SwissFortress

FortressCoin Crypto-Asset

White Paper 2.0

EU/EEA Version, March 2025

This crypto-asset white paper has not been approved by any competent authority in any Member State of the European Union. The offeror is solely responsible for the content of this crypto-asset white paper according to the European Union's **Markets in Crypto-Asset Regulation (MiCA)**.

Abstract

We outline a user-friendly and privacy-preserving protocol, ("SwissFortress Protocol") powered by FortressCoin, designed to enhance both confidentiality and usability in cryptocurrency transactions while maintaining KYC/AML compliance. FortressCoin incentivizes and supports a decentralized privacy infrastructure, enabling users to engage in secure transactions while maintaining control over transaction visibility.

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1. Compliance Statements

This crypto-asset white paper has not been approved by any competent authority in any Member State of the European Union. The offeror of the crypto-asset is solely responsible for the content of this crypto-asset white paper.

This crypto-asset white paper complies with applicable laws, to the best of the knowledge of the management body, the information presented in the crypto-asset white paper is fair, clear and not misleading and the crypto-asset white paper makes no omission likely to affect its import.

The crypto-asset referred to in this white paper may lose its value in part or in full, may not always be transferable and may not be liquid.

The utility crypto-asset referred to in this white paper may not be exchangeable against the good or service promised in the crypto-asset white paper, especially in the case of a failure or discontinuation of the crypto-asset project.

The crypto-asset referred to in this white paper is not covered by the investor compensation schemes under Directive 97/9/EC of the European Parliament and of the Council.

The crypto-asset referred to in this white paper is not covered by the deposit guarantee schemes under Directive 2014/49/EU of the European Parliament and of the Council.

2. Summary

Warning

This summary should be read as an introduction to the crypto-asset white paper. The prospective holder should base any decision to purchase this crypto-asset on the content of the crypto-asset white paper as a whole and not on the summary alone. The offer to the public of this crypto-asset does not constitute an offer or solicitation to purchase financial instruments and any such offer or solicitation can be made only by means of a prospectus or other offer documents pursuant to the applicable national law.

This crypto-asset white paper does not constitute a prospectus as referred to in Regulation (EU) 2017/1129 of the European Parliament and of the Council (36) or any other offer document pursuant to Union or national law.

Disclaimer	This whitepaper is for informational purposes only and does not constitute financial advice. Cryptocurrencies carry inherent risks.

Overview	Crypto-asset Name: FORTRESSCOIN Crypto-asset Type: Utility Total Supply: 12,500,000,000 crypto-assets in words 12.5 billion crypto-assets Purpose: FortressCoin serves as the native utility crypto-asset within the SwissFortress Protocol (SFP; plat-form) and is designed to enhance user experience on the platform offering various functions within the SwissFortress ecosystem. The Crypto-asset serves several practical purposes within its ecosystem, aiming to enhance privacy and usability in cryptocurrency transactions.
LCX AG	Founded: 2018 Headquarters: Vaduz, Liechtenstein Services: Trusted technology service provider, providing: ● custody of tokens on behalf of clients; ● operation of a trading platform for tokens; ● exchange of tokens for funds; ● exchange of tokens for other tokens; ● issuing of tokens; ● token creation services; ● Tokenization services; ● Physical validator services (ensuring enforcement of tokenized rights in rem); ● Price services with regard to tokens; ● Identity services with regard to the persons who may rightfully dispose over tokens Registered as a Virtual Asset Service Provider under TVTG in Liechtenstein since 2020.
Token issuer	LCX AG, Liechtenstein
Crypto-asset Details	Symbol: FORTRESSCOIN Blockchain Platform: Multichain Crypto-asset Standard: ERC-20 Minting Mechanism: Fixed Supply, pre-minted

Utility and Benefits

The FORTRESSCOIN Crypto-asset primarily functions as a digital value voucher and thus has a function as a means of exchange given as consideration for procurement of services on the SwissFortress ecosystem.

Time of Offer

Subscription period for FORTRESSCOIN will be 12 months and may be rolled over for periods of 12 months each subsequently.

Risks

Crypto-asset Risks

- Market volatility: The value of crypto-assets can fluctuate dramatically within short periods, posing significant risks to investors and undermining market stability.
- Regulatory changes: Sudden or unanticipated shifts in regulatory frameworks can lead to legal uncertainties and potentially restrict or ban certain crypto activities, affecting asset value and market operations.
- Security breaches: Crypto-assets and the underlying blockchain protocol as well as smart contracts used are vulnerable to hacking and cyber-attacks, or other force majeure events, which can result in substantial financial losses and erode trust in the underlying technology.

Issuer-Related Risks

- New venture uncertainties: Start-up ventures in the crypto space often face high levels of uncertainty, including potential failure to deliver on promises, leading to loss of investor capital.
- User attraction challenges: Attracting and retaining a user base is crucial for the success of crypto projects, and failure to do so can lead to diminished value and viability of the asset.

Technological Risks

- Smart contract vulnerabilities: Flaws in smart contract code can be exploited, resulting in unauthorized transactions or the loss of funds, which are often irreversible.
- No insurance coverage: Unlike traditional assets, crypto-assets typically lack insurance protections, leaving investors fully exposed to losses from theft, fraud, or technical failures. Also, no deposit guarantee or investor protection schemes apply.

Other Risks

- Liquidity: Limited liquidity can make it difficult to buy or sell crypto-assets without significantly affecting their price, potentially trapping investors in unfavorable positions.
- Adoption: The success of a crypto-asset heavily depends on widespread adoption, and failure to achieve this can result in a lack of utility and reduced asset value.
- Operational management: Poor management practices can lead to the misallocation of resources, inefficiency, and failure of the project, impacting the overall value of the asset.
- Competition: The rapidly evolving crypto market is highly competitive, and new entrants can quickly render existing technologies obsolete, diminishing the value of older assets.
- Economic conditions: Broader economic downturns can negatively affect the crypto market, as investors may flee to safer assets, leading to a decline in crypto-asset values.
- Crypto-asset lock-in periods: Mandatory lock-in periods can restrict liquidity, forcing investors to hold onto assets during times of market downturn, which can lead to significant losses.

Introduction

While blockchain transparency is beneficial for security, it can also expose transactional data to public scrutiny, putting user privacy at risk. The SwissFortress Protocol addresses this issue by implementing a send-to-name mechanism, allowing users to transact through unique, human-readable identifiers, and a privacy-preserving signaling structure that keeps transaction metadata secure. This approach ensures that while transaction details remain visible on the public blockchain, the privacy-preserving signaling structure prevents the mapping of human-readable identifiers to dynamically generated addresses, ensuring that only the transacting parties can link the transactions to their identities.

FortressCoin serves as the utility crypto-asset within the SwissFortress Protocol (SFP), enabling users to:

- Reserve Unique Names: Secure a unique, globally recognized name to facilitate private, send-to-name transactions.
- Access Privacy-Preserving Infrastructure: Incentivize participants who operate nodes for off-chain signaling and data storage.
- Credentialed Access: Enable FortressCoin holders to undergo optional KYC/AML checks and share verified credentials securely, irrefutably proving their off-chain identity.
- Governance: Allow FortressCoin holders to influence protocol updates and privacy standards.

Although users can manipulate FortressCoin directly, SwissFortress performs the above functions automatically for users that purchase names. For the users the FortressCoin infrastructure enables Paypal-like decentralized "send to name" without the user having to understand the protocol.

Characteristics of the crypto-asset

ERC-20 Crypto-asset, minted on the Ethereum Blockchain initially, with multichain capabilities thereafter.

Key information about the offer to the public or admission to trading

Public Offer Overview

SwissFortress will not conduct a public offering before the launch of the $FORTRESSCOIN crypto-asset. Instead, we may conduct a private sale to selected partners at discounted rates prior to launch.

- Prospective Holders: Open to selected strategic partners in the private sale phase.
- Offering Phases: No public sale before launch; private sale may be conducted with discounted rates.
- Subscription Period: If applicable, private sale details will be announced separately.

Where applicable and required, a virtual or crypto asset service provider may oversee the private sale and crypto-asset distribution.

Trading & Admission

Following the crypto-asset launch, $FORTRESSCOIN will be listed on select trading platforms. The primary exchange(s) for listing will be disclosed closer to the launch date, ensuring accessibility for investors to buy, sell, and trade crypto-assets seamlessly.

Target holders of crypto-assets	*Retail and professional investors*
Description of offer phases	*New offering,*

Placement for public offering by	*LCX AG, www.lcx.com, Herrengasse 6, 9490 Vaduz, Liechtenstein*
Admission to Trading	*Liechtenstein, LCX AG platform, www.lcx.com, Herrengasse 6, 9490 Vaduz, Liechtenstein at first, expecting to launch on other Centralized exchanges in the near future*

A. Information about the offeror or the person seeking admission to trading

Name

Name of the offeror or the person seeking admission to trading (e.g., as shown in the commercial register).

SwissFortress AG

Legal Form

Legal form of the offeror or the person seeking admission to trading (ISO 20275 Code List).

AG (Aktiengesellschaft)

Registered Address

Registered address of the offeror or the person seeking admission to trading.

Oberneuhofstrasse 8, 6340 Baar, Switzerland

Head Office

Head office of the offeror or the person seeking admission to trading.

Oberneuhofstrasse 8, 6340 Baar, Switzerland

Registration Date

Date of the registration (i.e., incorporation date).

11.09.2023

Another Identifier Required Pursuant to Applicable National Law

National identifier based on the nationality of the offeror or the person seeking admission to trading, if required under the applicable national law.

Registered in the commercial register Zug, Switzerland. Register Number: CHE-491.448.514

Contact Telephone Number

Contact telephone number of the offeror or the person seeking admission to trading.

+41 79 258 8033

E-mail Address

E-mail address of the offeror or the person seeking admission to trading.

info@swissfortress.com

Response Time (Days)

Period of days within which an investor will receive an answer via that telephone number or e-mail address.

030

Members of the Management Body

Identity (names or other identifiers), business address and functions of each person that is member of the management body, as defined in Article 3(1) point (27) of Regulation (EU) 2023/1114, of the offeror or the person seeking admission to trading.

- Amer Vohora, chairperson of the board, business address Oberneuhofstrasse 8, 6340 Baar, Switzerland;
- William Adams, member of the board, business address Oberneuhofstrasse 8, 6340 Baar, Switzerland;
- Clara Klainguti, general manager, business address Oberneuhofstrasse 8, 6340 Baar, Switzerland;

Business Activity

Business or professional activity of the offeror or person seeking admission to trading, including principal activities and principal markets.

The company's purpose is to provide services in the form of software solutions based on blockchain technology.

B. Information about the issuer, if different from the offeror or person seeking admission to trading

Name

Name of the offeror or the person seeking admission to trading (e.g., as shown in the commercial register).

LCX AG

Legal Form

Legal form of the offeror or the person seeking admission to trading (ISO 20275 Code List).

AG (Aktiengesellschaft)

Registered Address

Registered address of the offeror or the person seeking admission to trading.

Herrengasse 6, 9490 Vaduz, Liechtenstein

Head Office

Head office of the offeror or the person seeking admission to trading.

Herrengasse 6, 9490 Vaduz, Liechtenstein

Registration Date

Date of the registration (i.e., incorporation date).

24.04.2018

Legal Entity Identifier

Legal entity identifier (LEI) of the offeror or person seeking admission to trading.

LEI Number: 529900SN07Z6RTX8R418

Another Identifier Required Pursuant to Applicable National Law

National identifier based on the nationality of the offeror or the person seeking admission to trading, if required under the applicable national law.

Registered in the commercial register Vaduz, Liechtenstein. Register Number: FL-0002.580.678-2

Contact Telephone Number

Contact telephone number of the offeror or the person seeking admission to trading.

+423 235 40 15

E-mail Address

E-mail address of the offeror or the person seeking admission to trading.

legal@lcx.com

Response Time (Days)

Period of days within which an investor will receive an answer via that telephone number or e-mail address.

020

Parent Company

Metzger Capital AG

Members of the Management Body

Identity (names or other identifiers), business address and functions of each person that is member of the management body, as defined in Article 3(1) point (27) of Regulation (EU) 2023/1114, of the offeror or the person seeking admission to trading.

- Monty C. M. Metzger. Herrengasse 6, 9490 Vaduz, Liechtenstein, President of the Board
- Katarina Metzger, Herrengasse 6, 9490 Vaduz, Liechtenstein, Board Member
- Anurag Verma, Herrengasse 6, 9490 Vaduz, Liechtenstein, Director of Technology

Business Activity

Business or professional activity of the offeror or person seeking admission to trading, including principal activities and principal markets.

LCX provides various crypto-asset services under Liechtenstein's Token and Trusted Technology Service Provider Act ("Token- und Vertrauenswürdige Technologie-Dienstleister-Gesetz" in short "TVTG") also known as the Blockchain Act. These include custody and administration of crypto-assets, offering secure storage for clients' assets and private keys. LCX operates a trading platform, facilitating the matching of buy and sell orders for crypto-assets. It enables both crypto-to-fiat and crypto-to-crypto exchanges, ensuring compliance with AML and KYC regulations. LCX also supports token placements, marketing crypto-assets on behalf of offerors. Under the TVTG framework, LCX provides:

- TT Depositary – Custody and safekeeping of crypto-assets.
- TT Trading Platform Operator – Operation of a regulated crypto-asset exchange.
- TT Exchange Service Provider – Crypto-to-fiat and crypto-to-crypto exchange.
- Token Issuer – Marketing and distribution of tokens.
- Token Generator & Tokenization Service Provider – Creation and issuance of tokens.
- Physical Validator – Enforcement of token-based rights on TT systems.
- TT Verification & Identity Service Provider – Legal capacity verification and identity registration.
- TT Price Service Provider – Providing aggregated crypto-asset price information.

Parent Company Business Activity

Not applicable, holding company.

C. Information about the operator of the trading platform in cases where it draws up the crypto-asset white paper

Not applicable.

D. Information about the crypto-asset project

Crypto-Asset Project Name

Name of the crypto-asset project, if different from the name of the offeror or person seeking admission to trading.

SwissFortress

Crypto-Assets Name

Name of the crypto-assets, if different from the name of the offeror or person seeking admission to trading.

FortressCoin Token

Abbreviation

Abbreviation or ticker handler.

XFC

Crypto-Asset Project Description

A brief description of the crypto-asset project.

SwissFortress is an innovative blockchain-based protocol designed to enhance privacy and usability in cryptocurrency transactions while maintaining compliance with Know Your Customer (KYC) and Anti-Money Laundering (AML) regulations. At its core, the SwissFortress Protocol (SFP) introduces a send-to-name mechanism, allowing users to transact using human-readable identifiers instead of complex wallet addresses. The protocol employs a privacy-preserving signaling structure, ensuring that transaction details remain secure while preserving the transparency of public blockchains.

Details of all persons involved in the implementation of the crypto-asset project

Details of advisors, development team, crypto-assets service providers and other persons involved in the implementation of the crypto-asset project, including business addresses or domicile of the company.

Details of all persons involved in the implementation of the crypto-asset project

- Amer Vohora, per SwissFortress AG's business address Oberneuhofstrasse 8, 6340 Baar, Switzerland;
- William Adams, per SwissFortress AG's business address Oberneuhofstrasse 8, 6340 Baar, Switzerland;
- Clara Klainguti, per SwissFortress AG's business address Oberneuhofstrasse 8, 6340 Baar, Switzerland;

Utility Token Classification

Indication as to whether the crypto-asset project concerns utility tokens. ['true' – Yes] or ['false' – No]

True

Key Features of Goods/Services for Utility Token Projects

Where applicable, key features of the goods or services to be developed for utility tokens crypto-asset projects.

FortressCoin serves as the native utility crypto-asset within the SwissFortress Protocol (SFP; platform) and is designed to enhance user experience on the platform offering various functions within the SwissFortress

ecosystem. The Crypto-asset serves several practical purposes within its ecosystem, aiming to enhance privacy and usability in cryptocurrency transactions.

Plans for the Token

Information about the crypto-asset project, including the description of the past and future milestones.

The FortressCoin (XFC) is the native utility crypto-asset of the SwissFortress Protocol (SFP), designed to facilitate privacy-preserving transactions and decentralized identity verification while ensuring compliance with KYC/AML regulations.

Read more below in the additional marketing materials.

E. Information about the admission to trading

Public Offering or Admission to Trading

Indication as to whether the crypto-asset white paper concerns an offer to the public of crypto-assets or their admission to trading. ['OTPC' - offer to the public] ['ATTR' - admission to trading]

TOPC and ATTR

Reasons for Public Offer or Admission to Trading

The reasons for the offer to the public or for seeking admission to trading, including what is the intended use of the funds raised with the offer.

The FortressCoin seeks an offer to the public and subsequent admission to trading to enhance liquidity, accessibility, and ecosystem adoption, enabling broader participation in the ecosystem

Trading Platforms name

Where applicable, the name of the trading platforms for crypto-assets where admission to trading is sought.

LCX Exchange (Liechtenstein)

Trading Platforms Market Identifier Code (MIC)

Segment MIC for the trading platform where the admission to trading of the crypto-assets is sought.

LCXE

Applicable Law

The law applicable to the offer to the public of the crypto-asset.

Liechtenstein

Competent Court

Subject to mandatory applicable law, any dispute arising out of or in connection with this white paper and all claims in connection with the FortressCoin shall be exclusively, including the validity, invalidity, breach or termination thereof, subject to the jurisdiction of the courts of Liechtenstein.

F. Information about the crypto-assets

Crypto-Asset Type

The type of crypto-asset that will be offered to the public or for which admission to trading is sought.

Utility Token

Crypto-Asset Functionality

A description of the functionality of the crypto-assets being offered or admitted to trading.

FortressCoin serves as the native utility crypto-asset within the SwissFortress Protocol (SFP; platform) and is designed to enhance user experience on the platform offering various functions within the SwissFortress ecosystem. The Crypto-asset serves several practical purposes within its ecosystem, aiming to enhance privacy and usability in cryptocurrency transactions.

Planned Application of Functionalities

Information about when the functionalities of the crypto-assets being offered or admitted to trading are planned to apply.

March 2025

Type of white paper

The type of white paper notified.

OTHR

The type of submission

[NEWT = New], [MODI = Modify], [EROR = Error], [CORR = Correction]

NEWT

Crypto-Asset Characteristics

A description of the characteristics of the crypto-asset, including the data necessary for classification of the crypto-asset white paper in the register referred to in Article 109 of Regulation (EU) 2023/1114, as specified in accordance with paragraph 8 of that Article, and functionality of the crypto-assets being offered or admitted to trading, including information about when the functionalities are planned to apply (ISO 24165 DTI code ISO 24165 FFG DTI).

Classification & Registration: Utility Token. Registration with ESMA.

Functionality: Used for accessing utility services within its platform.

DTI Compliance: DTI applied (ISO 24165). Will be included in the ESMA register once issued.

Starting date of admission to trading

Starting date or, if not available at the time of the notification by the competent authority, the intended starting date of offer to the public or admission to trading.

2025-04-01

Publication date

Effective or intended publication date of the white paper or of the modified white paper.

2025-04-01

Identifier of operator of the trading platform

Segment MIC for the trading platform operated by the CASP, where available, otherwise operating MIC.

LCXE

Language or languages of the white paper

Language or languages in which the crypto-asset white paper is drafted.

English

Home Member State

Home member state as defined in Article 3 paragraph 33 of Regulation (EU) 2023/1114.

Liechtenstein

G. Information on the rights and obligations attached to the crypto-assets

FortressCoin (XFC) is a utility crypto-asset within the SwissFortress ecosystem, primarily functioning as a digital value voucher for platform services. It does not grant ownership, revenue-sharing, or equity rights in SwissFortress AG.

- **Purchaser Rights & Obligations:** Holders can use FortressCoin for **name reservations, privacy-preserving transactions, governance participation, and credentialed KYC/AML verification** within the SwissFortress Protocol. However, FortressCoin is **non-refundable, has no intrinsic redemption value, and does not guarantee ongoing utility or exchangeability.**
- **Modification Conditions:** The rights and obligations related to FortressCoin may be adjusted through **protocol governance mechanisms** or regulatory changes. SwissFortress AG reserves the right to update token functionalities in compliance with legal requirements and ecosystem needs.

Future Public Offers and Issuer Holdings

SwissFortress AG may conduct additional private sales or public offerings of FortressCoin (XFC) to strategic partners and institutional investors. The issuer may retain a portion of the total supply for ecosystem development, regulatory compliance, and long-term sustainability.

Utility Token Functionality

FortressCoin serves as a utility crypto-asset within the SwissFortress Protocol, enabling access to privacy-preserving transactions, name reservations, decentralized identity verification, and governance participation.

Redemption for Goods and Services

FortressCoin can be used within the SwissFortress ecosystem to reserve unique names, pay for transaction signaling, and facilitate credentialed access for KYC/AML compliance. However, it is not redeemable for fiat currency or other assets.

Transferability Restrictions

There are no inherent transferability restrictions, but users must comply with applicable regulatory requirements, including KYC/AML verification. Transfers may be subject to blockchain network conditions and platform policies.

Supply Adjustment Mechanism

FortressCoin operates on a fixed-supply model with pre-minted tokens. There are no automatic mechanisms to increase or decrease supply in response to demand fluctuations.

Protection and Compensation Schemes

There are no deposit guarantee schemes or investor protection mechanisms applicable to FortressCoin. Token holders assume full responsibility for custody, security, and loss risks.

Applicable Law and Jurisdiction

FortressCoin and its associated rights are governed by the laws of Liechtenstein. Any disputes arising from its issuance, trading, or usage will fall under the exclusive jurisdiction of the courts of Liechtenstein.

H. Information on the underlying technology

Distributed ledger technology

Field to be filled in only if a DTI is not provided in field F.14. Information on the technology used, including distributed ledger technology.

Ethereum Blockchain.

Additional Marketing Materials

I. Information about the crypto-asset project

1. Key Information about the crypto-asset project: SwissFortress

Crypto-asset Project Name: SwissFortress

Crypto-asset Name: FortressCoin Token

Details of all persons involved in the implementation of the crypto-asset project

- Amer Vohora, per SwissFortress AG's business address Oberneuhofstrasse 8, 6340 Baar, Switzerland;
- William Adams, per SwissFortress AG's business address Oberneuhofstrasse 8, 6340 Baar, Switzerland;
- Clara Klainguti, per SwissFortress AG's business address Oberneuhofstrasse 8, 6340 Baar, Switzerland;

Utility Crypto-asset Classification: The crypto-asset project concerns utility crypto-assets.

Planned use of any funds or other crypto-assets collected: The funds or crypto-assets collected are intended to support the expansion of operations, strategic development, and technological innovation. This includes enhancing infrastructure, improving software solutions, scaling service offerings, and entering new markets. Additionally, resources may be allocated to regulatory compliance, business development, talent acquisition, and partnerships, ensuring sustainable growth and long-term value creation. The use of funds remains adaptable to evolving business needs and market conditions.

2. Overview of the Send-to-Name and Signaling Protocol (SFP)

The SF protocol facilitates transactions using globally unique names without exposing transaction data publicly. Components include:

- Human-Readable Identifiers: Unique names allow user-friendly transaction identification across platforms.
- Public Paycodes and Key Infrastructure: To establish secure, verifiable transactions.
- Multimodal Signaling Pathways: Combined on-chain and off-chain pathways for redundant, private, and efficient signaling.

3. Protocol Overview and Computation of Public Paycodes

SFP enables wallet users to compute a counterparty's receive address on any blockchain and crypto-asset via a one-way cryptographic proof. An important concept to understand is that whenever a master private and public key pair is created, it defines a curve with a large key space rather than a single key. SFP allows a user, Alice, to deterministically compute a receive address that is guaranteed to be on Bob's curve (compatible with both secp256k1 and Ed25519 curves). This computed address can only be generated by Alice for transactions to Bob, thereby forming a cryptographic proof that Alice has sent funds to Bob. Additionally, a Zero-Knowledge (ZK) proof ensures that the funds Alice sends to Bob originate from her private key, which is the same key used to compute the Alice-Bob receive address.

In this way, any two parties in the SFP system, such as Alice and Bob, compute unique addresses for each transaction, enhancing privacy. For example:

- When Alice sends to Bob, the Alice-Bob key is computed.
- When Bob sends to Alice, a distinct Bob-Alice key is generated.
- If a third party, Charlie, sends to Bob, a separate Charlie-Bob key is computed, ensuring all computed addresses are unique to each sender-receiver pair.

The Public Paycode is a hardened xpub used exclusively within the SFP. This hardened xpub acts as a shared identity key that Alice and Bob use to calculate unique addresses for every transaction. If used as a regular xpub, these addresses would be meaningless, as they are designed specifically for privacy within SFP. The SFP Public Paycode helps achieve maximum privacy on existing blockchains without requiring any modifications to the blockchain itself. By design, third-party observers can access users' names and paycodes but cannot compute their receive addresses on-chain.

The name lookup and discovery feature is critical for the protocol, allowing both on-chain and off-chain mappings of human-readable identifiers to Public Paycodes. Through this feature, Alice can quickly find Bob's paycode, and vice versa, enabling the computation of unique addresses through a one-way, non-interactive cryptographic proof. This way, Alice and Bob's identities are represented as paycodes without direct on-chain linkage, preserving privacy while ensuring verifiable KYC-compatible interactions.

A fundamental component of SFP is its signaling system, which supports encrypted name lookup for Public Paycodes. For Bob to compute all possible addresses on which Alice may send him funds, only a single signal is required. This signal, encrypted with Bob's public key, allows him to recognize Alice's intent to

send funds while ensuring privacy. Without this signaling, Bob would need to compute his unique addresses for all possible users, which, while possible, is computationally inefficient.

4. Key Features of the SFP

1. Human-Readable Identifiers and Public Paycodes: The protocol supports both on-chain and off-chain mappings, allowing discovery of paycodes through name lookup and computation of unique addresses for secure transactions.
2. Privacy-Preserving Transactions: With each transaction generating a unique address, the system prevents third-party observers from tracing transaction histories or computing receive addresses based on publicly accessible information.
3. Backward Compatibility with OBPP-5: While building on OBPP-5, SFP is backward-compatible, enabling legacy BIP-47/OBPP-5 wallets to send funds to an SFP enabled wallet. However, the reverse requires an explicit send option for compatibility.

5. System Implementation Approaches

The SwissFortress Protocol supports two complementary approaches for implementation, enabling both user flexibility and scalability across various ecosystems:

Partner-Based Ecosystem Approach

The partner-based approach simplifies the adoption of the SwissFortress Protocol by leveraging trusted service providers who act as intermediaries. These partners manage key operations such as crypto-asset locking, name reservations, and privacy-preserving signaling on behalf of users. In this model:

- Ease of Use: Users are not required to hold FortressCoin directly, as service providers handle all protocol-related interactions.
- Expanded Accessibility: This approach lowers barriers for non-technical users, ensuring widespread adoption across diverse user bases.
- Ecosystem Stability: Service providers align with the governance framework to adjust parameters like crypto-asset locking dynamically, ensuring ecosystem sustainability.
- Support for the Lighthouse Effect: Partners act as beacons within the ecosystem, drawing in new users by demonstrating the protocol's benefits and capabilities.

This approach combines user-friendly accessibility with centralized operations to maximize reach and usability.

Distributed User-Driven Model

The distributed user-driven model empowers users to directly interact with the protocol in a decentralized manner. In this approach:

- Full Decentralization: Users may hold FortressCoin directly to perform name reservations and engage in signaling.
- Enhanced Privacy and Autonomy: Without intermediaries, users retain full control over their transactions and operations.
- Community Ownership: This model encourages a sense of collective responsibility, fostering deeper engagement within the ecosystem.

While this approach offers greater control and privacy, it is better suited for tech-savvy users who can manage the operational complexity. As stated previously, SwissFortress will be performing the above operations for retail users via the SwissFortress and partner wallets.

Balancing the Two Approaches

These dual frameworks provide the flexibility needed to adapt the protocol to different user needs and market conditions. Together, they ensure that the SwissFortress Protocol can cater to both casual users and advanced participants, driving long-term adoption and sustainability.

6. Multimodal Signaling for Paycode Transmission

As detailed above, computational efficiency requires a reliable signaling system. SFP achieves this through multimodal signaling, a robust approach that employs multiple, distinct pathways for transmitting transaction signals. This method enhances privacy, reliability, and redundancy. By dispersing transaction signals across both on-chain and off-chain pathways, the protocol ensures each transaction remains private, resilient to potential failures, and recoverable when necessary.

What is Multimodal Signaling?

Multimodal signaling refers to the use of various transmission methods to optimize privacy and reliability for transaction signals. The pathways include:

- Primary Off-Chain Pathways: Decentralized storage networks and private messaging servers serve as channels for transmitting signals. By keeping transaction signals off-chain, data remains hidden from public view, preventing third-party tracking based on signal volume. Notably, decrypting these signals is impossible for unauthorized parties.
- Primary On-Chain Pathways on the Fortress Chain: In parallel, signals can also be sent directly on the FortressCoin chain as encrypted metadata within minimal-value transactions. This pathway provides a decentralized, secure storage of signals.
- In-Line Backup Signaling: If the primary on-chain pathway is unavailable, a signal will be sent with the funds on the chain. In normal operations, however, inline signaling will usually contain only noise, with the true signal sent separately. This backup measure ensures signal continuity.
- Noise Protocol: To prevent external observers from inferring transaction activity based on signaling volume, the protocol incorporates random "noise" signals. These decoy signals obscure actual transaction signals, making them difficult to isolate or analyze.
- Beacon Addressing: Signals are sent to non-deterministic addresses representing a pool of users, ensuring that signal volume cannot be attributed to any single user.

A key distinction between OBPP-5 and the SFP's signaling approach is that OBPP-5 always embeds signals with the funds as part of the same transaction as change. In contrast, SFP sends signals through a separate signaling chain (the primary on-chain pathway, FortressCoin), allowing each signal to represent any transaction across any chain or crypto-asset now or in the future. This approach significantly reduces the ability to correlate signals on conventional blockchains. Additional distinctions in the patent pending SF protocol include the use of beacon addressing, noise protocol, in-line backup signaling, and off-chain signaling, among other enhancements.

Key Benefits of Multimodal Signaling

- Enhanced Privacy: By dispersing transaction signals across both on-chain and off-chain pathways, multimodal signaling ensures that only intended parties can identify and process signals, obscuring transaction volumes from third-party analysis.
- Redundancy and Reliability: With multiple transmission pathways, the signal can still be recovered from an alternate pathway if one fails, ensuring transaction signals reach their destination under various conditions.
- Transaction History Recovery: Multimodal signaling allows for efficient recovery of transaction histories from stored paycode signals, even if data from one pathway is inaccessible. When a user

restores a wallet from seed, all their transactions both incoming and outgoing will be recovered along with the counterparty name data.

Example in Practice

When a user initiates a send-to-name transaction, their wallet defaults to using both the primary off-chain pathway and on-chain pathway simultaneously to securely and privately signal the recipient's wallet. If the on-chain pathway is temporarily unavailable, the wallet automatically switches to inline signaling. To further safeguard privacy, the wallet consistently uses the Noise Protocol to add random decoy signals, masking transaction activity. This layered approach ensures that transaction signals remain private, resilient, and easily recoverable.

What It's Not

This is not a mixer. Chain analysis functions normally with this system. It simply provides users with an efficient method to generate and use unique on-chain addresses for each other.

7. Use Cases for SFP and the Send-to-Name Protocol

Cross-Border Payments

The protocol allows individuals and businesses to make international transactions with privacy through send-to-name functionality, using secure, low-cost signaling pathways without revealing transaction metadata.

Decentralized Finance (DeFi) Integration

DeFi applications can use SFP to enable private wallet-to-wallet and wallet-to-smart contract interactions, expanding access to lending, borrowing, and staking while preserving anonymity. For example, DeFi using SFP can distinguish between users and also utilize our end-to-end KYC proof system for a novel approach to compliance.

Privacy-Enhanced Wallet Services

Wallets using SFP allow private transaction histories to be stored securely, with transactions recoverable only by the user. This setup enables wallets to offer private data restoration and selective transaction visibility.

Name Reservations for Unique Identifiers

The protocol's send-to-name feature enables users to reserve unique names, much like domain names, for transaction identification. FortressCoin is used to reserve and lock these names, adding practical utility and contributing to supply reduction.

8. Economic Model and Utility

FortressCoin powers key functions within the SwissFortress Protocol, driving utility through organic demand in the form of signaling and name reservations. Unlike traditional models that use burns or buybacks to influence price, FortressCoin emphasizes genuine utility-based locking and usage, creating a sustainable ecosystem.

Utility for Name Reservation and Signaling

FortressCoin is designed to support two primary functions: name reservations and signaling. Both mechanisms create organic demand by locking FortressCoin for use within the ecosystem, thereby reducing circulating supply naturally:

- Name Reservations and KYC: Users can lock FortressCoin to reserve unique, globally recognizable names and KYC (see Section 7) on the FortressCoin chain. These remain locked as long as the reservation is active, creating a steady reduction in circulating supply.
- Signaling Usage: FortressCoin facilitates signaling between wallets, creating demand based on genuine network activity and usage. This demand is intrinsic to the protocol's functionality, as signaling enables privacy-preserving, user-friendly transactions.

Why We Don't Prioritize Burning or Buybacks

Burning has become a common practice in the cryptocurrency space, but it does not necessarily lead to meaningful price appreciation for several reasons:

- Impact on Circulating Supply: Burn events often reduce supply that are outside the circulating supply, like reserve crypto-assets. This type of burning creates only the appearance of scarcity rather than an actual increase in demand for circulating supply.
- Lack of Long-Term Price Support: While burning can create a temporary price boost, it does not inherently drive long-term demand. Without a sustained increase in actual use cases, burning fails to address the root of price growth, which is organic demand from usage.

Buybacks

Using funds from name sales or protocol earnings to buy back crypto-assets is another tactic some projects employ, but we see drawbacks with this approach:

- Artificial Market Support: Buybacks create a temporary demand that can be perceived as market manipulation. This artificial demand does not reflect real usage or ecosystem growth and may ultimately undermine investor trust.
- Short-Term Impact: Buybacks may create only short-lived price increases, which often reverse when buyback activity ends. Sustainable price growth comes from ongoing demand within the ecosystem, not one-time or repeated buybacks.
- Missed Opportunity: Funds used for buybacks could be more effectively allocated to development, marketing, and partnerships that foster genuine demand and protocol growth, directly benefiting the ecosystem.

Why Locking and Utilization are Superior

We believe that locking FortressCoin for name reservations and using them in signaling is a superior model for creating long-term value and price support:

- Real Utility from Name Reservations: Name reservations require FortressCoin to be locked as long as the reservation is active. This creates an enduring reduction in circulating supply tied to an actual feature that users value.
- Signaling-Driven Demand: Utilization of FortressCoin through signaling is genuine usage that directly correlates with the protocol's core functionality. This demand isn't artificial but is generated by user activity within the network, leading to an organic increase in value.

By focusing on demand-driven mechanisms and avoiding artificial price supports like burning or buybacks, FortressCoin fosters sustainable crypto-assetomics that reflect real use and user participation within the SwissFortress Protocol.

Projected Name Reservations Over Time Using Metcalfe's Law

This chart illustrates the anticipated growth in name reservations within the SwissFortress Protocol ecosystem, modeled using Metcalfe's Law. The exponential increase reflects the strengthening network effects as more users adopt the privacy-preserving send-to-name functionality. This growth trajectory aligns with the protocol's goal of creating a secure, user-friendly framework. These numbers reflect numbers of wallet owners with a name that represents a destination address that supports cross chain sends. The scale of growth should be expected to scale as the number of users in the global cryptocurrency ecosystem scales and adopt send to name functionality.

Hypothetical Crypto-asset Locking and Distribution Schedule

This chart explores hypothetical scenarios for crypto-asset locking based on varying crypto-assets-per-name assumptions, contrasted against a crypto-asset distribution curve. It showcases how crypto-asset locking supports name reservations and signaling activities, demonstrating a dynamic balance between adoption-driven locking and systematic crypto-asset distribution. This approach highlights the protocol's focus on sustainable growth and utility-driven demand.

Governance Framework

The SwissFortress Protocol will incorporate a governance framework to stabilize FortressCoin's price and supply, ensuring a functional and sustainable ecosystem. Key features of the governance framework include:

1. Dynamic Adjustments:
    - ○ The framework enables ecosystem partners to modify protocol variables such as the number of crypto-assets locked per name. These adjustments respond to market conditions, aligning supply and demand with real-world needs.
2. Ecosystem Partner Contributions:

- ○ Service providers will play a central role in governance, acting as stewards of the protocol. They align their operations with governance decisions to maintain stability and support the protocol's objectives.

3. Support for Diverse Models:
   - ○ The governance framework will accommodate both the partner-based and user-driven models, allowing seamless integration of centralized and decentralized approaches.
4. Long-Term Sustainability:
   - By dynamically managing crypto-assetomics, the governance framework will ensure that FortressCoin remains viable as a utility crypto-asset, supporting the protocol's growth while maintaining stability.

9. KYC/AML Compliance and Identity Verification

Ensuring compliance with Know Your Customer (KYC) and Anti-Money Laundering (AML) regulations is crucial for the adoption and legitimacy of cryptocurrency protocols. The SwissFortress Protocol integrates robust identity verification mechanisms to meet these regulatory requirements while preserving user privacy.

Credentialed Access with FortressCoin

Users can lock FortressCoin to create a decentralized, cryptographic proof of identity. They may choose to undergo identity verification processes, obtaining credentials that attest to either blinded or unblinded claims or a combination of both about themselves.

For example, if Alice wishes to prove to a counterparty that she is over 18 and a resident of the USA, she could create an "Adult American" proof. Alice does not want to reveal her name as part of this proof, so the proof is a blinded claim. To create it, Alice would submit her driver's license to a KYC authority. The authority would then issue a cryptographic proof, signed by them, which Alice can use. She can share this proof with other parties who are likely to trust it if they recognize the authority as reputable.

Alice can create as many cryptographic proofs as she likes, with no technical limit. These proofs can be blinded, unblinded, or combinations of both. For instance, in addition to the "Adult American" proof, Alice could have a proof revealing a copy of her passport or a separate proof for her driver's license, and so forth.

This credentialed access allows users to participate in transactions with DeFi, CeFi/custody providers, and on-chain counterparties requiring KYC/AML compliance without disclosing their identity publicly. The protocol ensures that only entities authorized by Alice can access her proof, maintaining the confidentiality of user information.

No central storage of KYC information is necessary for this system to function. Additionally, even if a third-party observer were to obtain identity proofs related to a specific name, they could not compute the addresses used by the user based on this information alone.

In summary, users can complete a KYC process and obtain decentralized, blinded, and/or unblinded credentials to share with counterparties. This allows them to prove, for example, that they are "over 18 and a resident of Wyoming," or to provide a "full copy of their passport," among other proofs.

Privacy-Preserving Compliance

By combining "Send-to-Name" with credentialed access, the SwissFortress Protocol achieves a balance between regulatory compliance and user privacy. Users can prove their compliance status through their credentials without exposing personal information on the blockchain. This approach aligns with global regulatory standards while upholding the core principles of privacy and decentralization.

Benefits of the Integrated Approach

- Regulatory Alignment: Can allow users to meet international KYC/AML and travel rule requirements, facilitating broader adoption and integration with traditional financial systems.

- User Privacy: Maintains user anonymity through nyms, ensuring that personal information is not publicly disclosed.
- Flexibility: Allows users to choose between pseudonymous and credentialed transactions based on their needs and regulatory obligations.
- Security and Phishing Elimination: Utilizes cryptographic methods to secure identity verification processes, preventing unauthorized access and identity theft. SFP can eliminate most forms of modern phishing attacks which rely on a user allowing an attacker's address to take control of assets or sending assets to an attacker's address directly. SFP doesn't require a user to manipulate addresses at all. They can simply check a counterparties name and KYC proofs before any transaction which is significantly easier than verifying addresses.

By incorporating these mechanisms, the SwissFortress Protocol provides a compliant yet privacy-focused solution for cryptocurrency transactions, addressing the challenges of regulatory adherence in the digital asset space.

10.Technical Specifications

- Blockchain Compatibility: The protocol supports multiple chains (e.g., Ethereum, Bitcoin) to allow for broad accessibility and integration.
- Public Key Standards: Backwards compatible with BIP-47/OBPP-5 public paycodes for interoperability and privacy. BIP-47/OBPP-5 wallets which presently no longer exist in the wild can send funds to an SFP enabled wallet but vice versa cannot occur unless a user specifies this type of send in advanced options.

11. Integration with Existing Naming and Credential Systems

SFP signaling is compatible with some integration with existing blockchain naming services (e.g., ENS) and decentralized identity frameworks. The protocol ensures that FortressCoin backed transactions are user-friendly, leveraging global name identifiers across systems to enable streamlined transactions and network-wide usability.

12. Roadmap

Phase 1: Protocol Launch

- Core protocol development, unique name reservation feature, initial partnerships, and onboarding.

Phase 2: Expanded Blockchain Compatibility

- Integration with major DeFi platforms and wallet partnerships to expand FortressCoins use case and user base.

Phase 3: Advanced Privacy and Governance Features

- Deploy enhanced privacy layers, new signaling pathways, and further governance tools to engage the community in protocol evolution.

13. Conclusion

The FortressCoin and the Send-to-Name and Privacy-Preserving Signaling Protocol (SFP) provide a transformative approach to cryptocurrency privacy. By supporting multimodal pathways and unique name reservations, FortressCoin enables a secure, privacy-focused ecosystem where value is derived from actual user-driven demand, aligning the utility with the expectations of a robust, decentralized financial system.

Citations

- U.S. Patent Application No. 63/578,658: Decentralized Use of Zero Knowledge Proof with Enhanced Identity Credentials to Lower External Counterparty Risks, for Example to Combat Money Laundering
- U.S. Patent Application No. 63/512,052: Privacy-Preserving Cryptocurrency Transactions with Enhanced Credentials and User-Friendly PayCode Infrastructure
- Open-Transactions White Paper, Chris Odom

II. Information about the Crypto-asset

Crypto-asset Type: Utility Crypto-asset

Crypto-asset Functionality: The FortressCoin Crypto-asset primarily functions as a digital value voucher.

Application of Functionalities: FortressCoin Crypto-asset thus has a function as a means of exchange given as consideration for procurement of services on the SwissFortress ecosystem.

FortressCoin serves as the native utility crypto-asset within the SwissFortress Protocol (SFP; platform) and is designed to enhance user experience on the platform offering various functions within the SwissFortress ecosystem. The Crypto-asset serves several practical purposes within its ecosystem, aiming to enhance privacy and usability in cryptocurrency transactions:

- **Unique Name Reservation**: Users can secure globally unique, human-readable identifiers (FortressNames) to facilitate private, send-to-name transactions, simplifying the process by replacing complex wallet addresses with easy-to-remember names.
- **Privacy-Preserving Transactions**: The protocol employs a send-to-name mechanism combined with a privacy-preserving signaling structure. This design ensures that while transaction details are recorded on the public blockchain, the linkage between human-readable identifiers and dynamically generated addresses remains confidential, known only to the transacting parties.
- **Access to Decentralized Infrastructure**: FortressCoin incentivizes participants to manage off-chain signaling and data storage, supporting the protocol's decentralized privacy infrastructure.
- **Credentialed Access and Compliance**: Holders can undergo optional KYC/AML checks, to irrefutably prove their off-chain identity when necessary, aligning with regulatory requirements.
- **Governance Participation**: FortressCoin holders have the ability to influence privacy standards, contributing to the platform's development and policy decisions.
- No Mixing: Neither FortressCoin nor its ecosystem facilitate mixing. Transactions are only supported on public blockchains such as BTC and ETH where the sending and receiving addresses are publicly visible. If user Alice sends money to user Bob, Alice and Bob can see their transaction on chain. The funds always go straight from an address controlled by Alice to an address controlled by Bob. There is no co-minigling or obfuscation of funds via DeFi or any other method. The privacy preserving feature of the FortressCoin ecosystem is designed such that only 3rd party observers that aren't Alice or Bob don't know which of the public transactions that they can observe on-chain belong to Alice and Bob despite Alice and Bob using easy to use names. Such privacy is a property of the native chains such as BTC and ETH in and of themselves, the FortressCoin protocol simply makes it so that Alice and Bob don't have to get on telegram and exchange address information. As such, Alice and Bob may choose to use 'chainalysis' software as the FortressCoin system doesn't break that functionality.

The crypto-assets are issued in the form of dematerialized ledger-based value rights under Liechtenstein law.

Without prejudice to legal provisions, in the event of damage to or loss of a crypto-asset or the private key by an owner, the Issuer shall have the right, but not the obligation, (i) to permanently freeze the relevant crypto-assets and (ii) to mint and issue new crypto-assets to replace the crypto-assets subject to the permanent freeze. The requesting owner shall be required to provide a cash deposit to the Issuer in an amount to be determined by the Issuer to secure any adverse claim by a bona fide purchaser of the crypto-asset. Replacement of the crypto-asset shall not result in an increase in the total number of Crypto-assets.

In the event of a hard fork or similar circumstances that may threaten the reliability of the Distributed Ledger, the Issuer may activate the "pause" function of the Smart Contract to prevent transactions on both versions of the distributed ledger until it decides which version it will support. If the Issuer decides to support the version of the distributed ledger that follows the rules and protocols of that distributed ledger that were in effect immediately prior to the occurrence of the hard fork (i.e., the 'legacy' version of the relevant distributed ledger), all transactions on 'forked' versions of the distributed ledger will be invalid. If the Issuer decides to support a forked version of the distributed ledger, all transactions on the 'legacy' version of the relevant distributed ledger will be invalid and any crypto-asset existing on the 'legacy' version of the distributed ledger will not be associated with crypto-assetised underlyings.]

Language: This crypto-asset white paper has only been prepared in English.

Home Member State: Liechtenstein

Host Member States (where crypto asset white paper is notified):

- Austria
- Belgium
- Bulgaria
- Croatia
- Cyprus
- Czech Republic
- Denmark
- Estonia
- Finland
- France
- Germany
- Greece
- Hungary
- Ireland
- Italy
- Latvia
- Lithuania
- Luxembourg
- Malta
- Netherlands
- Poland
- Portugal
- Romania
- Slovakia
- Slovenia

- Spain
- Sweden
- Iceland
- Norway

1. KEY INFORMATION ON THE FORTRESSCOIN CRYPTO-ASSET

The Crypto-assets (Label: FortressCoin Token; Crypto-asset Symbol XFC;) are Virtual Assets or Crypto-assets issued by the Issuer and which come with voucher functionality.

FortressCoin is the native utility crypto-asset of the SwissFortress Protocol, developed by Swiss-Fortress AG, a company based in Baar, Switzerland. The protocol aims to enhance privacy and usability in cryptocurrency transactions through a user-friendly, privacy-preserving system that maintains compliance with Know Your Customer (KYC) and Anti-Money Laundering (AML) regulations.

The Crypto-asset therefore primarily functions similarly to a digital payment respectively value voucher granting access to certain functions of the SwissFortress ecosystem and functioning as a means of exchange thereon for acquiring certain services (use in lieu of payment and certain discount features from time to time).

No natural or legal entity other than SwissFortress AG is obliged to accept or support Crypto-assets.

Crypto-assets may be used on the Issuer's ecosystem in connection with its services. Crypto-assets do not represent any participation in the Issuer or Offeror.

III. Information about the Offer to the Public of Crypto-assets

The crypto-asset white paper concerns an offer to the public of crypto-assets.

1. KEY INFORMATION ON THE CRYPTO-ASSET SUPPLY & Distribution

The FortressCoin Crypto-asset will be at the center of the SwissFortress ecosystem, as such we want to ensure that it is widely distributed amongst our community. Details about the timing and process of the Crypto-asset Distribution will be published at our website https://www.swissfortress.com/

The purpose of the Crypto-asset issuance is the further development of the platform and expansion of operations of the SwissFortress ecosystem.

The Crypto-asset offering targets private and business users, both retail and professional respectively institutional participants.

Attribute	Details
Crypto-asset Name	FortressCoin
Crypto-asset Symbol	$FORTRESSCOIN ($XFC)
Crypto-asset Type	Utility crypto-asset
Blockchain Platform	ERC-20 Crypto-asset (Ethereum Blockchain) initially, aiming for multichain in the future
Use cases	Value voucher for services on SwissFortress ecosystem; certain discounts and activities on platform.
Crypto-asset Standard	ERC-20

2. FortressCoin Purchase

Subscribers may acquire FortressCoin through a subscription process as outlined herein. The subscription is subject to the terms and conditions specified herein and any applicable policies governing the offering, issuance and use of the crypto-assets.

The subscription shall be conducted exclusively through any designated platform as communicated.

The subscription price per crypto-asset and the total number of crypto-assets available for purchase shall be determined and disclosed prior to the subscription period.

All transactions shall be executed on the respective blockchain to ensure transparency and security.

Any applicable transaction fees or gas fees incurred during the subscription process shall be borne by the subscriber.

Upon successful payment and verification, the subscribed crypto-assets shall be allocated to the subscriber's designated wallet address. The issuer reserves the right to impose limits or adjust allocations based on demand, regulatory considerations, or technical constraints.

Subscribers must comply with all applicable legal and regulatory requirements, including but not limited to Know Your Customer (KYC) and Anti-Money Laundering (AML) obligations. The issuer reserves the right to reject or cancel subscriptions from ineligible individuals or entities, including those residing in restricted jurisdictions.

Our dedicated customer support team is available at info@swissfortress.com to assist with any questions or concerns throughout this process.

3. Right of Withdrawal

Retail holders who purchase the crypto-asset have the right to withdraw from their agreement to purchase FortressCoin crypto-asset without incurring any fees or costs and without having to give any reasons. The withdrawal period is 14 calendar days from the date of the agreement. If a retail holder exercises its right to withdraw from the purchase agreement, it shall send a notice by email to the following address: info@swissfortress.com. The notice must be sent before midnight CET of the 14th day after the date of the agreement. Withdrawal via certified letter is also possible, but needs to be send at the last day of the 14 day period at the latest. The right of withdrawal may not be exercised after (i) the end of the Subscription Period, or (ii) the admission of the crypto-asset to trading.

If the right of withdrawal is exercised, the Offeror will return to the retail holder all payments received, including any fees, within 14 days of receipt of the notice of withdrawal.

4. Applicable law

The public offering of crypto-assets is governed by Liechtenstein law, excluding its conflict-of-law provisions and international conventions, unless mandatory provisions of other applicable jurisdictions take precedence.

5. Jurisdiction

Subject to mandatory applicable law, any dispute arising out of or in connection with this white paper and all claims in connection with the FortressCoin crypto-asset shall be exclusively, including the validity, invalidity, breach or termination thereof, subject to the jurisdiction of the courts in Liechtenstein.

IV. Information on the Rights and Obligations attached to the Crypto-asset

1. Purchaser Rights & Obligations

The FortressCoin Crypto-asset primarily functions as a digital value voucher and thus has a function as a means of exchange given as consideration for procurement of services on the SwissFortress ecosystem.

2. Exercise of Rights and Obligation

FORTRESSCOIN Crypto-asset qualifies as a utility crypto-asset (value voucher) pursuant to Liechtenstein's Act on Crypto-asset and Trustworthy Technology Service Providers (TVTG) and MiCA (neither e-money nor a security), which may be used in lieu of payment for various services within the SwissFortress ecosystem, without the Crypto-asset being burned.

The Crypto-assets (Label: FortressCoin Token; Crypto-asset Symbol: XFC;) are Virtual Assets or Crypto-assets issued by the Issuer and which come with voucher functionality.

The $FORTRESSCOIN Crypto-asset is integral to SwissFortress ecosystem, offering benefits where some of them will be available immediately, while others may be made available at a later stage. The FORTRESSCOIN Crypto-asset offers the following immediate benefits:

- **Unique Name Reservation**: Users can secure globally unique, human-readable identifiers (FortressNames) to facilitate private, send-to-name transactions, simplifying the process by replacing complex wallet addresses with easy-to-remember names.
- **Privacy-Preserving Transactions**: The protocol employs a send-to-name mechanism combined with a privacy-preserving signaling structure. This design ensures that while transaction details are recorded on the public blockchain, the linkage between human-readable identifiers and dynamically generated addresses remains confidential, known only to the transacting parties.

- **Access to Decentralized Infrastructure**: FortressCoin incentivizes participants to manage off-chain signaling and data storage, supporting the protocol's decentralized privacy infrastructure.
- **Credentialed Access and Compliance**: Holders can undergo optional KYC/AML checks, to irrefutably prove their off-chain identity when necessary, aligning with regulatory requirements.
- **Governance Participation**: FortressCoin holders have the ability to influence privacy standards, contributing to the platform's development and policy decisions.
- **No Mixing**: Neither FortressCoin nor its ecosystem facilitate mixing. Transactions are only supported on public blockchains such as BTC and ETH where the sending and receiving addresses are publicly visible. If user Alice sends money to user Bob, Alice and Bob can see their transaction on chain. The funds always go straight from an address controlled by Alice to an address controlled by Bob. There is no co-minigling or obfuscation of funds via DeFi or any other method. The privacy preserving feature of the FortressCoin ecosystem is designed such that only 3rd party observers that aren't Alice or Bob don't know which of the public transactions that they can observe on-chain belong to Alice and Bob despite Alice and Bob using easy to use names. Such privacy is a property of the native chains such as BTC and ETH in and of themselves, the FortressCoin protocol simply makes it so that Alice and Bob don't have to get on telegram and exchange address information. As such, Alice and Bob may choose to use 'chainalysis' software as the FortressCoin system doesn't break that functionality.

The Crypto-asset therefore primarily functions similarly to a digital payment respectively value voucher granting access to certain functions of the ecosystem and functioning as a means of exchange thereon for acquiring certain services (use in lieu of payment and certain discount features from time to time).

No natural or legal entity other than SwissFortress is obliged to accept or support Crypto-assets.

Crypto-assets may be used on the Issuer's ecosystem in connection with its services. Crypto-assets do not represent any participation in the Issuer or Offeror.

FortressCoin Crypto-assets do not constitute any absolute or relative rights at all. FortressCoin Crypto-assets make absolutely no promise of share in revenue, earnings or any other form of income. This crypto-asset's purpose is specifically as a utility with a primary voucher function on the SwissFortress ecosystem. FortressCoin Crypto-assets generate no or have no equity-like or debt-like interest.

3. Tokenomics

Total token supply and allocation may be communicated before launch.

4. Key Features of Goods/Services of Utility Crypto-assets

The FortressCoin Crypto-asset offers the following immediate benefits: The $FORTRESSCOIN primarily functions as a digital value voucher and thus has a function as a means of exchange given as consideration for procurement of services on the SwissFortress ecosystem.

5. Utility Crypto-assets Redemption

FortressCoin Crypto-assets may not be redeemed.

6. Admission to Trading

Listing and admission to trading on centralized and decentralized exchanges may be sought in the futute, however, at the moment there are no plans for admission to trading to concrete trading venues.

V. Information on the Underlying Technology

1. Distributed ledger technology

Distributed Ledger Technology (DLT) describes a decentralized and distributed network system architecture where multiple participants maintain and verify a shared database. Unlike traditional databases, DLT systems do not rely on a central authority to ensure data consistency and security. Rather, they distribute control across a network of computers (nodes) and require all changes to be recorded and agreed by the nodes. This distributed approach enhances the resilience and security of such a system, and transparency of the data stored in it without the need for trust between the actors of the systems.

Blockchain technology is a subset of DLT, where the distributed database maintains a continuously growing list of records, called blocks, which are linked together in chronological order and secured using cryptographic techniques. A blockchain generally has the following key characteristics:

- Distribution: A blockchain operates on a network of nodes, each holding a copy of the ledger and each participating in the transaction verification and synchronization process.
- Security: Blockchain employs advanced cryptographic methods to secure data. Each block contains a cryptographic hash (a 'digital fingerprint') of the previous block, a timestamp, and transaction data. This structure ensures that once data is recorded, it cannot be altered retroactively without also changing all subsequent blocks, which would require consensus from the majority of the network nodes.
- Transparency and Immutability: Transactions on a blockchain are usually visible to all participants in the network, providing transparency. Once a transaction is confirmed and added to the blockchain, it is virtually immutable due to the cryptographic methods used, meaning it cannot be changed or deleted.

2. Blockchain used

The asset will be issued and operate on the Ethereum blockchain (ERC-20), leveraging its Proof-of-Stake (PoS) consensus mechanism utilizing Arbitrum as a layer 2 scaling solution for Ethereum and may be operated multi-chain in the future.

Launched on the Ethereum Blockchain, $FORTRESSCOIN is a ERC-20 based token. Details about the Ethereum Blockchain and ERC-20 standard are available online at https://en.wikipedia.org/wiki/Ethereum and at https://ethereum.org/en/developers/docs/

VI. Information on the Principal Adverse Impacts on the Climate and other Environment-related Adverse Impacts of the Consensus Mechanism used to Issue the Crypto-asset

FortressCoin promotes sustainability by

- Leveraging energy efficient proof-of-stake networks.
- Supporting responsible sourcing and recycling.

This section aims to provide comprehensive information regarding the principal adverse impacts on the climate and other environment-related adverse impacts stemming from the consensus mechanism employed in the issuance and operation of our crypto-asset, which adheres to the Ethereum protocol and the ERC-20 standard.

1. Consensus Mechanism: Proof of Stake (PoS)

The crypto-asset issuance and transaction validation process for our crypto-asset is based on the Proof of Stake (PoS) consensus mechanism. This choice has been made to align with current best practices in minimizing environmental impacts compared to the previously prevalent Proof of Work (PoW) mechanism.

2. Adverse Climate Impacts

Despite the significant reduction in energy consumption offered by the PoS mechanism, there remain adverse impacts on the climate, including but not limited to:

Energy Consumption: Although PoS is substantially more energy-efficient than PoW, the validation process still necessitates electricity consumption. The cumulative energy use for running validator nodes contributes to the overall carbon footprint of the network.

Carbon Emissions: The carbon footprint of the energy consumed by the PoS validators depends on the energy mix used by the data centers. In regions where fossil fuels are a major source of electricity, the environmental impact in terms of carbon emissions remains a concern.

3. Other Environment-Related Adverse Impacts

Electronic Waste: The hardware used in running validator nodes, though less intensive than PoW mining rigs, still contributes to electronic waste upon obsolescence or malfunction. Proper disposal and recycling practices are essential to mitigate this impact.

Resource Utilization: The manufacturing of the hardware required for validator nodes involves the

extraction and utilization of various natural resources, contributing to ecological degradation and resource depletion.

4. Mitigation Measures

To address these adverse impacts, we commit to implementing and promoting the following measures:

Renewable Energy Usage: Encouraging and incentivizing the use of renewable energy sources by validator nodes to reduce the carbon footprint.

Efficient Hardware Utilization: Advocating for the use of energy-efficient hardware to minimize energy consumption.

Sustainable Practices: Promoting the adoption of sustainable practices in the disposal and recycling of electronic waste generated by validator nodes.

Transparency and Reporting: Ensuring transparent reporting of energy usage and environmental impact data to stakeholders, along with continuous monitoring and improvement efforts.

5. Conclusion

While the shift to PoS in the Ethereum protocol represents a significant step towards reducing the environmental impact of our crypto-asset, we acknowledge that there are still adverse effects that need to be managed. Through ongoing commitment to sustainability and proactive measures, we aim to minimize these impacts and contribute positively to the broader effort of addressing climate change and environmental sustainability.

VII. Information about the Offeror

Name:	SwissFortress AG
Legal form:	Company limited by shares under Liechtenstein law (AG or Aktiengesellschaft)
Registered address:	Oberneuhofstrasse 8, 6340 Baar, Switzerland
Head office:	Switzerland
Registration date:	11.09.2023
Commercial register no:	CHE-491.448.514
Response time in days:	30
Members of the board	Amer Vohora, William Adams, Clara Klainguti
Business activity	The purpose of the company is to provide services in the form of software solutions based on blockchain technology. The company may establish branches and subsidiaries in Switzerland and abroad, acquire interests in other companies in Switzerland and abroad, take over agencies and enter into all transactions and contracts that may be suitable for promoting the purpose of the company or that are directly or indirectly related to it. It may also provide financing for its own or third-party accounts and issue guarantees or sureties for subsidiaries and third parties. It may purchase and sell real estate.
Newly established:	No

Financial Condition for the past three Years:

SwissFortress AG was incorporated in 2023, and as such, the company does not have a financial track record extending beyond its founding year. The following provides a fair review of the development, performance, and financial position of the company for 2023 and its expected financial trajectory for 2024.

2023 – Incorporation and Initial Business Development

In 2023, SwissFortress AG was established. As a newly founded entity, the company focused on structuring its business model and developing its technological infrastructure.

During this foundational period, SwissFortress AG incurred initial setup costs, legal and compliance expenses, and technology development costs, which were financed primarily through equity contributions and private funding. Revenue generation remained limited in this phase.

2024 – Expansion and Market Entry

By 2024, SwissFortress AG transitioned from its initial development phase to active operations, marking its entry into the market.

The financial position of SwissFortress AG in 2024 reflects the following key elements:

Revenue Growth: Initial revenue streams.

Capital Resources: The company maintains a combination of equity capital and external funding sources, ensuring sufficient liquidity to support operational scaling and compliance with regulatory capital requirements.

Operating Expenses: Continued investment in platform development, security infrastructure, and regulatory compliance, contributing to increased operational costs but positioning the company for long-term sustainability.

Non-Financial Key Performance Indicators (KPIs): Adoption rates, number of active token holders, transaction volumes, and strategic partnerships with financial institutions and blockchain networks.

Material Changes and Market Impact

Given its recent incorporation, no historical financial statements beyond 2023 are available. However, SwissFortress AG is committed to financial transparency and will provide regular financial disclosures in accordance with regulatory requirements.

Capital Resources and Cash Flow

SwissFortress AG maintains a robust capital structure with a combination of:

Short-Term Capital: Operational liquidity to cover platform costs, marketing, and compliance-related expenditures.

Long-Term Capital: Funding secured through private investors and strategic partnerships aimed at ensuring sustainable growth.

The company's cash flow in 2024 is expected to reflect a shift from investment-heavy expenditures in its early phase to positive cash inflows from tokenized asset sales and transaction fees. SwissFortress AG has implemented financial controls and a risk management strategy to ensure financial stability in a rapidly evolving market.

Conclusion

As a newly established company, SwissFortress AG has demonstrated steady progress in its development phase, transitioning from incorporation in 2023 to operations in 2024. The company's financial condition remains in line with expectations for a fintech startup, with initial investment-driven expenditures followed by revenue-generating activities. Moving forward, SwissFortress AG aims to expand its services, enhance user adoption, and strengthen its financial position through strategic partnerships and technological innovation.

VIII. Information on the Risks

1. RISKS ASSOCIATED WITH PURCHASING THE CRYPTO-ASSETS

1.1. Crypto-assets are non-refundable

Neither the Offeror nor Issuer (if applicable) is obliged to provide Crypto-asset holders with a refund for any reason and Crypto-asset holders cannot request an exchange or redemption of the monetary value vis-à-vis Offeror or Issuer.

1.2. Crypto-assets are provided on an "as is" basis

Crypto-assets will be provided on an "as is" basis. The Issuer and each of their respective directors, officers, employees, equity holders and affiliates make no representations or warranties of any kind. Digital assets are part of a new and rapidly evolving industry, and the value of $FORTRESSCOIN could depend on the development and acceptance of this industry.

Extreme volatility in the future could have a material adverse effect on the value of FORTRESSCOIN Crypto-assets and FORTRESSCOIN Crypto-assets could lose all or substantially all of its value.

1.3. Risks relating to digital asset networks

Digital asset networks are dependent upon the internet. A disruption of the internet or a digital asset network, such as the Ethereum Network, would affect the ability to transfer digital assets, including FortressCoin Crypto-assets, and, consequently, their value.

Many digital asset networks face significant scaling challenges and are being upgraded with various features to increase the speed and throughput of digital asset transactions. These attempts to increase the volume of transactions may not be effective.

Banks may not provide banking services, or may cut off banking services, to businesses that provide digital asset-related services or that accept digital assets as payment, which could dampen liquidity in the market and damage the public perception of digital assets generally or any one digital asset in particular, such as Bitcoin, and their or its utility as a quasi payment system, which could decrease the price of digital assets generally or individually.

In addition, the Ethereum blockchain rests on open-source software, and accordingly there is the risk that the Crypto-asset smart contract may contain intentional or unintentional bugs or weaknesses which may negatively affect Crypto-assets or result in the loss or theft of Crypto-assets or the loss of ability to access or control Crypto-assets. In the event of such a software bug or weakness, there may be no remedy and Crypto-asset holders are not guaranteed any remedy, refund or compensation.

1.4. Loss of private keys may render Crypto-assets worthless

If a private key is lost, destroyed or otherwise compromised and no backup of the private key is accessible, Crypto-asset holders will not be able to access the blockchain asset associated with the corresponding address, and the Issuer will not be able to restore the private key.

1.5. Irreversible nature of blockchain transactions

Transactions involving Crypto-assets that have been verified, and thus recorded as a block on the blockchain, generally cannot be undone. Even if the transaction turns out to have been in error, or due to theft of a user's Crypto-assets, the transaction is not reversible.

Consequently, the offeror or issuer is unable to replace missing Crypto-assets or seek reimbursement for any erroneous transfer or theft of Crypto-assets.

1.6. Risk of wallet loss, hack or data theft (force majeure)

The Crypto-assets are held by the participants in wallets with encoded access. If the investor loses this access, there is no way to get to the Crypto-asset. They will be lost. In particular, the Issuer is neither actually nor legally able to regenerate and issue the Crypto-assets. The same risk exists if a third party succeeds in gaining unauthorized access to the wallet. Also, in this case, where a third-party succeeds in removing and transferring the Crypto-assets from the wallet, the Issuer is not able to issue new Crypto-assets to the investor.

Hacks and other malicious attacks directed towards the offeror may have a material adverse effect on the value of FORTRESSCOIN Crypto-assets and FORTRESSCOIN Crypto-assets could lose all or substantially all of its value. The risk of accidental loss (e.g., in case of force majeure events, including theft or the disablement by third parties) shall in any case be borne by the participant. SwissFortress is in no case liable for slight negligence and towards business clients SwissFortress is also not liable for gross negligence.

1.7. Tax Risks

Prospective Crypto-asset holders must seek their own tax advice in the relevant jurisdictions in connection with acquiring Crypto-assets, which may result in adverse tax consequences, including withholding taxes, income taxes and tax reporting requirements.

2. Risks Associated with the Public Offer or Admission to Trading of FORTRESSCOIN Crypto-assets

2.1. Market Volatility Risk:

The value of FORTRESSCOIN Crypto-assets is subject to significant fluctuations due to market conditions, demand, regulatory developments, and technological advancements. The crypto-asset market is highly volatile, and there is no guarantee that FORTRESSCOIN Crypto-assets will retain or increase their value following their admission to trading or public offering. Investors should be aware that they may lose the entire value of their investment.

2.2. Liquidity Risk:

There may be limited opportunities to trade FORTRESSCOIN Crypto-assets on secondary markets. The absence of a well-established and active market for the FORTRESSCOIN Crypto-assets may affect the ability of crypto-asset holders to buy or sell crypto-assets at their preferred price, potentially leading to illiquidity. Furthermore, if the trading volume of FORTRESSCOIN Crypto-assets is low, this may exacerbate price volatility.

3. Risks Associated with LCX AG (Issuer and Trading Place)

3.1. Regulatory Risk:

LCX AG operates in a rapidly evolving regulatory environment for tokens. Any changes or developments in regulations, including those under MiCAR or national laws, could impose new obligations, restrict operations, or result in the cessation of services by LCX AG. This may directly impact the availability and functionality of the FORTRESSCOIN Tokens.

3.2. Operational Risk:

As with any business, LCX AG faces the risk of operational failures, including technological disruptions, security breaches, or internal mismanagement, which may negatively affect its ability to continue its operations or the functionality of the FORTRESSCOIN Tokens. Operational issues may also include unforeseen legal or regulatory challenges that could hinder project implementation or cause delays.

3.3. Dependency on Key Personnel:

LCX AG's success depends on the expertise and leadership of its key personnel, including its CEO and other executives. Any loss of key personnel could adversely affect LCX AG's ability to execute its business strategy or manage its token issuance effectively.

4. Risks Associated with the FortressCoin Crypto-assets

4.1. Technological Risk:

FORTRESSCOIN Crypto-assets are based on blockchain technology and are issued as ERC20 crypto-assets. The functionality of the FORTRESSCOIN Crypto-assets depends on the security and stability of the Ethereum network. Any disruption, malfunction, or attack on the Ethereum network could result in the temporary or permanent loss of FORTRESSCOIN Crypto-assets, making them unusable or inaccessible.

4.2. Crypto-asset Utility Risk:

FORTRESSCOIN are designed as utility crypto-assets for use within the SwissFortress ecosystem. However, the actual utility of the Crypto-assets depends on the continued development and success of SwissFortress ecosystem. There is no guarantee that the platform will achieve its expected utility or that there will be sustained demand for the services provided. This could limit the crypto-asset's functionality and affect its value.

5. Risks Associated with Project Implementation

5.1. Development Risk:

The successful implementation of the FORTRESSCOIN Crypto-asset project relies on SwissFortress AG's ability to meet its technical and operational development goals. There is a risk that delays, setbacks, or unforeseen challenges could impact the development timeline or result in the project not being completed as planned. These risks may arise from external factors such as regulatory constraints or technical limitations, or from internal challenges related to resource allocation or management.

5.2. Funding Risk:

SwissFortress AG may require additional funding to complete its development roadmap for the FortressCoin ecosystem. There is a risk that if sufficient funds are not raised or obtained, the project may face delays, be scaled back, or in extreme cases, not be fully implemented. This may affect the value and utility of the FORTRESSCOIN Crypto-assets.

6. Risks Associated with Technology and Mitigation Measures

6.1. Cybersecurity Risk:

FORTRESSCOIN Crypto-assets may be vulnerable to cyberattacks, hacking, and other malicious activities. The security of the Crypto-assets may be compromised if SwissFortress AG's systems, the Ethereum network, or users' wallets are attacked. Such incidents may result in the loss of Crypto-assets or other digital assets. State-of-the-art security measures are implemented, but there is no guarantee that all attacks or breaches can be prevented.

6.2. Smart Contract Vulnerability Risk:

FORTRESSCOIN Crypto-assets rely on smart contracts deployed on the Ethereum blockchain. Any bugs, vulnerabilities, or malfunctions in the underlying code could lead to unintended behavior, such as incorrect crypto-asset transfers or loss of crypto-assets. Testing and auditing of smart contracts to minimize these risks is performed, but the possibility of unknown vulnerabilities cannot be entirely ruled out.

IX. Conflict of Interest Statement

SwissFortress AG confirms that, to the best of its knowledge and belief, no conflicts of interest exist in relation to the public offering and potential admission to trading of the FORTRESSCOIN Crypto-asset. No individuals or entities involved in the offer, management, or governance of the crypto-asset have any personal, financial, or business interests that could compromise the integrity, objectivity, or fairness of the process.

Should any potential conflicts of interest arise in the future, SwissFortress AG commits to promptly disclosing such matters in accordance with applicable regulatory requirements and best corporate governance practices.

X. PERSONS RESPONSIBLE AND ROLES

Contact (crypto-asset project):

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The board is also responsible for the technical and legal functionality of the Crypto-assets.

The board declares that, to the best of their knowledge, the information in this White Paper and are correct and no material information has been omitted.

Team

Our experienced team has successfully contributed to our success so far and is committed to sustain our efforts to further develop our business expansion and product offering.

This document is for informational purposes only and does not constitute financial, investment, legal or tax advice.

XI. APPLICABLE LAW AND JURISDICTION

This white paper and the rights and obligations of the participants and the Issuer as well as the rights connected, associated with and applicable to the Crypto-assets are governed exclusively by the laws of Liechtenstein excluding the application of International Private Law and the UN Sales Convention, and the exclusive place of jurisdiction for all disputes arising out of or in connection with the public offering pursuant to this white paper shall be Liechtenstein, unless this conflicts with mandatory provisions of the jurisdiction in which you have your principal residence.

XII. SEVERABILITY CLAUSE

Should any provision be or become invalid or unenforceable as a whole or in part, the remaining provisions shall remain in force. Any legally ineffective or unenforceable provisions shall be replaced by legally effective and enforceable provisions in accordance with the meaning and purpose of this white paper and the Crypto-asset description, which in their economic effects come as close as legally possible to the legally ineffective or unenforceable provisions.

10.03.2025, Vaduz, Liechtenstein

SwissFortress AG
represented by Amer Vohora and William Adams