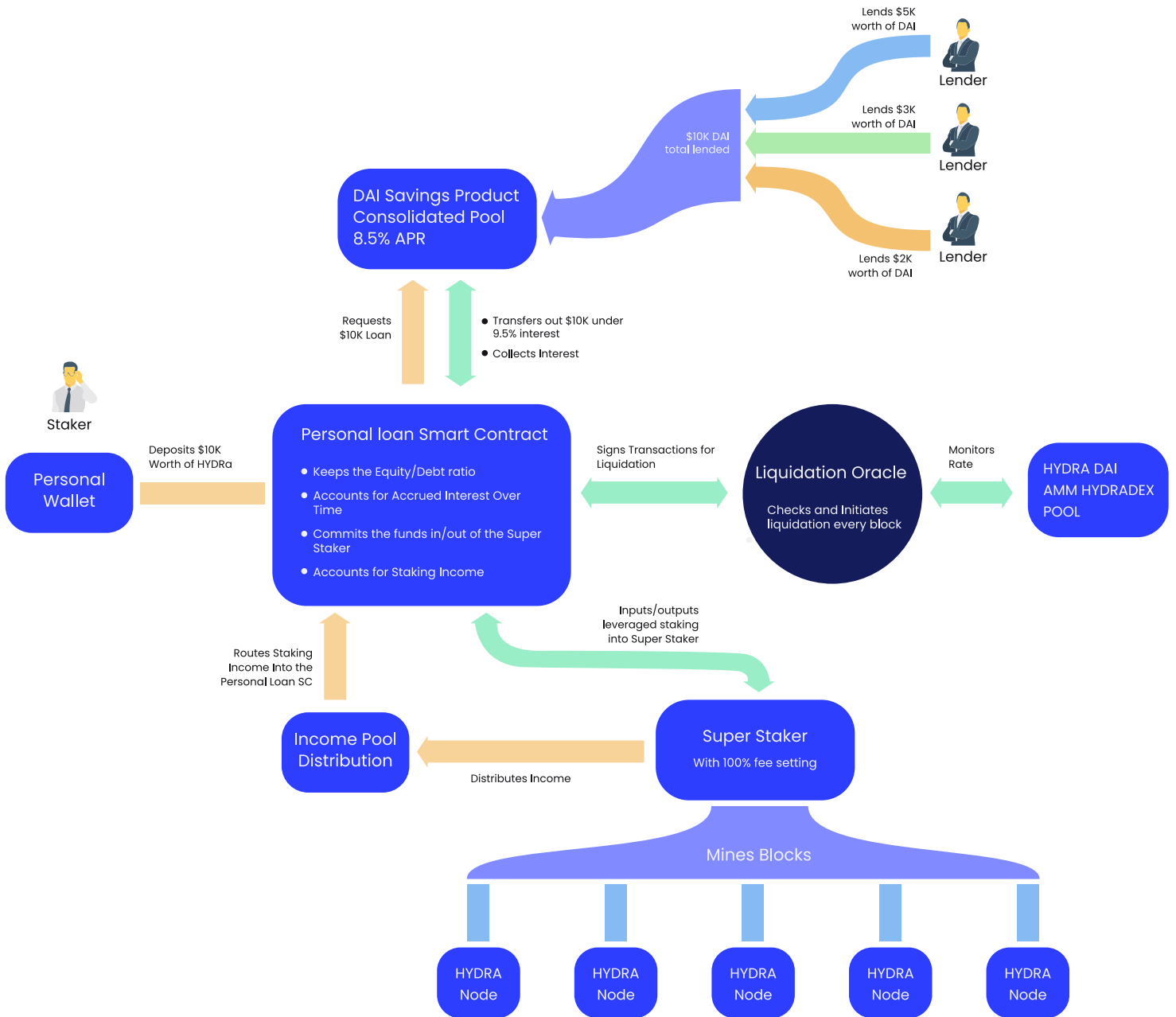
The blockchain space has become a global market of USD ~2 trillion and growing, with Proof-of-Stake assets making up the largest piece of the pie.

ChangeX.io is one of the first projects that is designing a technology, allowing for Leveraged Staking, and making it accessible to the mainstream user. Margin positions will be specially designed to leverage the base staked asset, which will in turn be used as collateral - all while keeping it staked uninterruptedly.

This leveraged staking technology will create a bridge between the stablecoin lenders, the stakers, and the protocol block rewards, merging all involved parties into an intricate economic dance that is mutually beneficial.

The team will be working on two models in order to achieve this. One is entirely through DeFi (to the extent possible).

A sample diagram can be seen below.

Lends $5K
worth of DAI

Lender

Lends $3K
worth of DAI

Lender

$10K DAI
total lended

Lends $2K
worth of DAI

Lender

DAI Savings Product
Consolidated Pool
8.5% APR

Requests
$10K Loan

- Transfers out $10K under
  9.5% interest
- Collects Interest

Staker

Personal
Wallet

Deposits $10K
Worth of HYDRa

Personal loan Smart Contract

- Keeps the Equity/Debt ratio
- Accounts for Accrued Interest Over
  Time
- Commits the funds in/out of the Super
  Staker
- Accounts for Staking Income

Signs Transactions for
Liquidation

Liquidation Oracle

Checks and Initiates
liquidation every block

Monitors
Rate

HYDRA DAI
AMM HYDRADEX
POOL

Inputs/outputs
leveraged staking
into Super Staker

Routes Staking
Income Into the
Personal Loan SC

Income Pool
Distribution

Distributes Income

Super Staker

With 100% fee setting

Mines Blocks

HYDRA
Node

HYDRA
Node

HYDRA
Node

HYDRA
Node

HYDRA
Node

The second option is through a hybrid DeFi/CeFi model, where collateralized positions are placed into flexible staking pools.

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An example for a leveraged staking user experience for HYDRA could be as follows:

1 Lenders lend USDT at an interest rate of 9.5%;

2 Staker borrows $10k USDT for 9.5% against $10k HYDRA, which serves as collateral, and is positioned into a special collateralized staking pool;

3 The borrowed USDT is then used for acquiring HYDRA through high liquidity DEX pools;

4 The borrowed HYDRA is placed into a leveraged staking pool, earning the standard on-chain APR of ~45%;

5 9.5% interest is repaid to the stablecoin lender and any excess is benefited as income to the staker. Depending on the price deviation, the income could vary. In a scenario where HYDRA price remains relatively similar to the one during which it had been borrowed, the profit would amount to 35.5% on the borrowed amount;

6 The final APR with leveraged staking would amount to 45% for the original HYDRA amount + 35.5% for the borrowed one = 80.5%. Liquidation risk would arise only if the borrowed amount exceeds the price of the locked leveraged staking + all of its generated income. One could undertake a safer strategy, where borrowed staking is only 50% of the base, and still be capable of boosting the APR from 45% to 62.75% with a very high tolerance for price drops and without the risk of being liquidated.

And the best thing about ChangeX's leveraged staking product is that it is universally applicable with any interest-bearing token economy.

Ⓑ Fiat-to-Crypto conversion

A product focused on simplifying the conversion experience for first-time users.

An easy to use fiat-to-crypto conversion mechanism, which will enable EUR and USD transfers for direct purchases on virtual pairs that will be created through the use of DeFi liquidity pools.

For instance, a **HYDRA:EUR** pair would be available by the utilization of a **two-hop conversion:**

1st hop: EUR-to-USDT via high liquidity exchanges such as Kraken;

2nd hop: USDT-to-HYDRA via existing liquidity (Kucoin, Gate.io or Hydra Dex).

The users taking advantage of the fiat conversion product would be short circuiting the painstaking need to know how to open exchange accounts and deal with order books and cross-exchange withdrawals/transfers. The user will also be automatically taking advantage of the highest liquidity on the market, as the exchange product will be optimized to utilize the lowest possible slippage.

Ⓒ Crypto-to-Crypto Conversions

Made possible by utilizing the power of DeFi Liquidity Pools.

Direct buying and selling will be supported for all major crypto assets based on current best quote and without any hidden costs.

Ⓓ Savings Product

Harnessing a basket of highly liquid assets.

ChangeX will provide its users the ability to deposit idle stablecoin assets into an "Earn" feature for a fixed interest rate. This savings mechanism will distribute the deposited funds into DeFi products that offer appealing liquidity mining and inflationary mechanisms for stimulating growth.

E Open Lending Market

> A bridge between stablecoins and PoS assets in the app.

Margin accounts used for Leveraged Staking will require borrowing stablecoin assets and would in turn result in an attractive APR for the stablecoin lenders.

The Leveraged Staking product being one-of-a-kind will technically create a bridge between stablecoins and the inflationary economy of PoS assets. In a successful scenario, and if demand for leveraged staking is high, that on its end would drive the demand for sustainable lending.

F ChangeX Crypto Visa Card

> Dynamic spending on staked assets (no need to unstake) without impairing APR and without the need for cumbersome transfers in and out of multiple exchanges.

Flexible staking in the ChangeX app will offer the ability to hold and stake assets while maintaining immediate access to them for day-to-day spending.

You could stake HYDRA securely and be able to spend ad-hoc and wherever you need to. A Visa payment will micro transact the matching amount that is required for settlement and will liquidate it through the best possible liquidity sources.

G SEPA Banking

The ChangeX team's extensive experience in running a fiat-to-crypto exchange, together with all relevant compliance and licensing frameworks, will be used as a fundament for obtaining an Electronic Money Institution (EMI) license and bundling SEPA EUR bank accounts to all qualified users. The end goal is to have a personal IBAN as well as a wallet that you can trust on.

H NFT Wallet

Safely store all your ERC-721 and ERC-1155 standard NFTs inside the ChangeX app.

Market Potential

Global Market Overview

The Leveraged Staking product makes ChangeX an attractive partner for any PoS chain. ChangeX will utilize the appeal of its product to grow the number and significance of partnerships and to onboard communities and capital under its hood.

The launchpad for the project will be HYDRA (~55% APR) and CAKE (~45% APR), with additional PoS integrations taking place subsequently and according to the optimum risk/reward opportunity.

E HydraChain (HYDRA) Community

Synergy with HYDRA arises from the involvement of the HYDRA founding team into the project. As of this moment, there is strong demand for competitive flexible pools and staking options for HYDRA and the HYDRA blockchain is a perfect launchpad for ChangeX.

HYDRA's plan for integrating delegated staking into their protocol allows for on-chain staking to be executed in a decentralized way, which would reduce custodial and security risk.

F PancakeSwap (CAKE) Community

CAKE and BSC offer a wider audience while still providing a high inflation on the tokenomics side in unison with our vision. Integration of CAKE will happen immediately after HYDRA is completed and Leveraged Staking to all CAKE users will be available under competitive terms.

G Bancor (BNT) Community

BNT has a high inflation tokenomy (~40%) due to the continuous liquidity mining on the flagman BNT pairs in the Bancor Decentralized Exchange.

Tentative 12-Month Roadmap

The goal is to utilize the open-source and battle-tested TrustWallet as a fundament for the deposit and user wallet management. Afterward, all additional features will be added on top as the team progresses.

2022

1. Establish Bulgarian Entity with Seed Investment

2. Establish Sub-Entity in Lithuania

3. Obtain Crypto Exchange License in Lithuania

4. Sign agreement for AML services with a Tier 1 Partner

5. Banking Setup & Electronic Money Institution (EMI) Application

6. Sign agreement with acquirer (e.g. EMP)

7. Sign Agreement For Banking-as-a-Service License Provider

8. Open account with CurrencyCloud or another FX provider

9. Account Setup with Additional Payment Gateways

2022

1 Non-custodial mobile wallet (MW) MVP with at least 5 crypto assets

2 Landing page + marketing materials

3 Prepare backend infrastructure for rapid development

4 Integrate HYDRA to TrustWallet SDK

5 Wallet v.1 with basic wallet functionality (including exchanging)

6 HYDRA staking MVP and preparation for production

7 Release HYDRA staking in the wallet + other staking capabilities

8 Enable DeFi options for at least 10 of the major cryptos

9 MVP for Fiat Gateways

10 Release of Fiat Gateways

11 MVP for Crypto Prepaid Card

12 Release for Crypto Prepaid Card

13 MVP for Leveraged Staking

14 Release for Leveraged Staking

Additional Ongoing Tasks

- Enable staking for more cryptos;
- Enable DeFi options like lending, artificial staking, LP;
- Complete Firebase analytics in the application;
- Push notifications for price changes and transactions;
- Wallet Connect integration.

CHANGE Token

CHANGE is the governance token of the ChangeX app. It is a deflationary HRC20 token, but will offer high APR by acting as a bridge to the staked inflationary assets in the app, where rewards will be paid out in CHANGE.

30% of all crypto-crypto and fiat-crypto trading fees will be used to power a buy and burn mechanism to reduce the supply.

CHANGE will also provide voting rights to holders, allowing them to vote on new additions to the ecosystem.

A Deflationary token, harnessing the inflationary economy of all integrated staking assets

The ChangeX app will distribute flexible pool income to CHANGE token holders, combining the best of both worlds - fixed supply with steady harness of staking pool income.

B Trading Fees Stimulate Deflation

30% of all crypto-crypto and fiat-crypto trading fees will be used to power a buy and burn mechanism and reduce the total supply, thus driving the price upwards.

C Staking

A pool of 20M CHANGE tokens will be reserved for the first 9 months in order to stimulate liquidity and act as a bridge until the flexible staking pools come into play.
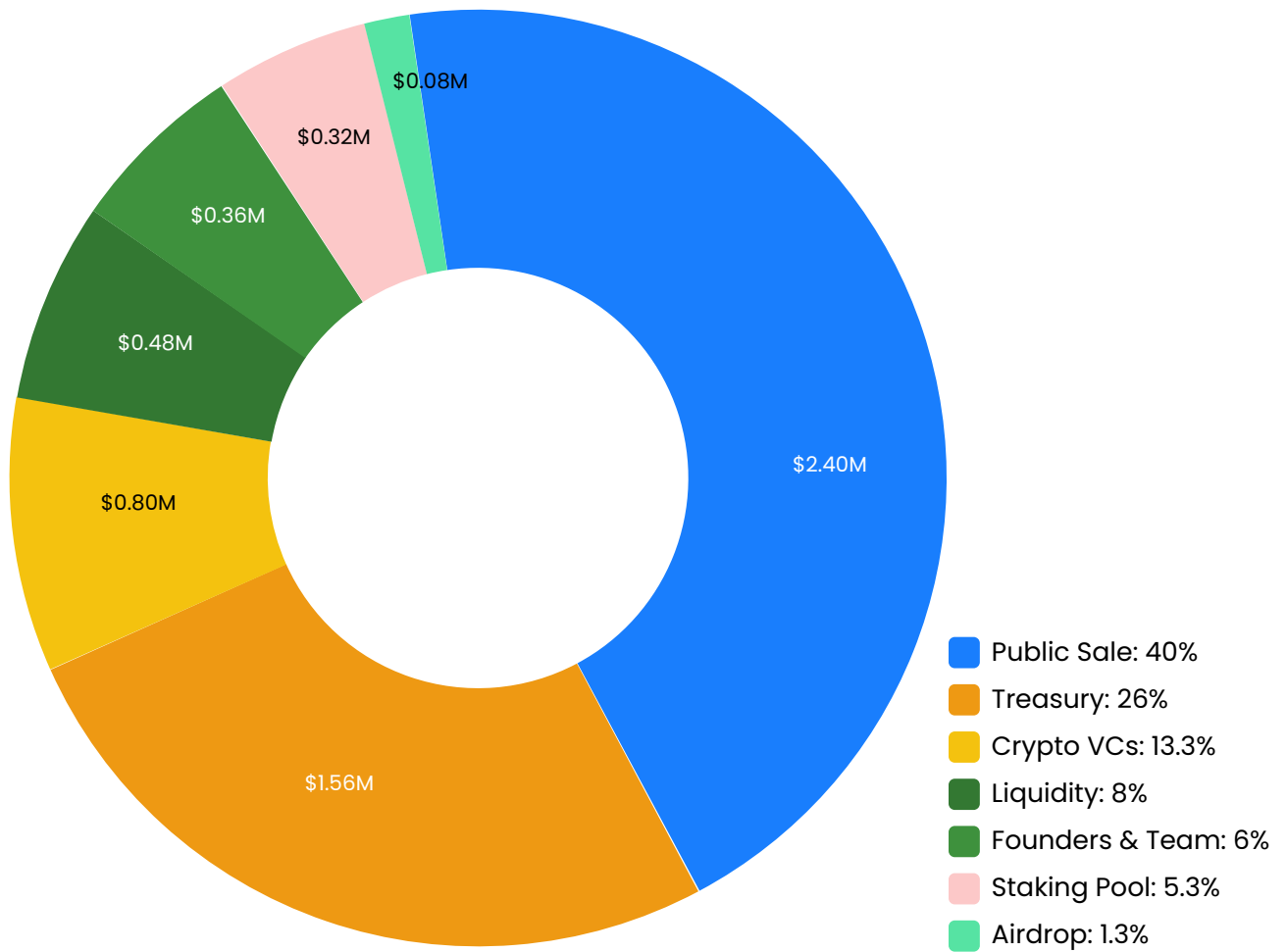
D Governance

Holding CHANGE will provide voting rights in the process of approving new listings and the integration of new leveraged staking assets into the ecosystem.

Token Economics

- Low Token Price: $0.016;

- Public Sale: 150M Tokens @ $0.016 fixed price per token;

- Extremely Low Hard Cap: $2.4M;

- Projected Cap at Launch: ~$2.4M;

- Institutional Cap: $0.8M (vested for 1 year);

- Company Treasury: 97.5M tokens (26% of supply);

- Founders Team Pool: 22.5M tokens (5.3% of supply, vested for 2 years);

- Strong Liquidity Pool of 30M tokens (8% of supply) with a matching $0.48M stablecoin budget from the raised funds, dedicated for the DEX Launch.

With a total **hard cap equivalent to just $2.4M and a projected Market Cap of ~$2.4M at launch**, the CHANGE token aims to offer an extremely attractive public launch which is asymmetric to the product potential, pool of expertise and reputation of the team involved.
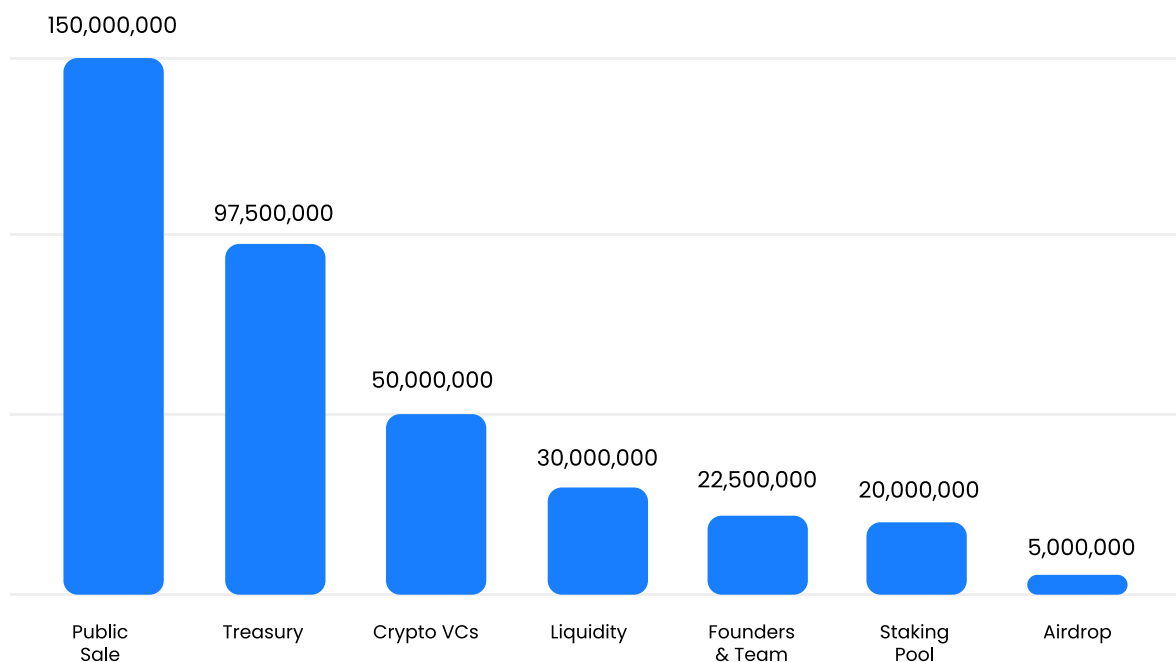
The entire spotlight is on the token economics and not so much on the raised amount.

●	Public Sale: 40%
●	Treasury: 26%
●	Crypto VCs: 13.3%
●	Liquidity: 8%
●	Founders & Team: 6%
●	Staking Pool: 5.3%
●	Airdrop: 1.3%

The philosophy of the team lies in the fair approach of not over-raising and instead seeking product validation from the community without unreasonable risk exposure.

A small chunk of the supply will be allocated for strategic institutional investors who have built a reputation for themselves and who could contribute to the probability for an optimum outcome.

Strategy for other PoS Assets

High-APR inflationary assets offer an unprecedented opportunity due to the lack of competition among other leveraged staking products.

Upon successful launch and after HYDRA, CAKE and BNT staking is enabled, the team will continuously look into potential partners that would offer an optimum mutual benefit.

#	Asset	Price	24h	Reward	Staked Value	Market Cap	Total Staked
36	Olympus OHM	$87.11	-21.35%	6,052.62%	$479,238,760	$769,394,655	59.99%
202	LooksRare LOOKS	$4.53	-25.62%	1,100%	unknown	$718,150,251	N/A
172	Slavicoin SLV	$0.2	0%	120%	$2,485,844	$0	4.14%
173	SuperBid SUPERBID	$0.51	-20.43%	100%	unknown	$4,071,036	N/A
53	Decimal DEL	$0.24	-4.18%	93.3%	$219,815,810	$261,295,887.94	84%
22	Axie Infinity AXS	$63.75	-9.93%	89.45%	$1,326,735,887	$4,550,793,798	29.03%
111	ChainX PCX	$1.52	-17.84%	82.09%	$9,178,740	$68,530,128	76.67%
153	Feyorra FEY	$0	-12.67%	76.39%	$278,304	$219,713.9	105.28%
79	Hydra HYDRA	$7.69	-11%	71.76%	$51,696,638	$77,180,119	27.87%
30	Osmosis OSMO	$9.08	-8.65%	70%	$773,077,061	$2,519,105,708	18.38%
91	DODO DODO	$0.61	-11.93%	61.9%	$30,117,440	$166,251,528	44.3%

Tokensale Plan

Tokensale Structure

> the CHANGE tokensale will be carried out in three phases, which aim to provide a fair and equal launch for everyone.

(A) Phase 1: Public sale

A three-month public campaign, broken down into three parts for an optimum risk/reward ratio for all participants.

The CHANGE public sale has a disproportionately low market cap of $2.4M in relation to the project upside and team background. Participation in the event is capped at $100K worth of CHANGE tokens per user/enrollment, but users can enroll as many times as they like until reaching the cap.

All tokens sold will be released 3 months after the conclusion of the public sale event. Any amounts that were enrolled for, but ended up unpurchased, will be offered at a small second round which will be carried out on a first-come, first-serve basis.

The public sale campaign will be broken down into three parts:

Part 1: Enrollment & Deposit

Each participant enrolls for the amount he wishes to purchase and pays a small deposit of 3% of said amount. Upon enrollment, each participant will receive a simple agreement for future tokens (SAFT).

Part 2: Subscription calculation

At a given deadline, all subscribed enrollments will be accounted for and, in case an oversubscription is present, the quota will be adjusted proportionately for all participants. For instance, if the total enrolled amount is equivalent to $4.8M, then this would translate to a 200% oversubscription rate (based on the $2.4M hard cap). As a result, the quota for all participants will be halved.

Someone who enrolled for $10,000 worth of tokens will therefore only be able to buy $5,000 worth of tokens.

Part 3: Funds Commitment

After the calculation is complete, all participants will have a deadline to commit the remaining part of their pledged investment. In case someone fails to commit, he will lose his quota and the 3% deposit that was made at the time of enrollment.

B Phase 2: Liquidity Event

The second phase consists of a DEX offering, scheduled to take place 24 hours after the conclusion of the token sale, which should give fair terms for all participants to top-up in case they couldn't buy their desired amount due to quota adjustment (oversubscription). Since the event will happen on a DEX, it will be open to everyone and will operate on a first-come, first-serve basis.

C Phase 3: CHANGE Token Staking

The third phase will be initiated together with the liquidity event and **3 months prior to the release** of the tokensale supply. A total of **20M CHANGE** will be allocated as a fixed pool to serve as a mid-term staking system. Once the flexible pools are launched, income generated from staking through the integrated PoS assets will take over.

The Team

Nikifor Iliev
Chief Executive Officer and Co-founder

Nick is a self-driven entrepreneur, co-founder of xChange.bg, and a leading engineer for various IT projects. Nick is highly driven and motivated by the breakthrough in blockchain technologies. He has a unique background in both IT and Finance and holds an MSc in Finance and MCSE/CCNP licenses.

Gary Gerassimov
Co-founder

Gary is a serial entrepreneur with 15 years of management and business development experience. He is a blockchain enthusiast and visionary with a passion for Fintech products. Gary is a trader and holds a BA in International Business/Management degree. He is a co-founder of xChange.bg - the leading Bitcoin trading platform in Bulgaria.

Petya Nankova
Chief Operating Officer (COO)

Petya is a finance professional with experience in Venture Capital, M&A, and Forex. In recent years she developed a keen interest and enthusiasm in the blockchain start-up scene, which is why Petya oversaw, managed and was instrumental in the growth of xChange.bg to make it the go-to Bitcoin trading platform in Bulgaria. She holds an MSc in Finance & Investments.

Martin Kuvandzhiev
Chief Technology Officer (CTO)

Martin is a core developer at Bitcoin Gold, a blockchain speaker/advocate, and an entrepreneur with vast experience with startups and fintech. Currently, Martin is the CEO of two companies — GoStartups, and Assetify, leading more than 50 professionals on 6 different continents. Since 2018 he has been traveling around the globe and educating people about the application of cryptocurrencies in their daily life. In 2015, at the age of 21, Martin and his team won NASA's SpaceApps Challenge.

Petko Krastev
Chief Compliance Officer (CCO)

Petko is an audit and compliance professional with experience in managing compliance risk in the private banking, wealth management, and cryptocurrency industries. He has a passion for fighting financial crime, fraud, and money laundering. He holds an MSc in International Business Economics.

Nikola Alexandrov
Strategy, Tokenomics & Crowdfunding Architecture

Design ideator and co-founder of HydraChain (HYDRA) and CEO of Lock-Trip.com - a leading blockchain travel project with 2.1M integrated hotels in 190+ countries, allowing users to book stays at lower prices. Nikola has seven years of experience with high-frequency algorithmic trading systems and designing of custom technical trading indicators. He co-founded the Bitcoin7 exchange back in 2011 and is the CEO of theSEO.bg agency. Nikola holds a BA in Business Administration from Portsmouth University.

Hristo Tenchev
Crowdfunding Operations

Co-founder of LockTrip.com and Bitcoin7. Founder of xs-software.com - one of the most successful gaming compnaies in Europe with more than 50M registered players worldwide. Hristo also co-founded Softuni.bg - an innovative IT education center with more than 100,000 software engineering students in its three years history, which also pioneers blockchain education in Bulgaria.
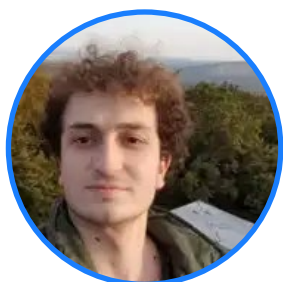
Florian Pfeiffer
Crowdfunding Design & Operations

As CCO and Partner at LockTrip.com, and advisor to GoMeat.io – a speciality meat delivery service with a blockchain-based certification system, Florian amassed four years of experience in building and managing communities. Taking advantage of his engineering background, he designs tools for automating operations and works towards creative solutions. His passion for data, finance, and innovation led him into the world of crypto.

Institutional Backing

ChangeX.io is backed with a $100,000 seed investment by the HydraChain team through the LockTrip Ltd. entity which is a member of the ASX-traded Webjet Limited Group. In return, LockTrip will own a 25% minority stake in equity.