Meet Frank...

- Frank bought 100,000 NEXO tokens when the platform launched in May 2018 @ 10cts each

- Frank has left his tokens on the NEXO platform and any others he has received from dividends

The following is a fictional tale that follows the not so fictional fortunes of Frank, his NEXO investments, and life as a 2.5yr NEXO hodler

- Frank is a die hard NEXO fan
Frank loves so much about NEXO...
Frank loves…. NEXO’s platforms

Frank shares the view that NEXO does indeed have **the worlds leading platforms** for crypto finance. Frank does not know of a competitor website or app that comes anywhere close in terms of smooth user experience, slick interface and jaw dropping functionality. It's a platinum platform with diamond encrusted offers: lending at less than 6% with no credit checks and earning at 10% with zero term commitments? WOWWEE! Let’s throw in no fee’s, 800k clients, $100m insurance, $3bn in loans, 200 jurisdictions, 40 currencies – is it getting hot in here? AMAZEBALLS!
Frank loves.... NEXO's PR

Frank thinks NEXO's PR efforts are superlative. With regular features on CNBC and Bloomberg, together with sponsorship and keynote speaker positions at leading industry events this is an area that gives Frank huge amounts of confidence towards NEXO's management and the authoritative voice they are seeking to create in the sector. Frank would be hard pressed to find other crypto projects doing as well as NEXO in the PR space. TAAAADAAAHH!
Frank loves…. NEXO’s partnerships

Frank thinks NEXO’s partnerships rock! Frank has heard some folk comment that NEXO has yet to deliver on its whitepaper. Frank thinks that type of comment is grossly unfair, and that partnerships is one of the many areas where NEXO have gone above and beyond – they are obviously very busy seeding relationships that are still in their genesis but if fertilized correctly will present a paradigm shift in market opportunities for NEXO’s future business. Way to go NEXO – ROCK ON!
Frank loves NEXO’s products & business concepts.

Frank thinks NEXO’s business concept is nothing short of genius. Franks got some experience in tech ventures and is blown away by the innovation, cutting edge, and visionary concepts that NEXO has tabled and is delivering upon. Frank believes that what NEXO is architecting will form part of future benchmarks for frictionless modern finance practices. Frank is seriously impressed with the aggressive pace of platform delivery and what NEXO has achieved in 2.5 years – especially when compared to other crypto projects – BOOMBADDABOOM!
Frank loves…. NEXO’s marketing

Frank thinks NEXO’s marketing is phenomenal! The Get Loan button on CoinMarketCap was sublime – Frank finds it tough to navigate anywhere in the social space without being chased by a NEXO advertisement! At the time of writing NEXO have been in business 792 days with over 800k clients that’s a marketing funnel securing over 1000 new customers a day. That is a stupendous performance by any marker. POW WITH A CHERRY ON TOP!
Wow! Frank, is everything at NEXO truly as amazing as you say it is?
Frank thinks it could be… BUT it’s not 😞

Frank thinks NEXO has all the formula needed to become the first true unicorn in crypto finance – to trail blaze a leadership into a NEXO CEFI/DEFI future. But just like baking a cake if you don’t look after all the ingredients and forget to include the yeast for instance, the cake will never rise.

In the words of Tim Draper “…Very clever business model… has big potential”

Let’s look at the ingredients from Franks perspective and see how NEXO’s doing in marks out of 10.

Frank is astonished that with all the clever clogs plotting going on within camp NEXO that they have failed to identify and connect with THE SINGLE MOST IMPORTANT FACET of their business:

**ITS CUSTOMERS**

Without this key ingredient being nurtured there is a significant risk that NEXO’s cake will never rise.

<table>
<thead>
<tr>
<th>Category</th>
<th>Mark</th>
</tr>
</thead>
<tbody>
<tr>
<td>Business Concept</td>
<td>9.7</td>
</tr>
<tr>
<td>Business Platforms</td>
<td>9.5</td>
</tr>
<tr>
<td>Marketing</td>
<td>9.6</td>
</tr>
<tr>
<td>PR, Press, Media</td>
<td>9.7</td>
</tr>
<tr>
<td>Partnerships</td>
<td>9.0</td>
</tr>
<tr>
<td>Community Engagement</td>
<td>2.1</td>
</tr>
<tr>
<td>Investor Relations</td>
<td>1.8</td>
</tr>
</tbody>
</table>
What’s going on with community engagement?

Frank feels that NEXO’s never really got its Community Engagement strategy right. NEXO came under some intense and immediate (and in Franks eyes unwarranted) criticism in its first 8 months of its trading. The rapacious and ever thirsty NEXO followers rained whenthis? whenthat? whenmilestone? freely and daily in its infamous TG channel and on January 4th 2019 NEXO responded to this constant barrage of criticism with a public change in engagement policy & strategy:

Frank thinks this ill-conceived change in community communications rests at the heart of most of NEXO customers dissatisfaction. NEXO are building awesome things and have so many members of their community that are stalwart fans but NEXO provides no channel to its devotee base to leverage those synergies. No AMA’s, no meet the team, no TG engagement from management, no detailed newsletters or regular updates, no referral scheme, no competitions, no platform for user generated content, no warnings on delays, no road map, no insights sharing, no dividend timetable, no office photo’s, no challenges with progress – it’s difficult to give NEXO a cuddle because it is so outwardly facing cold. They give their community the “mushroom treatment” – keep them in the dark and feed them shit aka “SOON”.

There are so many shady companies in the crypto space – NEXO says its different – well prove it – open up your mouthpiece and start a conversation!

Frank has heard the “we are a private company and do not need to disclose” line but NEXO are missing the trick – their customers are fed up to the back teeth with bullshit legacy banking corporations and lust after new era organisations that they can build trust and faith in.

Antoni | NEXO

…

Going forward, as the world’s largest and most advanced crypto lender, Nexo will borrow best practices from the leading companies of the world. Apple, for instance, is very conservative when it comes announcing future plans and creating expectations within its customer and investor base. We intend to adopt that most productive technique, as it allows the company to focus on the road ahead and product development rather than find itself in a 24/7/365 explanation mode.

Furthermore, as the leading financial institution within the blockchain space, Nexo has a fiduciary duty to its investors and sharing our goals and the path leading to them gives lagging competitors a standing chance to emulate our model.

…

Frank wants to make very clear that Beyhan, Ahmed, and Dan are incredible ambassadors for NEXO and do a beyond awesome job in managing the community given their limited scope of works. Frank thinks the NEXO admins are CHAMPIONS in their TG realm!
Frank loves Rasto and the vast majority of the NEXO community love what Rasto does – they just wish that NEXO would do it instead...

With no meaningful community engagement from NEXO it has been left in the hands of Rasto

He has developed charts, chatrooms, memes, predictions, runs competitions – he has formed a NEXO news channel, he gets people to retweet posts on twitter, to vote in polls involving NEXO’s popularity, there is no end to the dedication of this Nexonian in trying to helps NEXO’s cause.

Rasto has been left totally unpolicing and being one of the only voices in the NEXO engagement community his prediction charts and estimates get attention – Frank thinks NEXO are hugely culpable here

Rasto labels his estimates and predictions with ‘expectation’ labels – for Antoni to post weeks before this current Dividend that they will ‘exceed expectations’ is extremely misleading and setting the community up for a fall

In isolation the 3rd dividend payout of $6.1m is a phenomenal achievement – but with zero expectation management, zero interim performance discourse and zero community engagement from NEXO’s side, in the face of the numbers the community have been engaged with of course the community is going to be left reeling. POOR POOR JOB NEXO : ( 
Frank is very confused by NEXO’s dividend approach. Hailed by NEXO as the core feature of its token – it’s a topic they offer very little else on in terms of communication. There is no schedule – NONE! And there is no information shared as to why there is no schedule – Franks thinks there must be a logical reason as to why they don’t offer something that their audiences crave and feels it’s very strange not to share such. Furthermore, there is no transparent data provided as to how the dividends are made up – to get to the facts Frank has had to do a considerable amount of math. Frank likens this to selling a flagship car and telling you the tank size and top speed but leaving you to work out the MPG - why? All this approach delivers to Frank is (in house manufactured) fear, uncertainty and doubt. Frank doesn’t get why NEXO’s hero USP is shrouded in such secrecy?

Frank thinks NEXO have created a rod for its own back. The #whendividends and #soon approach creates enormous pressures on the product. Expectation management is AWOL and Golem memes are then well warranted. When the ‘precious’ does finally arrive, of course it’s ‘bees around a honey pot’ – because NEXO has made it this way and when it doesn’t meet expectations its understandable that the community will be disheartened. But those expectations have been created by NEXO in absence of community engagement. SOON™ and #whendividends may be a source of amusement to NEXO HQ but to many of its community its NEXO showing their middle finger.
Frank feels cheated....

Amongst the bitter pills NEXO management is asking faithful followers like Frank to swallow is the exchange rate it has to decided to use when converting this year's dividend USD values back into NEXO tokens.

The NEXO token value at the quoted Record Date of August 5th 1500 UTC was 18.8cts

The value NEXO management are using is 23.7cts - this is the value at open (August 5th 0000 UTC)

This is a 26.1% increase from the true value of the Record Date @ 1500h

This means every non-US token holder will receive receive only three quarters of the NEXO tokens they would have received should NEXO management have chosen to observe the stated Record Date

Despite dishonestly tweeting otherwise, the NEXO management did observe the record date and time stamp for August 2019 dividend token exchange rate thus setting precedent for its token holders.

For Frank the biggest kick in the nuts is that he has waited patiently all year with not one #whendividends coming from his side. He knows that the cost to NEXO, of the tokens being given out, is way under the 23.7cts chosen by NEXO. His gets that his 'precious' will fall in value straight after the dividend issue but to have NEXO shrink that pot so violently from the get-go says nothing other than: "WE DON’T CARE ABOUT YOU AND YOUR DIVIDENDS"

...NEXO WERE AT CHOICE AND THEY CHOSE : ({
Frank’s not the only one who feels cheated…

Frank is BAFFLED by NEXO’s behaviour. NEXO is driving a stake through the heart of its most loyal and fanatical fans. User who have changed their names to ‘NEXOANEWWAYOFLIVE’, users who dedicate day in day out to defending NEXO in public forums, voting for NEXO in polls, NEXO’s action has even fomented a public T-Shirt burning! NEXO’s fans feel betrayed. Frank feels betrayed. Over the last 2.5 years Frank has spent an unhealthy amount of time in NEXO’s TG channels and as such, has got to know many of key custodians of NEXO’s cause. When conversing with these folk DISAPPOINTMENT would be the understatement of the century – the general feelings are of DECEPTION, DISHONESTY & DISTRUST.

Why shortchange your flagship USP? Why?
Frank seeks transparency....

Frank was under the impression that all tokens needed to be held on the platform to be eligible for NEXO for Dividends...

Frank's a big fan of blockchain – he especially likes the immutable ledger aspect of the technology.

One of Frank's huge dissatisfactions with legacy finance is the lack of culpability, with banks he has no idea where his money is, how it is being used etc.

NEXO says it's different – then why not tell us how many tokens were eligible at dividends and if it is the 438,033,203 that Frank has calculated then where have the extra 76,104,750 tokens come from over last year's figures and where are they being held?

Where do I need to hold NEXO Tokens, in order to receive dividends?

Nexo pays 30% of its Net Profit in the form of dividends.

Dividends are available to all NEXO Token holders, regardless of how many tokens they own and in which wallet Credit or Savings they are held, as long as two conditions are met:

1. NEXO Token holders must undergo one-time KYC (Advanced Verification), just as they would do at any other compliant financial institution. Nexo's KYC process is straightforward, fully automated and usually takes less than two minutes;
2. NEXO Tokens must be held/staked in your Nexo account (Credit or Savings Wallet) at the ex-dividend date. The ex-dividend date will be communicated in advance.

The latest official information about dividend payments has been carefully explained here.
Frank doesn’t feel his loyalty is being fairly rewarded....

Frank is stunned that NEXO offer loyalty dividends to folk that don’t have tokens listed on the platform at time of snapshots – he just can't get his head round that one??? Loyalty for NOT being LOYAL!

Frank thinks there is plenty NEXO could offer to reward long term investor confidence in NEXO but there is nothing built into the current scheme that engenders it.

The current scheme allows for users to sell 2 days before snapshot, scoop up 98% of a loyalty bonus and then make more in trading the post dividend crash delta than both full divs together! WTF!?

Nexo uses an innovative dividend-distribution methodology that rewards long-term investor confidence in Nexo and also decreases market volatility around ex-dividend dates. This approach results in the dividend profit-sharing to be split into two parts:

- **Base Dividend** — paid out to all eligible token holders proportionally to their NEXO Token holdings;
- **Loyalty Dividend** — paid out individually for each NEXO Token based on how long it has been in the Nexo Wallet from one ex-dividend date to the next. The share of the Loyalty Dividend will be no less than 1/3 of the total dividend amount to be distributed in any given period.

This approach aims to ensure fairness in the dividend distribution, to prevent fraud, market and price manipulation which are sometimes witnessed with dividend-yielding common stocks around the world.
Frank feels that NEXO cares more about Link Marines than its own army of NEXONIANS...

Frank was really impressed with NEXO’s swift reaction to the LINK FUD – as the community became awash with rumours it took NEXO’s management just 36 hours to respond...

Frank is confused as to why NEXO hasn’t delivered the same prompt attentions to the frustrations being raised by its own community over dividends?

Frank wonders if NEXO poured more focus and resource into building its own NEXONIAN army of Loan Rangers then perhaps it wouldn’t see such a capital flight at dividend time?

Frank struggles to understand why NEXO have said nothing in the face of so much anger and upset – is this part of the Jan 19 “...rather than find itself in 24/7/365 explanation mode” strategy? Looks like its working for you – NOT!
Despite all that’s been said Frank’s still here... because he believes in NEXO
Because Frank does... his homework

NEXO is achieving really incredible growth!

IF... NEXO address its community problems that growth is only going to accelerate...

IF... NEXO fix the problems around dividends then Frank would pour a lot more capital into NEXO as this would then be a passive earning train heading in only one direction...

(to the moon 🚀 😄👊)

<table>
<thead>
<tr>
<th>Dividend</th>
<th>Dividend Date</th>
<th>Term</th>
<th>Dividend Value</th>
<th>Daily Av Value Div. Growth for period</th>
<th>Pro Rata Growth (Div. on Div.)</th>
<th>Eligible Tokens</th>
<th>Loyalty Split</th>
<th>Div. USD per Token (base)</th>
<th>Div. USD per Token (full loyalty)</th>
<th>Total Dividend per Token</th>
<th>Dividend Exchange Rate (USD/NEXO)</th>
<th>Actual Snapshot Exchange Rate</th>
<th>Exchange rate capture date &amp; time</th>
<th>No. of NEXO / 100k</th>
<th>USD / 100k NEXO</th>
</tr>
</thead>
<tbody>
<tr>
<td>DIVIDEND 1</td>
<td>Dec 5th 2018</td>
<td>7 months (214 days)</td>
<td>$912,071.00</td>
<td>$4262</td>
<td>Base</td>
<td>309,658,705</td>
<td>n/a</td>
<td>$0.0029454</td>
<td>n/a</td>
<td>$0.0029454</td>
<td>$0.104256</td>
<td>$0.086841</td>
<td>30/11/18 @00.00 UTC</td>
<td>2825.161 NEXO</td>
<td>$294.54</td>
</tr>
<tr>
<td>DIVIDEND 2</td>
<td>Aug 5th 2019</td>
<td>7 months (212 days)</td>
<td>$2,409,574.87</td>
<td>$11,365</td>
<td>164.2%</td>
<td>361,928,453</td>
<td>50/50</td>
<td>$0.0033288</td>
<td>$0.00219413</td>
<td>$0.0055229</td>
<td>$0.0953288</td>
<td>$0.0953288</td>
<td>05/08/19 @15.00 UTC</td>
<td>5793.527 NEXO</td>
<td>$552.29</td>
</tr>
<tr>
<td>DIVIDEND 3</td>
<td>Aug 5th 2020</td>
<td>12 months (366 days)</td>
<td>$6,127,981.39</td>
<td>$16,743</td>
<td>154.3%</td>
<td>438,033,203</td>
<td>50/50</td>
<td>$0.00699488</td>
<td>$0.00782043</td>
<td>$0.014815319</td>
<td>$0.237291</td>
<td>$0.237291</td>
<td>05/08/20 @00.00 UTC</td>
<td>6243.523 NEXO</td>
<td>$1481.53</td>
</tr>
</tbody>
</table>
Here is how Franks investment has grown...

Frank bought 100,000 NEXO @ 10cts, he has left his account to accumulate through all 3 Dividend issuances – he now has 15% more NEXO tokens (would have been 17% if NEXO had paid him by snapshot valuation) and the token value had 1.8x at time of 3rd snapshot.

<table>
<thead>
<tr>
<th>Dividend</th>
<th>@ 7 months</th>
<th>@ 14 months</th>
<th>@ 26 months</th>
</tr>
</thead>
<tbody>
<tr>
<td>USD Value</td>
<td>$294.54</td>
<td>$567.89</td>
<td>$1611.64</td>
</tr>
<tr>
<td>NEXO tokens</td>
<td>2825</td>
<td>5957</td>
<td>6792</td>
</tr>
<tr>
<td>Cumulative NEXO Balance</td>
<td>102,825</td>
<td>108,782</td>
<td>115,574</td>
</tr>
<tr>
<td>Cumulative Portfolio Value</td>
<td>$8,920</td>
<td>$10,273</td>
<td>$21,727</td>
</tr>
</tbody>
</table>

Calc'd using actual Ex-Dividend Record Dates & Time Stamp
Frank loves NEXO – they nail so many areas of business operation, most with world class delivery.

NEXO fails miserably at communication and interaction towards their customer communities.

NEXO needs to critically reassess its approach in delivering its flagship dividends product and take affirmative action to begin to rebuild trust and faith within its fatigued and upset supporter base.
FRANKS FINAL THOUGHTS: SUMMARY

• NEXO are on the cusp of incredible things, they are delivering upon a mind-blowing concept, but their long-term success critically depends on connecting with its customers

• NEXO needs to immediately implement a radically improved and meaningful Community Engagement & Investor Relations strategy

• NEXO needs to develop a healthy discourse with its fans, it needs to empower them as ambassadors of its brand and vision, and provide daily nourishment to this army

• NEXO needs to revisit their approach to dividends, the market seeks better communication, transparency and clarity on fiscal practices, and a scheme that delivers value not diminishes it

• NEXO needs to revisit their approach to Loyalty, the scheme should reward those who stay loyal to the brand and penalise others who don’t

• NEXO needs to find the humility to admit when it hasn’t done things perfectly – its never about how one falls, its always about how one gets back up again. Frank thinks the community will be hugely supportive around this type of approach.
The best way to predict the future is to create it.

Frank thanks you for your attention