

Universal platform for working with digital assets

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# ANNOTATION

BlockZZo.com is a universal platform for working with digital assets, namely with cryptocurrencies and tokenized securities (security tokens)

On the one hand, the BlockZZo.com platform allows people to invest even as little as 100 euros in securities. Specifically, people can invest in funds, stocks, crypto assets and other investment products with a traditionally high entry threshold. All these types of securities were previously available only to qualified investors. At the same time, BlockZZo.com guarantees a high level of security and the same quality of securities as traditional stock exchanges, banks, brokerage companies and investment companies.

On the other hand, the BlockZZo.com platform allows issuers of securities to perform their tokenization. Accordingly, the entry threshold can be significantly reduced and a significant number of additional investors and micro investors from around the world can be attracted.

The BlockZZo.com platform allows you to work with security tokens and cryptocurrencies in accordance with all legal standards, making transactions transparent, manageable and easy to use for all parties involved.

The functionality for security tokens and cryptocurrencies buyers includes:

- a. Evaluation of security tokens by the parameters of profitability, urgency, riskiness,
- b. Buying cryptocurrencies and security tokens for both cryptocurrencies and fiat currencies,
- c. Selling cryptocurrencies and security tokens for cryptocurrencies and fiat currency,
- d. Fulfillment by the issuer of its payments obligations ,specified in smart contracts,
- e. Income accruing. Income distribution among the security tokens owners. A unique emission algorithm is used,
- f. Tokens withdrawal to the private electronic wallet,
- g. Tokens transfer to the BlockZZo.com platform electronic wallet,
- h. The cryptocurrencies trade through the BlockZZo.com platform on exchanges that offer the most favorable conditions.

The functionality for issuers of security tokens includes:

- a. STO,
- b. Token emission,
- c. Sale of tokens,
- d. Destruction of tokens,

- e. The distribution of income among the owners of tokens using the emission algorithm,
- f. Advertise the products with other BlockZZo.com customers.

The BlockZZo.com platform is characterized by a high level of security and minimal maintenance costs.

### **Issuers.**

For a small commission, BlockZZo.com customers will receive a complete platform to work with the security tokens. This platform will meet all regulatory requirements. It will enable to make all security tokens transactions transparent and manageable. For the end customers, it will be also easier to work with BlockZZo.com than to work with most cryptocurrency exchanges. The emergence of such a platform in itself will serve as an incentive to accelerate the tokenization of traditional assets.

### **Security Tokens Buyers**

Clients of BlockZZo.com will benefit from reliability of both the BlockZZo.com platform and the assets represented on it. Moreover, the BlockZZo.com platform guarantees ease of use and low, transparent fees. The commissions of the platform can be reduced to zero for BlockZZo.com utility tokens owners. The commissions of security tokens issuers are going to be lower than the similar products commissions for traditional securities. Also, as information accumulates and the platform develops, investment advice of BlockZZo.com artificial intelligence will be available to security tokens buyers. All this will be accompanied by a high level of security and confidentiality.

# INTRODUCTION

Over the past few years, the phenomenon of cryptocurrencies has been stirring up the markets due to its rapid rate of growth and significant relapses. We are certain that there will be at least 5 major market segments using cryptocurrencies once everything is settled:

1. Long-term savings (the so-called 'digital gold')
2. Cross-border payments
3. Micropayments
4. Asset tokenization
5. Large ecosystem cryptocurrencies

1. **Long-term savings (digital gold)** We consider Bitcoin to be the most suitable currency for long-term savings. It is especially true for the developing countries inhabited by at least 80% of the total population of the planet.
  - Unlike currencies of the developing countries, Bitcoin is not affected by the inflation caused by the corruption and ineptitude of the state.
  - Bitcoin effortlessly evades the currency regulations of the developing countries.
  - Bitcoin does not require any participation from the banking system that is typically low-performing, corrupted, and fraudulent in the developing countries.
  - Bitcoin does not require any participation from other financial or broker entities that can be linked to the intelligence services and organized crime in such countries.
  - Confidential owning and transactions: Purchasing and owning Bitcoin is non-transparent for both regulating authorities and criminal elements in the developing countries.
  - Bitcoin can substitute gold as a means of wealth preservation, since purchasing and individually storing gold can often be unsafe in the developing countries, especially when it comes to significant amounts.
2. **Cross-border payments** Large cross-border payments can be conducted in any cryptocurrency a person puts his or her trust in. Transferring EUR 5,000 from Germany to Israel in a fiat currency takes up to two weeks and costs about EUR 50. A similar transaction in Ethereum takes less in 10 minutes and only costs 50 cents.
3. **Micropayments** Micropayments are yet another promising domain where the usage of cryptocurrencies is highly convenient. VISA charges 20 cents minimum for a transaction, which makes micropayments, such as transferring 40 cents using common bank cards, cost-prohibitive. Cryptocurrencies impose no such problems.

4. **Asset tokenization** Transferring a share of the fund market to the blockchain will make it truly global and available to both companies and private individuals. Ethereum was the first cryptocurrency to make asset tokenization an easy, safe, and consequently unavoidable process.
5. **Large ecosystem cryptocurrencies** This is something we are very likely to see in the future. Large ecosystems where hundreds of millions, billions of people live and communicate, will end up issuing their own cryptocurrencies as an additional source of income and a means of differentiation at a competitive market. Companies like Facebook, Telegram, WeChat, and Viber most certainly will start issuing their own cryptocurrencies. Seemingly, Telegram and Facebook are going to be the pioneers, issuing Gram and Stable Libra, respectively.

We are confident that the cryptocurrency market will not only withstand any attempts by the state, banking and financial structures of the modern world to destroy it, but will also grow significantly in the coming years. Currently, we consider investments in cryptocurrencies and security tokens as an acceptable option for long-term investments.

The most powerful process that will change the picture of the modern world of investment will be the tokenization of assets and securities. The global stock market is huge. According to Bloomberg reports, the global stock market is estimated at 80 trillion USD. Now imagine that perhaps up to 25% of all securities will be tokens. This will lead to the fact that the industry of security tokens will be estimated at 20 trillion USD. Today, the entire cryptocurrency market value is less than \$ 0.4 trillion. We expect an enormous growth of the security tokens segment.

The main forces behind cryptocurrency market volatility today are connected to the crypto market itself. There is no physical value that is created in the real world. Cryptocurrencies do not build houses, do not make electronics, do not develop software. They are valuable in their own right, as a new kind of potentially attractive assets. But with security tokens it is a wholly different story. They can be based on real assets, stocks of electronics producing companies, real estate companies, hi-tech companies, etc. But the release of tokens, which are actually securities, to the real world, even with the current market size, was complicated by a large number of frauds. Therefore, given the current low level of regulation, the fraud problem will only be exacerbated as the market grows. Moreover, this is the main reason that the market growth showers. People understand that the crypto market fraud protection forces are still very weak. Let's suppose that you bought a token share at ICO or at STO. Who exactly audited and assured the company's profit? Who will force the company to pay you dividends in the future? How your right to vote for your share is protected, and is there any right at all? For the most part, there are no answers to these questions, and the token itself, most likely, was bought only in the hope of its future growth. All this leads us to the conclusion that in the near future the certain companies will appear in the security token market. These companies will be similar

in their functionality to large stock exchanges. These companies will guarantee the quality and reliability of the traded security tokens. These companies will also ensure that security tokens are no worse than traditional securities in terms of their characteristics and reliability, while providing all the advantages of digital assets associated with low entry thresholds, transparency and confidentiality.

BlockZZo.com will be one of the first such companies, one of the first such hubs.

# FOR WHOM THE BlockZZo.com PLATFORM IS CREATED

The main categories of clients of the BlockZZo.com platform are:

- Securities investors who plan to start buying cryptocurrencies and security tokens. This is actually the main target group for the BlockZZo.com platform.
- Cryptocurrencies and ICOs investors who plan to purchase a BlockZZo.com token during ICO / IEO. This target group is very important for the platform development. We assume that most of BlockZZo.com tokens buyers will remain on the platform as investors. Still, some share of ICO / IEO participants will limit their investment by purchasing BlockZZo.com tokens and selling them after a serious appreciation.
- People investing in cryptocurrencies and their derivatives to avoid the depreciation of their own savings as a result of the incompetence and corruption of their governments.
- Digital securities Issuers: banks, insurance companies, manufacturing enterprises, trading companies, various investment funds. Currently, the target groups are investment banking divisions and investment funds that can tokenize part of their investment products and ensure compliance with the requirements of consumer protection legislation for the security tokens investors.

Category	Portrait	
<b>Investors in securities</b>	<p>Portrait:</p> <ul style="list-style-type: none"> <li>• 35-45 years old,</li> <li>• 70% - men,</li> <li>• higher education,</li> <li>• conservative,</li> <li>• 60% - Aggressive Risk Tolerance,</li> <li>• the overwhelming majority are ready to endure short-term losses for the sake of further securities growth, considering acceptable the losses up to 25% of all investments,</li> <li>• The main source of information is the Internet and instant messengers,</li> <li>• consultants and financial advisors play a large role in choosing products ; only 7% are ready to form an investment strategy themselves ,</li> <li>• investments in securities are made in order to provide a certain standard of living for themselves and their families; investments provide additional freedom.</li> </ul>	
	<p>Problems:</p> <p>High commissions of consultants and financial advisers, eating up a large part of the return on investment.</p> <p>High entry threshold to most investment products, which often does not allow to fully diversify the portfolio and to reduce the overall level of risk.</p> <p>The lack of comprehensive information on the proposed investment products, the need to believe in financial advisors.</p> <p>Technological complexity of access to investments in the cryptocurrency market.</p>	<p>Solutions offered by BlockZZo.com platform:</p> <p>BlockZZo.com platform commissions are minimal. BZZ token holders may have the benefit of zero commission . The commissions of investment products suppliers will be much lower than commissions for traditional securities. The costs of promotion and sale are much lower.</p> <p>BlockZZo.com significantly reduces the access threshold to all supported investment products. Even microinvestment is possible.</p> <p>BlockZZo.com provides complete statistics on all products presented on the platform. After the accumulation of sufficient information, the BlockZZo.com artificial intelligence will begin to make predictions and help with investment portfolio formation.</p> <p>BlockZZo.com platform removes technological barriers to entry, making the investment process as simple and reliable as possible.</p>

Category	Portrait	
<p><b>Cryptocurrency and ICO investors</b></p>	<p>Portrait:</p> <ul style="list-style-type: none"> <li>• 25-45 years old,</li> <li>• 36 % are IT specialists, 12% are marketing specialists, 10% are private entrepreneurs,</li> <li>• IT specialists are ready to invest more than \$ 10,000, 60% of IT specialists are ready to invest \$ 1000- \$ 5000 in one project,</li> <li>• 20% are ready to invest \$ 50 to \$ 99, 32% - from \$ 100 to \$499, 20% - from \$ 500 to \$ 999,</li> <li>• 54% fear Scam,</li> <li>• The main goal of investment in ICO (84%) is speculation; in second place is support for a promising project that can change the cryptocurrency market (52%),</li> <li>• Objectives: to increase savings, to distribute investments in different projects, to find another highly profitable project, that will dramatically increase the investments,</li> <li>• Project selection criteria: idea (60%), team (38%), marketing (30%).</li> </ul>	
	<p>Problems:</p> <p>High Fears of Scam.</p> <p>Risks of hacking and theft associated with centralized storage of tokens and cryptocurrencies.</p> <p>Liquidity of acquired cryptocurrency products.</p> <p>Legal purity and legality.</p>	<p>Solutions offered by BlockZZo.com platform:</p> <p>Great project idea, highly professional team, complete openness in social networks.</p> <p>BZZ tokens, as well as other security tokens purchased on the BlockZZo.com platform, can be withdrawn to a personal electronic wallet and subsequently transferred back to BlockZZo.com platform wallet without any commission.</p> <p>Terms of security tokens redemption by issuers are known in advance, and are described on the BlockZZo.com platform. BZZ Tokens will be accepted as payment for services by the BlockZZo.com platform. Moreover, the listing in BlockZZo.com tokens will be provided on several leading cryptocurrency exchanges.</p> <p>BlockZZo.com Tokens and all the investment products featured on BlockZZo.com platform are fully compliant with the regulatory requirements of the countries for which they are intended.</p>

Category	Portrait	
	Portrait: <ul style="list-style-type: none"> <li>• 35 - 55 years old,</li> <li>• 90% men,</li> <li>• Live in countries with a totalitarian or authoritarian regime, with a high level of corruption and crime,</li> <li>• Belong to the middle class in the country of residence.</li> </ul>	
<b>Buyers of cryptocurrency and their derivatives, seeking to avoid the depreciation of their own savings as a result of the incompetence and high level of corruption of their governments</b>	<b>Problems:</b>  The currency of the country of residence quickly depreciates as a result of inflation or hyperinflation.  Investments in world reserve currencies (US dollar, euro) are hampered due to limited supply or currency control.  The banking system is traditionally weak, corrupt, often fraudulent.  Financial and brokerage structures may be associated with special services or organized crime.  Purchases of currency and securities are often not confidential, are transparent to both regulators and criminal elements.  The purchase and personal storage of gold is often prohibited or unsafe.  Fiat currencies, gold, securities are difficult or even impossible to take out of the country of residence.	<b>Solutions offered by BlockZZo.com platform:</b>  Cryptocurrency and security tokens unlike fiat are not affected by inflation.  The products offered by BlockZZo.com platform can easily avoid currency controls in second and third world countries.  The banking system is not required to work with BlockZZo.com products.  The participation of financial or brokerage structures is not required to work with the BlockZZo.com.  All operations on the BlockZZo.com platform are completely confidential.  Can replace gold as a tool for preserving wealth, since in the countries of the second and third world buying and personal storage of large amounts of gold is often unsafe.  All the major cryptocurrencies and a number of security tokens can be easily sold anywhere in the world.

Category	Portrait	
	Portrait: <ul style="list-style-type: none"> <li>Investment units of banks and investment funds that are able to tokenize a part of their investment products.</li> </ul>	
<b>Issuers of digital valuable securities (security tokens)</b>	Problems:  High competition for customers in the market of traditional investment products.	Solutions offered by BlockZZo.com platform:  BlockZZo.com expands the base of potential customers, adding to it those who <ul style="list-style-type: none"> <li>previously could not invest due to the high entry threshold,</li> <li>thinks not about investments, but about preserving their savings,</li> <li>interested only in potentially highly profitable and risky investments in the cryptocurrency market.</li> </ul> BlockZZo.com makes it possible to significantly diversify the investment products being formed, adding cryptocurrency instruments to standard securities.

# BlockZZo.com PLATFORM DESCRIPTION

The BlockZZo.com platform consists of three parts:

1. The user part is a user-friendly interface of the Personal Account with a minimalist design (Front office).
2. Service part - reliable and secure architecture (Back office).
3. Intermediate environment - allows the User and Service parts to exchange data.

The user's personal account has all the necessary functionality for legal, simple and convenient work with security tokens. It includes the following main blocks (all personal data is stored in encrypted form):

1. ID - personal data that is entered during the KYC procedure.
2. My bank information - verified bank accounts for withdrawing funds in fiat currencies from the platform.
3. My e-wallets – the e-wallets for withdrawing funds from a platform in cryptocurrencies, as well as for security tokens.
4. My accounts are current balances in fiat currencies, as well as in cryptocurrencies and security tokens that are not distributed to personal investment portfolios.
5. Investment portfolios (creating, setting rebalance rules).
6. Exchanges - direct access to operations on cryptocurrency exchanges through the BlockZZo.com platform.
7. Stock - cryptocurrencies and security tokens available for purchase directly on the BlockZZo.com platform, including statistics, history and predictions of BlockZZo.com artificial intelligence.
8. My story – all the actions performed on the BlockZZo.com platform detailed, including the date, time and other relevant information.
9. Help - an intelligent electronic assistant and the BlockZZo.com platform training system.

The personal account of the security tokens issuer contains the entire set of reports required before the security token launch on the platform. Any issuer event on the platform such as a new security token launch, STO conducting, charging coupons, dividends, etc., is programmable. Today, this is our principal position - we do not plan to fully automate any operations with security tokens introducing on the BlockZZo.com platform for security reasons.

In 2020-2021, we plan to give access to the BlockZZo.com platform to financial consultants, who are not securities issuers. These consultants could help users with an effective investment portfolios formation, for a certain fee.

# TECHNICAL DESCRIPTION OF THE BlockZZo.com PLATFORM

For security reasons, the BlockZZo.com Platform consists of 2 main zones – User Zone and Technical Zone. These zones are separated geographically and virtually on different subnets. These zones have no direct connection with each other; instead, they exchange information through the Intermediate Environment - RabbitMQ-based queue monitoring server.

## Details about the User Zone

The user zone provides client web access to the BlockZZo.com platform and all products represented on it. API access is currently not provided. All requests leading to the change of any data are accompanied by a second authorization factor and are sent for processing to the Technical Zone, where they undergo the validation procedure (depending on the type of request and the data being changed).

Group of servers - web servers, database servers, application servers.

## Access features

### Access from outside:

Technical — only SSH through the bastion host.

User access — only through a web server (web interface + closed API), TLS traffic encryption, protection from XSS and similar forms of attacks.

### Access from the inside:

To the server(s) of the Intermediate Environment for sending processing requests to the Technical Zone.

## Tasks solved (works in a weak conjunction with the Technical Zone)

- Independent of the Technical Zone: user authentication, balance check.

- User data caching (state of accounts, portfolios, user information).
- By requests to the Technical Zone (via the Intermediate Environment, accompanied by the second authorization factor): registering and changing user credentials, enabling / disabling the two-factor authorization, requests for conversion and withdrawal of funds, requests to manage the security tokens issue and rebalance.

## Details about the Technical Zone

The technical zone performs all the main processing of the BlockZZo.com Platform. Access from outside is restricted (only several individuals in the team have access keys). Servers of the technical area are divided into 2 groups - DMZ and Protected Servers. Protected Servers can only initiate outgoing connections to selected few servers of the BlockZZo.com Platform (Intermediate Environment servers, DMZ servers) and do not accept any incoming connections from anyone (except bastion host, see access details below). DMZ servers initiate outgoing connections to external servers (blockchain nodes, exchanges APIs, banks and payment systems) and accept incoming connections only from Protected Servers.

Group of servers – database servers, application servers, data warehouses.

### Access features

#### Access from outside:

Technical access - only SSH through the bastion host.

User access - no.

#### Access from the inside:

- To the server(s) of the Intermediate Environment for transferring to the User zone
  - query processing results,
  - any changes in the user accounts data, portfolio structure, conversion rates, etc.
- To the DMZ servers
  - to Bitcoin/Ethereum blockchain nodes for synchronization (deposit / withdrawal of funds, tokens management),
  - to API of banks and payment systems for funds deposit / withdrawal,
  - to external operator systems for KYC,

- to API of cryptocurrency exchanges and aggregators - for carrying out purchase / sale operations of cryptocurrency and for obtaining information about current rates.

### **Tasks solved**

- Source of truth for the User Zone for all data types.
- Synchronization with Bitcoin and Ethereum blockchains, cryptocurrency I/O.
- Synchronization with exchanges and aggregators (Coinmarketcap), funds conversion, token rates calculation.
- Storing user account data, delivering data for a KYC procedure, integrating KYC results.
- Control of the two-factor authorization (enable, disable, validate).
- Calculation of the user balances status, portfolios status.
- Rebalance and token emission.
- Integration with banks and payment systems, registration of funds deposit, processing requests for fiat money withdrawal.

## **Details about the Intermediate Environment**

**Intermediate environment** provides secure indirect communication between the servers of the User and Technical zones. Intermediate environment servers accept connections only from selected servers in the User Zone and Protected Servers in the Technical Zone.

### **Access features**

#### **Access from outside:**

Technical access - only SSH through the host bastion.

API access - from the application servers of the User Zone and Protected Servers of the Technical Zone.

User access - no.

**Access from the inside:**

No access from inside. Intermediate Servers do not have access to the any other servers and do not initiate any outgoing connections.

**Tasks solved:**

- Transmission of requests for transactions from the User Zone to the Technical Zone.
- Transferring the processing requests results and updating any data from the Technical Zone to the User Zone.

# BUSINESS MODEL. BlockZZo.com PLATFORM INCOME.

Revenues of the BlockZZo.com platform consist of several components:

## 1. Revenues from security tokens issuers.

It is assumed that we will receive two types of income from this category of customers: transaction fees, as well as payments for events and advertising on the BlockZZo.com platform and other monitored resources (on social networks, on the YouTube channel, on email newsletters, push - notifications, etc.)

- The commission for the sale of security tokens on the BlockZZo.com platform is going to be from 0.5% to 1% of the total volume of primary security tokens sales in a cryptocurrency or fiat equivalent.
- Commission for issuing distribution of security tokens or cryptocurrencies as dividend payments, coupons or other charges 1%-3% of the issue in cryptocurrency or fiat equivalent.
- Carrying out STO is a one-time payment, which can be either large or purely symbolic, depending on the set of conditions on which the work of the new security token and the BlockZZo.com platform will be built in the future.
- Promotional activities of any kind, both online and in the real world, in accordance with the future price list.

## 2. Revenues from cryptocurrency and security tokens buyers.

- The up to 3% commission is received when cryptocurrency/fiat currency are deposited on the BlockZZo.com platform.
- Commission from 0.5% to 1% for buying cryptocurrencies and security tokens through the BlockZZo.com platform. Buyers will have access to two types of security tokens:
  - security tokens, whose issuers have a direct contract with BlockZZo.com,
  - the most reliable security tokens currently on the market. They can be purchased on the BlockZZo.com platform through cryptocurrency exchanges.
- If the buyer withdraws the security tokens purchased on the BlockZZo.com platform to his e-wallet then no fee will be charged for bringing them back to the BlockZZo.com platform. The funds withdraws is free in most cases, but sometimes it is necessary to pay the cost of the transaction itself.
- For BZZ tokens holders, the fee for depositing funds to the platform is reduced up to zero.

3. Revenues from own investment products (security tokens) on the BlockZZo.com platform.

- The BlockZZo.com platform is going to issue some of the fully cryptocurrency investment products BZZ-Family (for example, BZZ-I1 token).

# BZZ AND BZZ-S TOKENS

BlockZZo.com launches its own BZZ and BZZ-S ERC20 tokens on the Ethereum blockchain.

A total of 16,500,000 BZZ tokens will be released. The additional issue of BZZ tokens is prohibited by the smart contract.

The BZZ tokens will be used on the BlockZZo.com platform as, but not limited to:

- Means to reduce the cost of the services of the BlockZZo.com platform itself (for example, by freezing or destroying a certain number of BlockZZo.com tokens, the client of the platform can reduce the platform commission).
- Means for obtaining a premium user status on the platform (Gold, Platinum ...), which provides a specific and previously described set of preferences.
- Means to gain access to investment products with limited capitalization and to closed investment products.
- Means for obtaining preferences with STO of new security tokens on the BlockZZo.com platform.
- Means to reward users of the BlockZZo.com platform.

BZZ tokens are utility tokens.

- BZZ tokens do not grant their owners any rights to participate in any legal entity or rights to any assets. The BlockZZo.com tokens holders do not have the right to vote, do not have the right to dividends or other means of earning income in any organization.
- BZZ tokens are not credit commitments of any company or individual. BZZ tokens are neither bonds, nor a form of loan, nor any other type of debt instrument. No legal or physical person has the obligation to purchase BZZ tokens from their holders.
- BZZ tokens are not securities, investment contracts, liabilities, goods or assets obligatory for redemption or acquisition in any jurisdiction.
- BZZ tokens are not a currency in any jurisdiction.
- BZZ tokens are not intended to perform transactions in jurisdictions where turnover is prohibited by current legislation or requires registration with any government agencies.

The BZZ-S tokens are security-tokens. 10 million BZZ-S = 25% of the BlockZZo.com platform share capital. BZZ-S Token Functions:

- Receiving dividends
- All shareholder functionality in accordance with the share of the BlockZZo.com platform capital in the shareholder's ownership.

# BZZ-I1 CRYPTOCURRENCY INDEX FUND

BZZ-I1 is an index fund that is invested 100% in cryptocurrencies. It offers investors exposure to most tradable cryptocurrencies.

BZZ-I1 may be considered a “one fund option” for investors looking for broad diversification across different cryptocurrencies who can tolerate moderate market risk that comes from the volatility of the crypto market without investing heavily into specific cryptocurrencies

BZZ-I1 is a token in itself, created according to the blockchain technology; all transactions with it are transparent and easily controlled by investors and interested individuals. It is secured by the cryptocurrencies included into its portfolio. For each BZZ-I1 token issued, a certain amount of the cryptocurrencies included into its portfolio is purchased.

BZZ-I1 tokens are freely tradable. There are no broker fees, advice fees, exit fees or some other type of hidden fees. Its value is solely determined by cryptocurrencies that the index contains.

BZZ-I1 Index offers the cryptocurrencies that can be mined or are fully decentralized and are featured in the TOP 30 of the cryptocurrency market. The proportion of each cryptocurrency within the index depends on its market capitalization with adjustments implemented by the algorithms of fund building and rebalancing.

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3. Micropayments
4. Asset tokenization
5. Large ecosystem cryptocurrencies

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- Bitcoin does not require any participation from the banking system that is typically low-performing, corrupted, and fraudulent in the developing countries.
  - Bitcoin does not require any participation from other financial or broker entities that can be linked to the intelligence services and organized crime in such countries.
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There is no doubt that the cryptocurrency market will withstand any attempts of modern banks, state and financial establishments to destroy it, and will significantly expand in the upcoming years.

Currently, we consider cryptocurrencies suitable for making long-term investments.

However, given the state of the cryptocurrency market, we understand that an independent management a cryptocurrency portfolio containing numerous cryptocurrencies is not an easy task for most investors. Time and experience are required to purchase several cryptocurrencies and maintain a balanced portfolio. It also requires a thorough observation of technical and security standards, which is why it is worth entrusting such an activity to a professional company constantly operating at the cryptocurrency market.

BZZ-I1 gives anyone an opportunity to gain access to an expansive range of cryptocurrencies to deduce profit from them while reducing their characteristic volatility.

At BZZ-I1, we have developed a business model aimed at helping people to deduce maximum profit from the cryptocurrencies while the market is growing while minimizing the losses that occur when the market drops.

# WHY INDEX FUND?

S&P Dow Jones Indices, the “de facto scorekeeper of the active versus passive investing debate,” finds in its SPIVA U.S. Year-End 2017 that the majority of active equity funds underperformed over the long-term investment horizons. Over the five-year period, 84.23% of large-cap managers, 85.06% of mid-cap managers, and 91.17% of small-cap managers lagged their respective benchmarks. **Similarly, over the 10-year investment horizon, 89,51% of large-cap managers, 96,48% of mid-cap managers, and 95.71% of small-cap managers failed to outperform on a relative basis** (see table).

## Selected US Equity Funds Outperformed by Benchmarks

Category	Comparison Index	One Year (%)	Three Years (%)	Five Years (%)	Ten Years (%)
All Domestic Equity Funds	S&P 1500	63.43	83.40	86.72	86.65
All Large-Cap Funds	S&P 500	63.08	80.56	84.23	89.51
All Mid-Cap Funds	S&P Mid-Cap 400	44.41	86.34	85.06	96.48
All Small-Cap Funds	S&P Small-Cap 600	47.70	88.83	91.17	95.71
Large-Cap Growth Funds	S&P 500 Growth	32.92	67.58	80.92	93.65
Large-Cap Value Funds	S&P 500 Value	46.88	80.37	85.07	70.44
Real Estate Funds	S&P US REIT	36.90	59.76	73.68	84.54

Source: SPIVA US Scorecard; S&P Dow Jones Indices; data as of December 31, 2017. Fund returns shown are net of fees, excluding loads.

Past performance is not a guarantee of future results. Index performance includes the reinvestment of dividends and other corporate earnings. Index returns are unmanaged and do not reflect the deduction of any fees or expenses.

Instead of trying to pick an outperforming fund manager one can simply, invest in an index fund which tracks the index – the underlying trend behind the selection of assets

without being reliant on a particular one. No active trading actually involved. A frequent asset rebalancing ensures the consistent marked tracking.

## **AN OVERVIEW OF INDEX FUND**

What is an index fund? According to Investopedia.com, An index fund is a type of mutual fund with a portfolio constructed to match or track the components of a market index, such as the Standard & Poor's 500 Index (S&P 500). An index mutual fund is said to provide broad market exposure, low operating expenses and low portfolio turnover. These funds adhere to specific rules or standards (e.g. efficient tax management or reducing tracking errors) that stay in place no matter the state of the markets. In this section, we aim to properly outline, explain and introduce the Classic Index fund as well as the Cryptocurrency Index Fund.

### **Classic index fund**

A classic index fund is a type of investment or exchange-traded fund organized to follow a particular set of shares according to preset rules.

The fund purchases the set of shares and issues its papers secured by the purchased shares. As a result, such papers have the cost equal to the value of this set of shares.

From time to time, the fund performs a rebalancing procedure according to an algorithm described in advance, maintaining the structure of the shares portfolio within certain limits. This procedure is required since shares change their value with time, and consequently, their share in the fund portfolio varies as well. Within the scope of rebalancing, the fund sells a part of shares and purchases other shares, returning the portfolio structure to the set parameters. Advantages of index funds:

1. Low management costs (no need to pay to expensive managers who would manage the fund portfolio)
2. Ease of management (the contents of the portfolio and the terms of its rebalancing are determined by the primary conditions)
3. Low turnovers (volumes of the resold securities) since clients invest long-term, and index funds, in essence, are passive investments; investors receive 87% of total gains on average (against 47% for active funds).
4. There is no arbitrary management, when managers accept unreasonable risks and overstep their duties, endangering the wellbeing of investors.

### **Cryptocurrency Index fund and its advantages**

A Cryptocurrency Index Fund is a fund where cryptocurrencies are stored as basic assets; it issues a token of its own, linked to a cryptocurrency portfolio instead of securities.

Cryptocurrency index fund advantages:

1. Full autonomy, no managers are employed to manage a portfolio.
2. Minimal service costs.
3. Compared to active management, the profitability of a cryptocurrency portfolio is higher.
4. Such a fund uses a token created according to the blockchain technology as a security. As a result, everything, including the underlying asset status, all transactions with it, and then number of fund tokens released, is absolutely transparent to investors and anyone interested.
5. As described in a classic index fund, an algorithm is designed in advance to perform a rebalance procedure which maintains the structure of set portfolios within a given limit. This also applies to Cryptocurrency index fund as portfolio construction, and rebalancing protocol is also developed.

Ease of investing in Cryptocurrencies with BlockZZo.com Company

Ease and reliability of investing into cryptocurrencies with BlockZZo.com Company:

1. Payments in the main cryptocurrencies are accepted
2. Payments by all the major credit and debit cards are accepted
3. BZZ-I1 tokens can be withdrawn to an own e-wallet
4. BlockZZo.com Company guarantees to repurchase the tokens it issues and paying out their value.

## **PORTFOLIO CONSTRUCTION AND REBALANCING**

Since cryptocurrencies are significantly different from other types of assets, the goals of portfolio construction and rebalancing are also different:

1. Taking into consideration the characteristics of cryptocurrencies and their differences from shares, such as the fact that there are more shares than cryptocurrencies and that shares cannot be mined.
2. A special approach to portfolio construction involves determining a set of rules that would exclude even the most advertised tokens of scam and unpromising projects
3. Timely including promising cryptocurrencies into the fund, determining clear rules for this operation in advance
4. Timely excluding stagnating cryptocurrencies and cryptocurrencies losing their market share from the fund

We should collect all stars to grow faster than the market. We should exclude outsiders on time to avoid falling with them. We should bring increased profit when the market grows, and we must try to minimize losses when the market falls.

## Building the portfolio

A BZZ-I1 token includes some of the TOP 30 cryptocurrencies according to coinmarketcap.com meeting the following basic requirements:

1. The cryptocurrency can be mined.
2. The total capitalization of the selected cryptocurrencies does not exceed 90% of the total market capitalization.

We believe that thanks to the basic requirements, there are only high-quality cryptocurrency assets included into the portfolio, all of them are decentralized and feature high market capitalization.

Primary portfolio building procedure:

1. The term 'Critical share' is implemented:  $\text{Critical share} = 20\%$  if the index includes over 5 cryptocurrencies. If  $1 < \text{the quantity of cryptocurrencies, included into the index} < 5$ , the  $\text{Critical share} = 100\% / (\text{the number of cryptocurrencies, included into the index} - 1)$ .
2. Cryptocurrencies that meet the basic requirements are handpicked from the TOP 30 cryptocurrencies according to coinmarketcap.com.
3. For each cryptocurrency that is featured in the TOP 30 and meets the basic requirements, we calculate the ratio of its capitalization to the total capitalization of all cryptocurrencies featured in the TOP 30 and meeting the Basic requirements that have been selected for the index.
4. Cryptocurrencies, whose share exceeds the Critical share after the procedure described in paragraph 3 is performed, are reduced to the Critical share, the difference is redistributed between the other cryptocurrencies in proportion to their volume exclusive of the cryptocurrencies whose share is Critical.
5. If after the actions described in paragraph 4 are implemented, the share of one or more cryptocurrencies exceeds Critical, the same actions are repeated until the share of each cryptocurrency included into the BZZ-I1 token is smaller or equal to the Critical share.
6. Cryptocurrencies whose share in the BZZ-I1 token amounts to less than 0.5%, are not included into the token, their share is redistributed among the other cryptocurrencies whose share is below Critical. If after this operation is implemented, there are cryptocurrencies whose share is above Critical, the procedure described in paragraph 4 is repeated.

## BZZ-I1 Token Rebalancing

Rebalancing is performed on the 1st and 15th day of each month when the cryptocurrencies included into the index reach critical levels according to a preset algorithm with possible additional emission of BZZ-I1 tokens to the advantage of their holders.

BZZ-I1 Token Rebalancing procedure:

1. The TOP 30 is investigated for the presence of cryptocurrencies that meet the basic requirements but are not yet included into the BZZ-I1 token. If cryptocurrencies of the kind are found and their share in the total of capitalizations of the cryptocurrencies included into the BZZ-I1 token exceeds 1%, such cryptocurrencies are included into the BZZ-I1 token, their share is set to be equal to the total capitalization of the cryptocurrencies that have already been included into the BZZ-I1 token. Naturally, the share of cryptocurrencies that have already been included into the BZZ-I1 token is respectively reduced. If there are more than one cryptocurrency of the kind, they are included into the BZZ-I1 token at the same time.
2. Once the procedure described in paragraph 1 is performed, the cryptocurrencies that have dropped within the index remain unchanged, unless their price drops below 0.5% of the price of the index. If a cryptocurrency drops below 0.5%, it is excluded from the index without replacement. The cost of the excluded cryptocurrency is transferred to an arbitrary account that will be used in the future to conduct a supplementary emission of tokens with a new index composition (without the excluded cryptocurrency) to the benefit of the holders of BZZ-I1 tokens.
3. Once the procedures described in paragraphs 1 and 2 are performed, the cryptocurrencies that have grown within the index remain unchanged, unless their price exceeds the Critical share of the price of the index. If the price of a cryptocurrency exceeds the Critical share of the index price, the following occurs:
  - a. Cryptocurrencies that exceeded the Critical share preserve the share amounting to Critical. The price difference between the remaining share of these cryptocurrencies and their new cost within the BZZ-I1 token is transferred to the arbitrary account. All other cryptocurrencies included into the BZZ-I1 token remain unchanged.
  - b. New shares of cryptocurrencies included into the BZZ-I1 token and the new price of the BZZ-I1 token are calculated: the new share of cryptocurrencies whose share used to exceed Critical becomes equal to the Critical share; the share of other cryptocurrencies grows. The price of the BZZ-I1 token changes if funds are attributed to the arbitrary account as a result of actions described in paragraph 2 and 3.a.
4. The sum that has accumulated at the arbitrary account as the result of rebalancing is released according to the new cryptocurrency distribution within the BZZ-I1 token. New BZZ-I1 tokens are emitted using this sum in full. All

holders of BZZ-I1 tokens receive such new BZZ-I1 tokens in proportion to the amount of BZZ-I1 tokens at their balance in the BlockZZo.com company. Owners of the BZZ-I1 tokens who withdrew their tokens from the BlockZZo.com company balance also receive the tokens that have been emitted, in proportion to the number of tokens they possess in their e-wallets, under condition that their wallets contain no less than 1 BZZ-I1 token.

Cryptocurrency rebalancing methodology:

The cryptocurrency will be included in index if

$$\frac{\sum_{i=1}^j Cap_i}{\sum_{i=1}^N Cap_i} < Thr$$

where

$Cap_i$  - capitalization of the cryptocurrency

$j$  - cryptocurrency to test index

$N$  - Number of mined cryptocurrencies in TOP30 index

Cryptocurrencies are indexed from highest capitalization cryptocurrency to the lowest one.

$Thr$  - index percentage capitalization threshold. Currently it is set to 0.9.

The weight of cryptocurrency will be set according to:

$$w_j = \frac{cap_j}{1 - MaxWeight * l \sum_{i=l+1}^M cap_j} \quad (\text{Equation 1})$$

where

$MaxWeight$  - maximal weight (in percentage) of cryptocurrency. Currently it is set to 0.1

$l$  - number of cryptocurrencies with maximal weight.

$M$  - number of cryptocurrencies in the BZZ-I1 index

$Cap_i$  - capitalization of the cryptocurrency

We find  $l$  iteratively assuming initially that it is 0.

If some of cryptocurrencies exceed the critical value, these earnings will be used to issue additional tokens as follows:

$$EmissionSum = \sum_{j=1}^k w_{j\_old}^{\$} - w_{j\_new}^{\$}$$

where

$k$  - number of cryptocurrencies that exceeded the critical value (Thr)

EmissionSum - sum that will be used for emission of additional tokens.

$w_{j\_old}^{\$}$  - dollar weight of cryptocurrency before rebalance calculation

$w_{j\_new}^{\$}$  - dollar weight calculated to be after rebalance (according to above rebalance algorithm described in equation 1 and assuming no additional emission).

Then the number of additional tokens will be:

$$\frac{EmissionSum}{\sum_{j=1}^N w_{j\_old}^{\$} - EmissionSum} \text{NumberTokens}$$

where

NumberTokens - number of tokens before emission.

Relative weights in cryptocurrency index will be as described in equation 1.

## BZZ-I1 Token Emission

The emission of BZZ-I1 token occurs on three separate occasions:

1. **New BZZ-I1 tokens are purchased by customers.** In this case, the emission of BZZ-I1 tokens is accompanied by purchasing the cryptocurrencies that secure it. For each issued BZZ-I1 token, a certain amount of the cryptocurrencies included into its portfolio is purchased upon the completion of the initiation period (provisionally, 7 business days).
2. **Rebalancing.** If a cryptocurrency included into the BZZ-I1 token drops below 0.5% of the total cost of the cryptocurrency fund, it is excluded from the BZZ-I1 token. BZZ-I1 tokens are emitted using its cost in full to the benefit of the BZZ-I1 token holders. The same occurs when a cryptocurrency exceeds the Critical share of the BZZ-I1 token. We believe that it is possible to decrease the volatility of the price of the BZZ-I1 token in regard to the market volatility thanks to rebalancing, when the price of the BZZ-I1 token drops, and the difference of price is used to emit new BZZ-I1 tokens.
3. **The fund receives additional funds.** Using a minor part of assets belonging to the fund is rational if it is highly likely to bring additional profit. (For example, in case of a fork of a cryptocurrency included into the fund) In this case, 100% of the additional profit goes to the fund and is used to emit additional BZZ-I1 tokens to the benefit of BZZ-I1 token holders.

# BUSINESS MODEL

The major focus of our project is cryptocurrencies. BZZ-I1 has been designed to help individuals attain maximum profits from investing in cryptocurrencies without having to go through the stress of dealing with the volatility of cryptocurrencies and the quantity of cryptocurrencies available in the market which all sums up to owning and managing a good cryptocurrency portfolio. We have strategically designed a business model that will help individuals benefit maximally from investing in cryptocurrencies. We have designed two (2) Main Models of Receiving Profit from Cryptocurrencies:

1. Investing in Cryptocurrencies via BZZ-I1 token
2. Prepaid Cryptocurrency mining.

## Investing in Cryptocurrencies via BZZ-I1 token

This model was designed to help virtually everyone invest in cryptocurrencies. When using cryptocurrencies as an investment (the first popular way of earning profits from cryptocurrencies), the advantages of the BZZ-I1 token (index) are significant: A Cryptocurrency Index Fund (like any index fund) is usually less volatile than a currency fund (it is of special importance for cryptocurrencies) and is more profitable than an active fund.

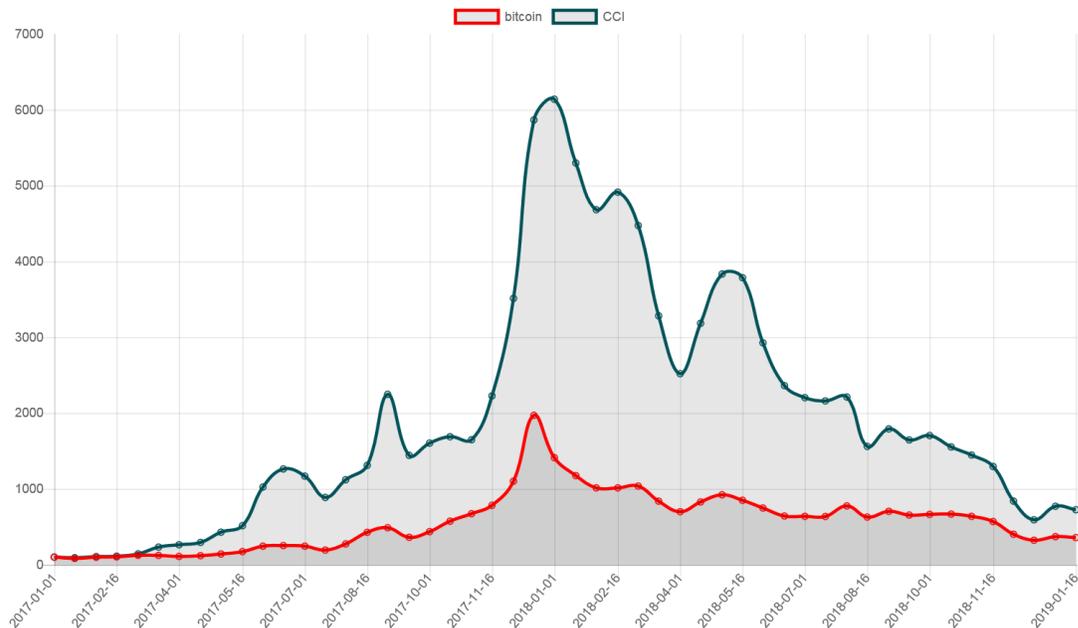
*"...active investment management by professionals - in aggregate- would over a period of years under-perform the returns achieved by rank amateurs who simply invested in an unmanaged lowcost index fund"* 2016, Warren Buffett, A Letter To Berkshire Hathaway's Shareholders

What is BZZ-I1?

1. BZZ-I1 is a ERC20 token in itself, created according to the blockchain technology; all transactions with it are transparent and easily controlled by investors and interested individuals.
2. BZZ-I1 is secured by the cryptocurrencies included into its portfolio. For each BZZ-I1 token issued, a certain amount of the cryptocurrencies included into its portfolio is purchased upon the completion of the initiation period (about 7 working days).

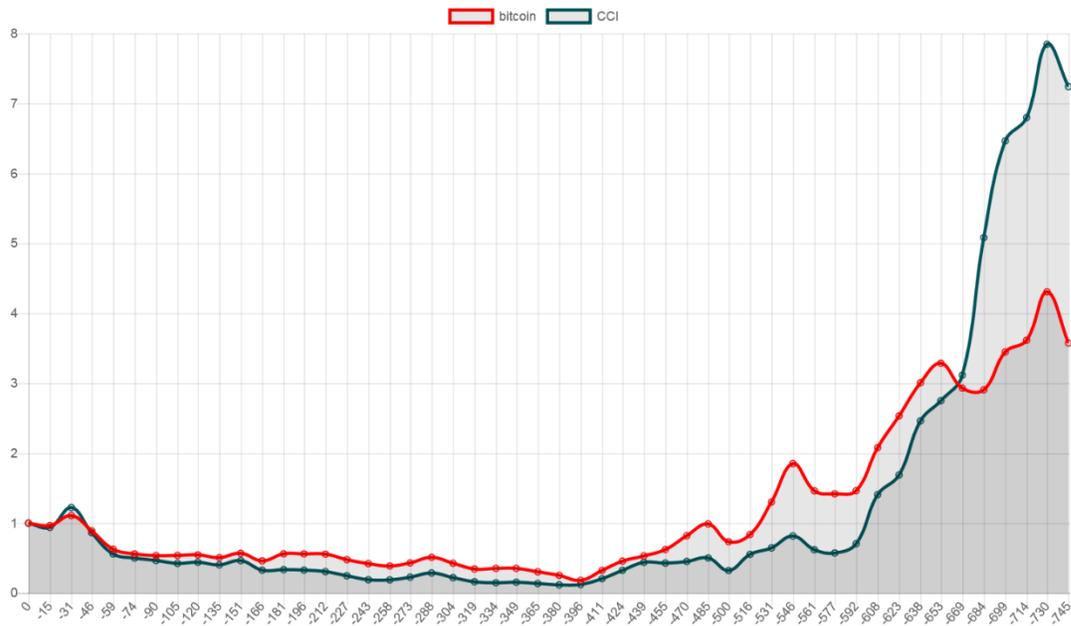
## BZZ-I1 token backtesting and analysis

BZZ-I1 token backtesting against Bitcoin and US dollar.



We have built a model of BZZ-I1 token values, as if it were created on January 1, 2017, in comparison with Bitcoin, with an investment of 100 US dollars. The given model covers the period of two full years up to December 31, 2018. This is an exciting retrospective, since the cryptocurrency market was growing in 2017 and plummeting in 2018. It is also important to take into account that the profitability of the investments that occurred in the past does not guarantee the profitability in the future.

The reverse graph that demonstrates the price of 1 US dollar invested into Bitcoin and into the BZZ-I1 token X days before December 31, 2018 is also very interesting, despite the fact that the data about the behaviour of the assets that occurred in the past cannot guarantee the occurrence of a similar behaviour in the future.



These two graphs demonstrate the behaviour of the BZZ-I1 token compared to Bitcoin, the leader of the cryptocurrency market, at the growing and falling markets.

- Investing into the BZZ-I1 token would have been more beneficial than investing into Bitcoin in the context of a growing market in the historical retrospective.
- In the context of a falling market, the profitability of investing into the BZZ-I1 token would have been similar to the profitability of investing into Bitcoin in the historical retrospective.

We have done a lot of research to prove that the BZZ-I1 token can be a highly profitable tool for those who are planning to invest in cryptocurrency.

## Prepaid Cryptocurrency Mining

Mining is the second popular model of receiving profit from cryptocurrencies; it involves two key risks

1. The risk of fluctuations of cryptocurrency prices (significant for all cryptocurrencies)
2. The risk of increasing mining complexity (significant for new cryptocurrencies, but not relevant included into the TOP-30)

The main risk of mining (the risk of price fluctuation) makes sense if one compares its price to fiat or to other cryptocurrencies (in a lesser degree).

We developed a business model which is totally risk free of price fluctuations when mining:

1. We have a fund securing a BZZ-I1 token that includes different cryptocurrencies, EACH of them EACH of them has mining available (this is the condition required for including cryptocurrencies into the BZZ-I1 index).
2. We allocate up to 10% (such a low share will not endanger the stability of the whole fund) of each of these cryptocurrencies, and for each of them, we calculate the efficiency of investing into the cloud mining of the given cryptocurrency. If it is considered effective, we buy a mining contract.

Upon the completion of the mining cycle:

1. The initial sum is returned to the fund fully in its original currency.
2. The earned amount is transferred into fund cryptocurrencies in proportion to their weight and also goes to the fund.
3. New BZZ-I1 tokens are emitted for the amount that entered the fund according to the selling price of the BZZ-I1 token.
4. The newly emitted tokens are transferred to the clients' wallets similar to the rules of emission when rebalancing.

It is possible that purchasing cloud mining capacities will no longer be profitable in the future. However, let's keep in mind that cryptocurrency funds are different from the traditional funds containing securities. The principal difference is that anyone can mine cryptocurrencies included into the BZZ-I1 fund, while nobody other than the emitter can issue securities. Roughly speaking, anyone can mine Bitcoin, but nobody can issue Apple shares except for Apple. This is why there is a chance that we will be able to find another way to invest the cryptocurrency assets of the fund into undoubtedly profitably mining projects, if we are to calculate profitability in cryptocurrencies. Earn cryptocurrencies by investing into cryptocurrencies! We believe this is the right thing to do for a cryptocurrency fund.

# SELLING AND SERVICING BZZ-I1 TOKENS

The company sells BZZ-I1 tokens to the registered users via the official company website, BlockZZo.com. Registered users purchase BZZ-I1 tokens by transferring money to the account of BZZ-I1 Tokens (accounted in US dollars) or by transferring cryptocurrencies (BTC, ETH) to the e-wallets created by BZZ-I1 Tokens for each client. BZZ-I1 Tokens charges from 0.5% to 5% depending on the current marketing programs for adding funds.

Clients can store BZZ-I1 Tokens in an e-wallet provided by the BlockZZo.com Company, or in their personal e-wallets.

BZZ-I1 Tokens accepts all BZZ-I1 tokens emitted by it without restrictions upon the completion of the period of initiation and pays out their current value in US dollars or in cryptocurrencies (BTS, ETH) to the client.

To calculate the sell rate of BZZ-I1 tokens, the company automatically (or manually, if the automatic procedure is unavailable) on a quarterly basis picks 10 cryptocurrency exchanges with the maximum volume of cryptocurrency sales. Average purchasing and selling prices are calculated daily for each cryptocurrency included into the fund. The average purchase price of a particular cryptocurrency is the arithmetic mean of the average purchase price of this cryptocurrency at the selected cryptocurrency exchanges. The average selling price of a particular cryptocurrency is the arithmetic mean of the average selling price of this cryptocurrency at the selected cryptocurrency exchanges.

The selling price of the BZZ-I1 token =  $\Sigma$  (the average purchase rate of a cryptocurrency included into the BZZ-I1 token at the selected exchanges \* the nominal quantity of this cryptocurrency in one BZZ-I1 token)

The purchase price of the BZZ-I1 token for the company =  $\Sigma$  (the average sales rate of a cryptocurrency included into the BZZ-I1 token at the selected exchanges \* the nominal quantity of this cryptocurrency in one BZZ-I1 token)

The company charges an annual fee for servicing the BZZ-I1 tokens that amounts to 0.25% per annum. The fee is charged on a daily basis and amounts to 0.25%/365 of the total volume of funds included into the fund at 10:00 AM UTC.

There is no withdrawal commission. When withdrawing funds (when returning the BZZ-I1 token to the Company), a share of this token in the cryptocurrency portfolio is paid in BTC or ETH, or in US dollars to a customer's account, if possible.

# MARKETING

We plan to attract new customers to the platform in two main ways:

1. Direct advertising of BlockZZo.com platform.
2. Joint advertising with issuers of their investment products.

Direct advertising of BlockZZo.com platform:

1. Contextual advertising.
2. Advertising on social networks, instant messengers, on forums. It is planned to use Facebook, Twitter, LinkedIn, Reddit, Instagram, VKontakte, Telegram, Medium, Steemit, Bitcointalk. Both SMM and targeted ads will be used.
3. Video advertising. Creation of a series of training videos on YouTube channel.
4. CPA marketing.
5. Advertise with bloggers and opinion leaders on investment issues.
6. Retargeting. Reminder about yourself to those who were on the the BlockZZo.com platform site, but did not register or did not begin active work with the site.
7. Email marketing. Distribution among subscribers of significant and advertising information about the work of the BlockZZo.com platform: the launch of STO, the emergence of new security tokens, advertising information about the success of specific investment products, advertising information of the BlockZZo.com platform itself.
8. Advertising on industry sites.
9. Sponsorship and presentations at conferences and seminars.
10. Promotion in the media. Creation of significant informational reasons for hitting the pages of leading world media.

Joint advertising with issuers of their investment products.

Each of the security tokens issuers will have a marketing budget to promote their products of 3-5% of their total payments to the BlockZZo.com platform. This marketing budget can be spent in two ways:

1. Promotion of their security tokens on the BlockZZo.com platform and among the clients of the BBS platform using controlled methods. For example, advertising on the website of the BlockZZo.com platform, e-mail newsletters, push notifications, etc.
2. Joint advertising with the BlockZZo.com platform on an equal footing (50/50) , subject to the approval of this advertising company by the BlockZZo.com platform management.

# ROAD MAP

- September 2017 - the emergence of the project idea.
- Software developers team formation. Beginning of Software Development.
- January 2019 - the software has been completed and tested.
- Q1 2020: Search for financial partner, legal structure formation, software adaptation for the legal structure. BlockZZo.com platform adaptation for marketing.
- Q2 2020 - The launch of global BlockZZo.com promotion campaign.
- Q3 2020 - The launch a fully functional BlockZZo.com platform. Launch 3 cryptocurrency investment BZZ-Family products.
- Q4 2020 - the launch of third-party investment products.

# DISCLAIMER

PLEASE READ THIS DISCLAIMER SECTION CAREFULLY. IF YOU ARE IN ANY DOUBT AS TO THE ACTION YOU SHOULD TAKE, YOU SHOULD CONSULT YOUR LEGAL, FINANCIAL, TAX, OR OTHER PROFESSIONAL ADVISOR(S). The information set forth below may not be exhaustive and does not imply any elements of a contractual relationship. While we make every effort to ensure that any material in this Whitepaper is accurate and up to date, such material in no way constitutes the provision of professional advice. BlockZZo.com makes no guarantee, and accepts no legal liability whatsoever arising from or connected to, the accuracy, reliability, currency, or completeness of any material contained in this white paper. Investors and potential BlockZZ token holders should seek appropriate independent professional advice prior to relying on, or entering into any commitment or transaction based on, material published in this white paper, which material is purely published for reference purposes alone. BlockZZ tokens will not be intended to constitute securities in any jurisdiction. This Whitepaper does not constitute a prospectus or offer document of any sort and is not intended to constitute an offer of securities or a solicitation for investment in securities in any jurisdiction.

## IMPORTANT NOTICE

Please read the following notice carefully before proceeding to read this document prepared by the Company (the “Whitepaper”). This notice applies to all persons who read this document. Please note this notice may be altered or updated. The White Paper has been prepared solely in respect of the Company’s crowd sale of the BlockZZ tokens (“BlockZZo.com”) to be known as “BlockZZo.com tokens”. No shares or other securities of the Company are being offered for subscription or sale in any jurisdiction pursuant to the White Paper. The White Paper is being made publicly available for information purposes only and does not require any action to be taken by the general public or shareholders of the Company. The White Paper does not constitute an offer or invitation to any person to subscribe for or registration shares or any other securities in the Company. No person is bound to enter into any contract or binding legal commitment in relation to the sale and purchase of BlockZZo.com tokens, and no cryptocurrency or other form of payment is to be accepted on the basis of this White Paper.

## ELIGIBILITY

You are not eligible and you are not to purchase any BlockZZo.com tokens if you are a citizen or resident of a geographic area in which access

to or ownership of the BlockZZo.com token is prohibited by applicable law, decree, regulation, treaty, or administrative act.

## **FORWARD LOOKING STATEMENTS**

Some of the statements in the White Paper include forward-looking statements which reflect the Company's and/or the Management current views with respect to product development, execution roadmap, financial performance, business strategy and future plans, both with respect to the Company and the sectors and industries in which the Company operates. Statements which include the words "expects", "intends", "plans", "believes", "projects", "anticipates", "will", "targets", "aims", "may", "would", "could", "continue" and similar statements are of a future or forward-looking nature. All forward-looking statements address matters that involve risks and uncertainties. Accordingly, there are or will be important factors that could cause the actual results to differ materially from those indicated in these statements. These factors include but are not limited to those described in the part of the White Paper entitled "Risk Factors", which should be read in conjunction with the other cautionary statements that are included in the White Paper. Any forward-looking statements in the White Paper reflect the current views with respect to future events and are subject to these and other risks, uncertainties and assumptions relating to the operations, results of operations and growth strategy. These forward-looking statements speak only as of the date of the White Paper. Subject to industry acceptable disclosure and transparency rules and common practices, the Company undertakes no obligation publicly to update or review any forward-looking statement, whether as a result of new information, future developments or otherwise. All subsequent written and oral forward-looking statements attributable to the Company or individuals acting on behalf of the Company are expressly qualified in their entirety by this paragraph. Prospective buyers of the BlockZZo.com token should specifically consider the factors identified in the White Paper, which could cause actual results to differ before making a purchase decision. No statement in the White Paper is intended as a profit forecast and no statement in the White Paper should be interpreted to mean that the earnings of the Company for the current or future years would be as may be implied in this White Paper. By purchasing the BlockZZo.com token I hereby acknowledge that I have read and understand the notices and disclaimers set out above.

## **ANTI-MONEY LAUNDERING**

Being an active international market player BlockZZo.com pays attention to be in compliance with international Anti-Money Laundering and Combating the financing of terrorism(AML & CFT) standards. There will be a certain Policy covering AML & CFT requirements in BlockZZo.com upgraded on a regular basis to ensure its best fit and compliance with the constantly changing environment of AML & CFT regulations and best market practices. Besides, BlockZZo.com will set up a set of regular AML & CFT trainings for its employees and officers. We welcome any legitimate person interested

in our project and supporting it by purchasing the BZZ, BZZ-S and BZZ-Family Tokens. We do not discriminate on the basis of race, color, gender, religion, sexual orientation or to any other class protected by law. We are building a sustainable, transparent and safe ecosystem. That's why it is important for us to know our clients and provide them with legally solid solutions. We will implement efficient and high-quality Know Your Client (KYC) procedures, ensure compliance with AML & CFT requirements and best market practices.

## **RISKS AND UNCERTAINTIES**

Potential buyers of BZZ, BZZ-S and BZZ-Family tokens must carefully consider and evaluate all risks and uncertainties associated with the Company, its business, operations, development strategy, BZZ, BZZ-S and BZZ-Family tokens, BZZ, BZZ-S and BZZ-Family tokens purchase and sale operations, and all information included into this document (Whitepaper) before conducting any operation related to BZZ, BZZ-S and BZZ-Family tokens. If any risks or uncertainties come true, it can have a significant negative impact on the business, financial condition, and results of the Company's operations. In this case, you may fully or partially lose the funds you invested into the BZZ, or BZZ-S or BZZ-Family tokens.