

Stichting ThingsIX

subject: Legal Opinion ThingsIX Maintenance Token
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Legal Opinion ThingsIX Maintenance Token

Introduction

1. This document is the summary of a legal opinion about the legal framework with regard to crypto-assets in the Netherlands and Know Your Customer (hereinafter referred to as: "KYC") under the laws of the Netherlands, as well as the possible legal qualification of the "ThingsIX Maintenance Token" (hereinafter referred to as: "\$THIXM token") and the possible exemptions from requirements.

Limitations

2. The content of this opinion is based on the information provided by the Foundation Things IX (in Dutch: "stichting") (hereinafter referred to as: the "Foundation"). We provide this legal opinion in our capacity as Dutch legal counsels. We have not investigated the laws of any country other than the laws of the Netherlands. This legal opinion is given only in respect to the laws of the Netherlands including European law directly applicable in the Netherlands as in force and court rulings generally published at the date hereof.
3. This legal opinion may not be relied upon by any other than the Foundation.

ThingsIX Foundation

4. The Foundation plans to start its own blockchain initiative in the area of LoRaWAN technology: ThingsIX. ThingsIX is a blockchain-based application, where a token is used to:
 - i. Compensate for the provision of reach of LoRaWAN technology; and
 - ii. Allow for the compensation of data traffic between the hotspot operator and the IoT node user.
5. ThingsIX is being set up with the aim of enabling a global LoRaWAN network. To finance the realisation of the network, the Foundation will issue 250 \$THIXM tokens. These tokens will be offered to a maximum of 99 (Dutch) persons. The tokens are not offered to the public (ICO). The buyers of the \$THIXM tokens pay EUR 3,000 per token. The total proceeds of the \$THIXM tokens will therefore be EUR 750,000.

6. The \$THIXM tokens give the right to vote on the appointment of one (1) of the three (3) directors of the Foundation. A director can be nominated by holders of \$THIXM tokens as well as re-elected by holders of \$THIXM tokens.
7. \$THIXM tokens are ERC-20 tokens and therefore in principle freely transferable. The \$THIXM tokens are realised using smart contracts on the Ethereum blockchain and the Polygon blockchain, so they do not operate on their own blockchain.
8. After going live with the LoRaWAN network, rewards are paid out in “rounds” in \$THIX tokens (this is a different token). Holders of \$THIXM tokens will be rewarded for 5% of the total rewards in \$THIX. The \$THIX tokens can be converted to - among others - \$USDT. The holder of a \$THIXM token is therefore rewarded for holding the token.

Short summary

9. We are of the opinion that the \$THIXM token qualifies as a security token under both the EU’s Markets in Financial Instruments Directive¹ and the Dutch Act on Financial Supervision (in Dutch: “Wet op het financieel toezicht”).
10. \$THIXM tokens do not fulfil the requirements which need to be fulfilled to qualify as electronic money. Thus, we are of the opinion that the \$THIXM token does not qualify as electronic money.
11. Based on the information provided by the Foundation, in our opinion the \$THIXM tokens do not fall under the definition of “payment instrument”. Therefore, \$THIXM tokens - in our opinion - cannot be considered a “payment instrument” within the meaning of The Payment Service Directive.²
12. The Foundation does not qualify as a provider engaged in services for exchanging between virtual currencies and fiduciary and therefore is not obliged to request for registration at De Nederlandsche Bank and is not obliged to comply with legislation regarding KYC.
13. In practice, we see that a KYC procedure is often used even though it is not always mandatory. We strongly recommend using a KYC procedure (bearing in mind applicable legislation regarding the processing of personal data).

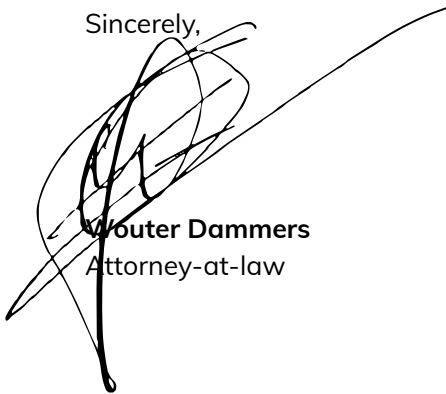
¹ Directive 2014/65/EU of the European Parliament and of the Council of 15 May 2014 on markets in financial instruments and amending Directive 2002/92/EC and Directive 2011/61/EU.

² Directive (EU) 2015/2366 of the European Parliament and of the Council of 25 November 2015 on payment services in the internal market, amending Directives 2002/65/EC, 2009/110/EC and 2013/36/EU and Regulation (EU) No 1093/2010, and repealing Directive 2007/64/EC.

14. In our view, the exemption from the prospectus requirement (The Netherlands Authority for the Financial Market (in Dutch: the “Autoriteit Financiële Markten”; hereinafter referred to as: the “AFM”)) and the exemption from the licence requirement (AFM) apply to the \$THIXM token issue. However, offers of securities with a total consideration of less than EUR 5,000,000,- must be notified in advance to the AFM. The Foundation must also make the information document available to investors.
15. The European MiCa Regulation is in draft, at this moment. It will likely create a common regulatory framework for all crypto-assets, including those currently outside the scope of financial legislation. In addition, the MiCa Regulation will likely contain a licensing regime that applies to crypto-businesses. We believe that the \$THIXM token, as a security, is/will be regulated under existing financial legislation and therefore will not be regulated under MiCa Regulation.
16. This legal opinion is drafted and based on the information provided by the Foundation. No (factual) research in relation to the \$THIXM tokens was carried out for this opinion. Please note that nothing in this legal opinion constitutes (financial) advice of any kind or nature.

Hoping to have informed you sufficiently with this.

Sincerely,



Wouter Dammers
Attorney-at-law



Wessel van Mook
Paralegal