



**FLUZ FLUZ**

**WHITE PAPER**

Premier Seat Memberships In A Global Consumer Network  
Decentralized Cash-back Rewards

The Fluz Fluz White Paper is currently in draft form and is subject to change. It will be finalized closer to the date of the public token sale.

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# Executive Summary

## The Consumer Problem

Consumers everywhere want to stretch their money, especially when it comes to essential household purchases like telecommunications, food, gasoline, travel, pharmacy, apparel and so on. Currently, there is no adequate way to bundle the purchasing power of a consumer's extended social network to get cash rewards. The tools in place are incapable of meeting customer demand because they are time consuming and complicated to use. At the same time bargaining power is shifting away from consumers towards larger merchants.

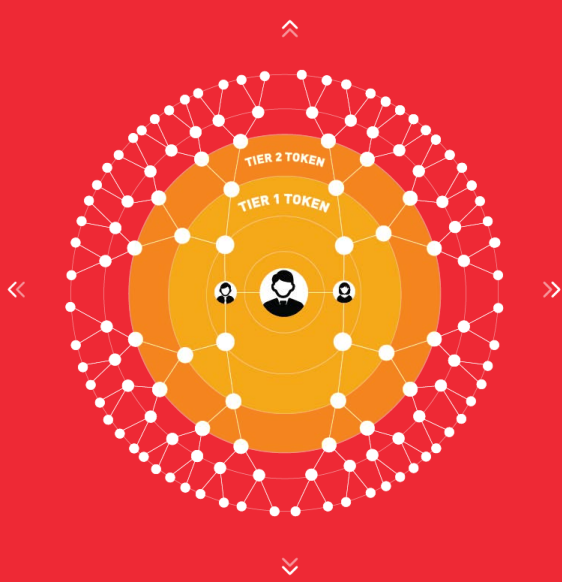


## The Decentralized Cash Back

### Solution

The Fluz Fluz platform positively disrupts the traditional shopping experience through an alternate, more rewarding avenue. In the current Fluz Fluz network model, all participants make money; this in turn creates a highly loyal consumer base, and fosters a long-term sustainable business structure.

The ability of Fluz Fluz to consistently retain customers is derived from the fact that current network members (aka Fluzzers) can generate cash back rewards through their everyday household purchases, and the purchases of their extended social network. Fluz Fluz operates as an instantaneous digital retail marketplace where consumption codes can be redeemed at retail POS, thereby generating Fluz points for the purchaser and their participating upstream network. In our binary network model each Fluzzer's network can grow up to 65,535 members through 15 downline network levels. The total cash back is split 50/50 between the purchasing Fluzzer and the participating network.



## Premier Seats Membership

In the Fluz Fluz model, there are no fees or hidden costs. The only bonus is based upon network consumption; the mere act of inviting new members is not rewarded.

Consumers are free to reflect their normal shopping habits and preferences towards any of the available retail partners. As long as the Fluzzer makes a minimum of two monthly purchases of any value and through any network retailer; in addition to maintaining activity on the site under a "give and take" logic, they can generate cash back through the power of bundling purchases to obtain large discounts.

### **Benefits for Market Participants**

Consumers, our so-called "Fluzzers", can earn thousands of dollars every month from the combined purchases of their network. Moreover, they can transfer Fluz (cash back rewards or points) to anyone in their network, in an easy-to-use and intuitive mobile environment. Fluzzers can instantly begin earning cash back without changing their shopping or work habits, by purchasing and redeeming digital gift cards from the vast and growing list of everyday retailers. Large merchants are able to benefit through Fluz Fluz by pooling consumer demand, and receiving valuable ground floor spending data and insight. Smaller merchants can benefit by acquiring new customers who are part of the Fluz Fluz network.

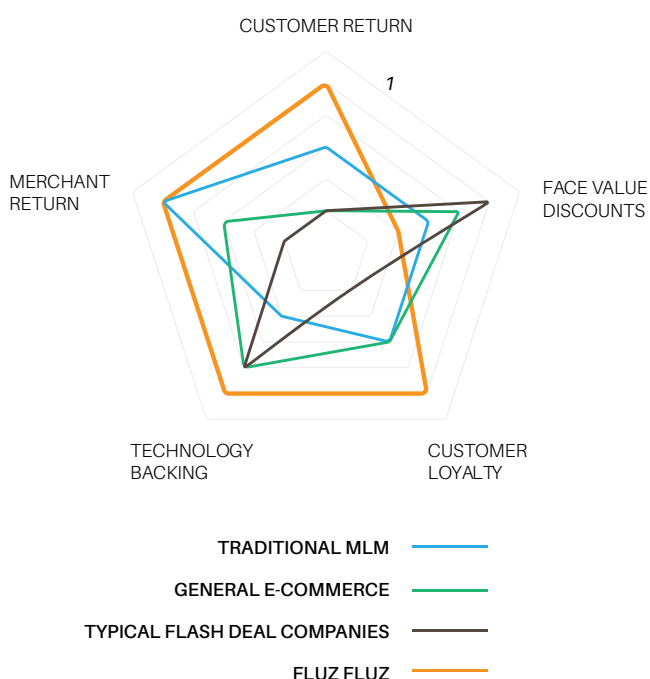


## Role of Blockchain in Fluz Fluz

### Ecosystem

The Fluz Fluz business model is ideally positioned to benefit from blockchain technology. Currently, the model is up and running in an off-chain environment, but intends to switch gradually to blockchain technology in order to sustain the scale-up to a global consumer cash-back network based on digital gift cards. We recognize that blockchain is an evolving technology and that the current eco-system of traditional third party merchants and consumers will only allow us to implement a transformative vision of the rewards industry in a step-by-step approach.

Conceptual differentiation of Fluz Fluz from similar competitors:



## Premier Network Seat Memberships

The FLUZ token can be used to purchase premier network seat memberships. It is intended that once the blockchain platform is developed, the premier seat membership may be bought and sold. This may be facilitated through a private seat membership exchange provided by Fluz Fluz where people exchange information on seat performance and agree with each other directly on an individual price of the seat. The Fluz Fluz team is working on trying to bring new and exciting additional utilities to the token and these will be notified in due course to all token holders.

## **Community superpower utility of FLUZ tokens**

Community building and consumption networking is at the core of the Fluz Fluz model. In order to further propel consumption team building, the attachment of FLUZ tokens to a Fluzzers's account - premier seat or normal account membership - grant communication packages to the downstream network.

Our experience has shown that an active consumption motivation and communication can further boost cash back performance and cohesion.

1 Fluz token linked to an account grants the possibility to deliver 1 personalized message (previously verified for not containing inappropriate or offensive language) to a specific downstream network member per month.

With for example 65,535 FLUZ tokens attached to an account, the Fluzzer is able to communicate a 1 message per month to his/her total network if completed.

A premier seat member Tier 1 (Tier 2), is equipped from the start with a credit of 20.000 (10.000) messages to his/her consumption team.

When tokens are detached from an account, the unused community messaging credit is lost and not restored.

FLUZ tokenholders through the community superpower might also be eligible for other features within their network such as birthday FLUZ giftings, merchant suggestion voting system, special deal eligibility, and more enhance community consumption and strengthen their specific network. The details of these features shall be released during the implementation roadmap.



## **FLUZ coins accumulation and redemption for gift card purchases - Future**

By the time the Fluz Fluz platform has launched into the US market, we will have transitioned from the off-chain 'point' system currently in use in Columbia, to a fully vested ERC-20 coin model; where Fluzers receive these coins as cash back rewards, and can redeem them in a variety of ways such as purchasing more gift cards, exchanging them for other crypto currencies such as ETH, or even redeeming them for USD. Using an ERC 20 compatible FLUZ coin as a cash-back unit would allow Fluz Fluz to offer its users to freely trade their cash back rewards on public exchanges thereby offering an enhanced value proposition over limited loyalty programs from the old economy.

**Note:** *The Fluz rewards coin is unrelated to the FLUZ token.*

## **FLUZ Token sale and premier network seat memberships**

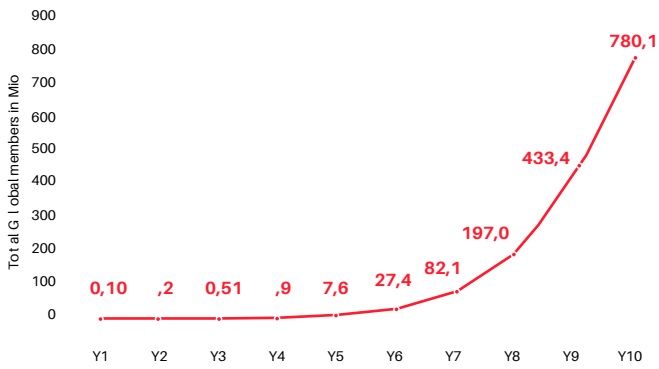
Fluz Fluz intends to quickly deploy the consumer network model in the United States, and develop a token based gift and rewards network that connects merchants with customers.

**The foundation of the Fluz Fluz global consumer network and the parallel US market entry provide the ideal setting for a crowdsale model.**

Together with the US market launch, Fluz Fluz will introduce a single global consumer network. This means that new users joining the cash back network in any future country where Fluz Fluz where Fluz Fluz is able to launch, including the United States, will all enroll on the same unique binary network.



## Global Consumer Network

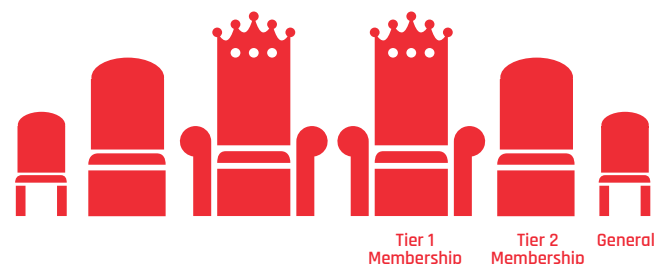


Within this global network, Fluz Fluz is offering a total of 16.383 premier network seats (see graphic). These premier network seat membership can be acquired through a qualifying amount of tokens.

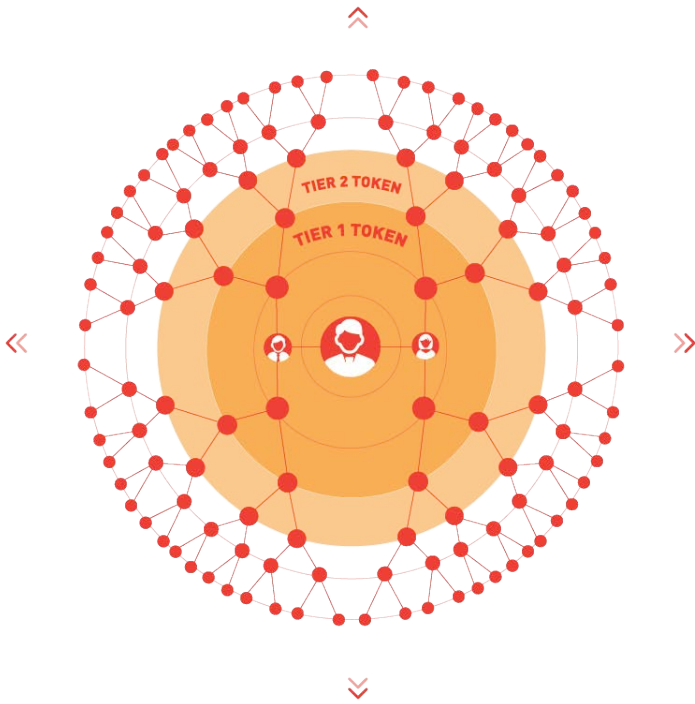
Given the absolute network structure of Fluz Fluz, individuals and companies all over the world may consider acquiring the tokens necessary for a premier seat in the global consumer network. Naturally, the earliest joiners have the highest probability in the shortest period of time to start receiving cash back rewards from the purchases made by their downstream network.

As more and more consumers join the binary network, they will be automatically allocated horizontally into the next free seat, therefore filling the network layer by layer. This auto-fill mechanism is complemented with the individual invitation possibility of new users. Each user is able to directly invite friends and families into his/her extended network.

In conclusion, a premier seat membership oriented token sale favours the self-sustaining ideals of peer-to-peer networking model. This gives Fluz Fluz the strength to quickly implement its rewarding platform into the world's largest consumer market. The presented crowdsale of FLUZ tokens also favours the desired effect in which premier seat members become the first consumers, advocates, beneficiaries and/or multipliers of the newly formed global consumer network.







## Token Reserve and Token Supply

A maximum of 204.780.000 FLUZ tokens will be issued in the phase before the operational US launch. Any unsold tokens will not exist after the tokensale.

## Token Economy

We will be issuing FLUZ Tokens that have the function of activating premier seat memberships on the Fluz Fluz global network. Qualifying Token holders will be able to activate premier network seat memberships in the newly formed global consumer network ahead of the effective operational launch, and enjoy the community superpowers for their consumption team building.

### Token Crowdsale Quick Facts:

**Start Date:** 18th of January 2018

**Total FLUZ tokens available:** 204,780,000

**Token Crowd Sale Price:** USD 0.10

**Accepted currencies:** ETH, BTC

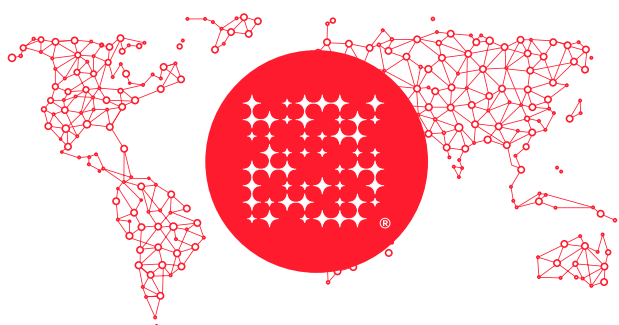
## **Premier Seat Membership**

There are 2 kinds of premier seat memberships: Tier 1 and Tier 2.

With 10.000 accumulated tokens, a Tier 2 premier seat membership may be activated by the Token holder. The Tier 2 premier seat is one of only 12.288 premier seat memberships right after the 4.095 Tier 1 premier seat memberships in the global consumer network.

Tier 2 seat members can enjoy an exemption from the minimum consumption rule for a period of 12 months after the operational launch in the US market. Afterwards, Tier 2 premier seat holders will be required to make at least one annual purchase of USD 10.

With 20.000 accumulated tokens a Tier 1 premier seat membership may be activated by the Token holder. The Tier 1 premier membership is one of only 4.095 premier memberships in the global consumer network.



They also enjoy an exemption from the minimum consumption rule for a 12 month period, with the requirement thereafter of at least one annual purchase of USD 10.

## **Premier Seat Membership:**

### **Tier 1 and Tier 2**

Although it will depend on individual network consumption and growth levels, in Colombia for instance we are already observing in less than one year of operations that early network users are receiving hundreds of dollars every month in cash-back rewards.

## **Token Relation to Premier Seat Membership Activation**

The sum of all Tokens of this issuance equals the sum required for all offered premier seats. Thereby all qualifying token holders are guaranteed their seat, should they choose to activate it ahead of the operational launch in the US.

Once a Tier 1 or Tier 2 premier membership is activated through FLUZ tokens, the tokens lose the premier seat membership activation capacity; however, they still retain their community superpower utility.

Full Network Size	Total Premier Seats Reserved	Tier Level	Token Sale Seat Price (USD)
1			
2			
4			
8			
16			
32	4095	1	2000
64			
128			
256			
512			
1024			
2048			
4096	12288	2	1000
8192			

30 days before the operational Fluz Fluz launch in the United States and thereby the launch of the global consumer network, qualifying token holders will be able to activate their premier seat memberships. All qualifying token holders will enter into a pool of random allocation within their respective tier level to define their exact seat. This will guarantee the most transparent network seat allocation.



If in the event that ahead of the random premier seat allocation there are more Tier 1 qualifying token holders through the concentration of token purchases than the 4.095 available Tier 1 premier seats, the random selection mechanism will decide which token holders receive a Tier 1 seat membership, or as an alternative two Tier 2 seat memberships.

If in the event there are less than 16.383 premier membership activations, the remaining premier seats of both Tiers will remain blocked in the global consumer network for future allocation.

Once a Tier 1 or Tier 2 premier membership is activated through FLUZ tokens, the tokens lose the premier seat membership activation capacity, however they retain their community superpower utility.



## The Milestones

As per Dec 2017 the company is transacting in Colombia and has built:

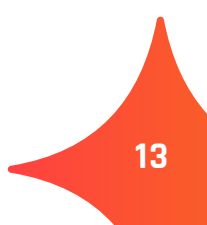
1. A robust digital gift code marketplace.
2. A strong and growing consumer network that is already generating real income for tens of thousands of consumers. Early joiners are already making several hundreds of dollars per month.
3. Signed retail partners in every product category resulting in over 3,000 locations now processing digital gift codes with Fluz Fluz technology.
4. A world class off-chain application with functioning features like gift card purchase, gift card storage, gift card re-sending, points transfer, cash-out requests, in-built messaging service, bitcoin payment gateway, consumer network graphic view, individual reference code and geo-localized store search for redemption.

## Roadmap

Once the Token sale is successfully finished, Fluz Fluz will start its usual launch preparations for the US market entry.

Thereby we will follow a proven retail redemption approach focused on nationwide operating merchants, which should give us an ideal kick-start for the US launch.

Based on this past experience with the existing Fluz Fluz operation, we target an operational launch in the United States for Mid 2018 supported by elements of blockchain technology outlined in this whitepaper.

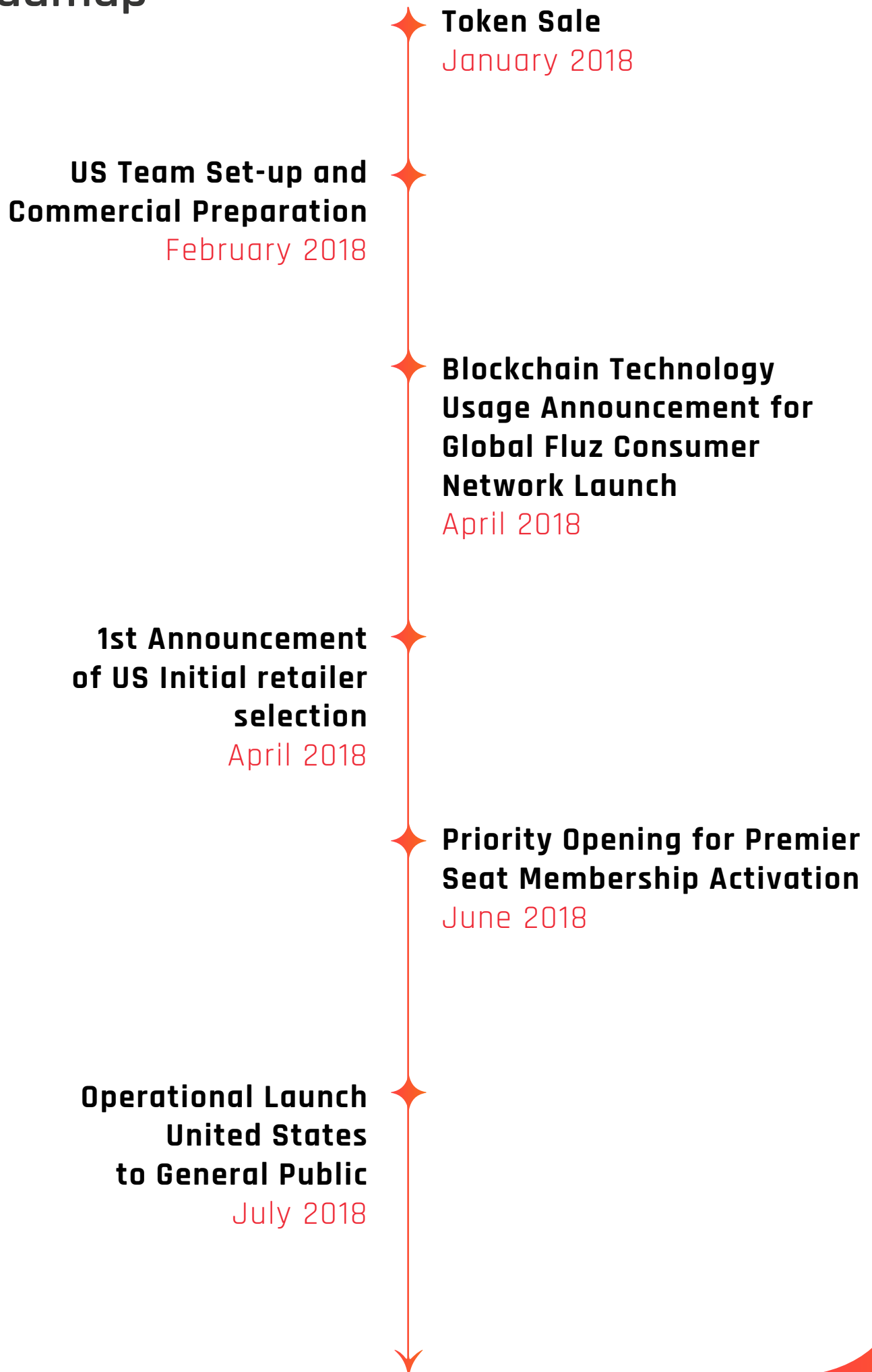




## Selection of Fluz Fluz Current Retail Partners:



# Roadmap





**“Our joint in-store activations with  
Fluz Fluz have helped us to retain  
omnichannel customers.”**

- David Abadi, Lili Pink General Manager







**“From the start, we have worked with Fluz Fluz to guarantee a perfect code redemption experience for the final customers. Thanks to the technological agility of Fluz Fluz this has been a great success.”**

**- Mónica Gonzalez,  
Helados Popsy Commercial Director**





**“It is impressive to observe the high recurrence  
and loyalty of the Fluz Fluz customer.”**

- Luisa Trujillo, Café OMA Head of Sales





**“The business model of Fluz Fluz  
has permitted us to drive additional revenue  
to our stores with sustainable incentives.”**

**- German Huertas, Nike Colombia CFO**





**“We have been able to re-activate clients that now redeem gift codes in our online store.”**

- Diego Benitez, Siembraviva Founder & CEO





**“Through Fluz Fluz we obtain valuable customer insight to better service our clients specific needs.”**

- Olga Henao, Droguerías La Pasteur CMO



# Glossary

## **1. Fluz**

Arabic for money, wealth, or a prosperous man. In our network, the term also indicates reward points earned.

## **2. Fluzzer**

A site user purchasing products or services through the marketplace.

## **3. Friends**

The Fluzzer who purchases through our marketplace and contributes to the points of another member.

## **4. Network**

The sum of all associations between Fluzzers.

## **5. Fluz Points**

Points that can be redeemed for cash or purchases on the site. Will be transformed into tradable Fluz reward coins.

## **6. Network Payouts**

The payout of points to members according to the purchases made on site.

## **7. Residual or Passive Income**

The amount of money that a Fluzzer generates through the purchase of the Fluz Fluz network.

## **8. Merchants**

Fluz Fluz retailer partners who offer credit to their store.

## **9. Store Value**

The retail value value of the credit purchased on the site.

## **10. Site Sale Price**

The price the member pays on site should this number not be lower after cash back is rewarded?

## **11. Token Holder**

Person or entity holding FLUZ tokens.

## **12. Token Sale**

Token Sale event that will start on the 18th of January, 2018.

## **13. Qualifying Token Holder**

Tokenholder that after acquisition of a sufficient amount of tokens, may choose to activate premier network membership seats (Tier 1 or Tier 2) within the indicated time frame.

## **14. Global Consumer Network**

This is the global consumer network that Fluz Fluz intends to build following the development of the blockchain platform. It is envisaged that the Fluzzers in all the countries in which Fluz Fluz will be able to operate in (at a future date), will be able to participate in that global consumer network.



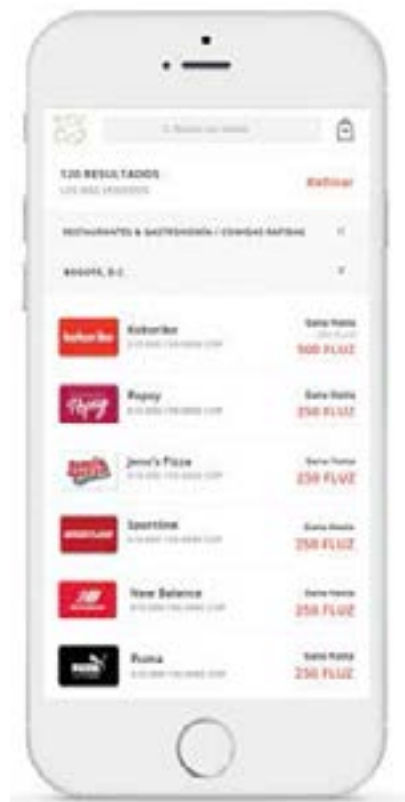
# Screenshots - Mobile App

## Homepage





## Shop Page



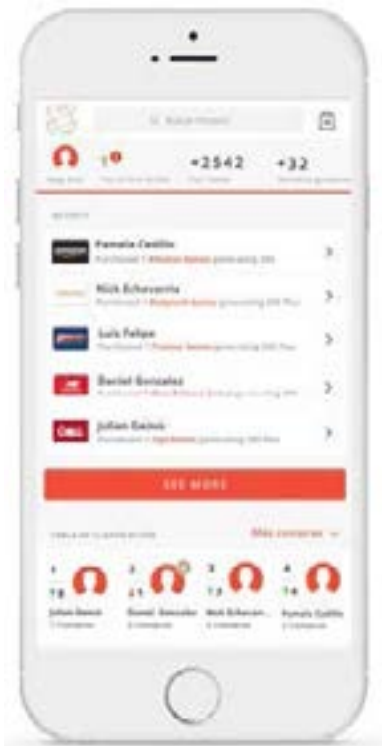


## Redeem Points for Cash or Cryptocurrency





## Account / Newsfeed Page (Social Aspect)



# Responsibility Statement

To the best of the knowledge and belief of the management/staff of Fluz Fluz, they have taken reasonable care to ensure that the information contained in this document is in accordance with the facts, and does not omit anything likely to materially affect the import of such information.

The Management of Fluz Fluz will use reasonable endeavours to procure that Fluz Fluz (Gibraltar) Limited (the “Company”) undertakes the following:

1. The Company might engage a specialized company to audit the smart contract that will be used to issue the ERC20 tokens following the Fluz token sale;
2. The Company will make use of the proceeds of the token sale solely for the purposes set out in the white paper or otherwise for the proper management and operations of the Company;

3. The Company may publish a budgeted forecast of expenditure (“Forecast”) before the launch of its business operations in the United States of America, and may engage an independent auditor to audit expenditures incurred by the Company to develop the blockchain platform described in this white paper as it seeks to make preparations for the launch of the Fluz Fluz business operations in the United States of America;

4. The Company will use its reasonable endeavours to launch the Fluz Fluz business operations in the United States of America within the timeframe set out in this whitepaper.

The Company urges you to read the “Legal Considerations, Risks and Disclaimer” section of this white paper in full.

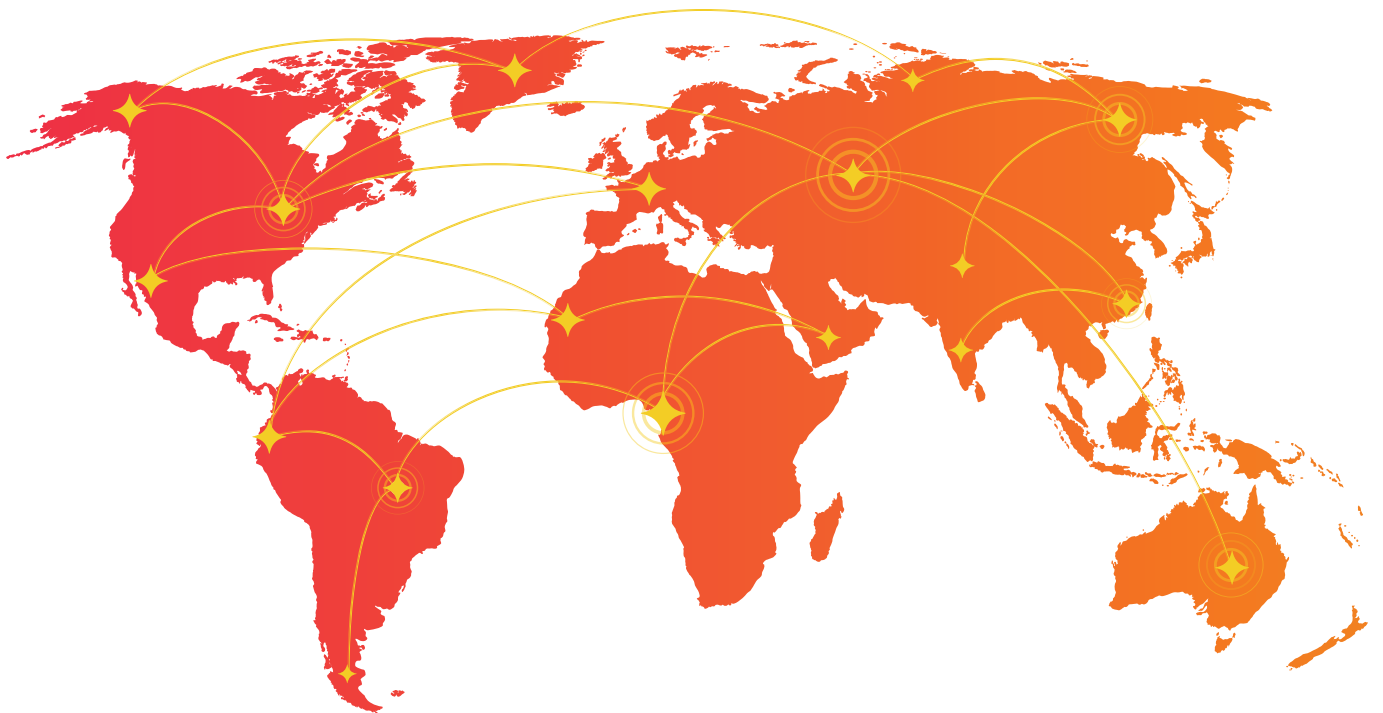


# Mission & Role of Blockchain

## **Role of Blockchain in Fluz FluzEcosystem**

The Fluz Fluz business model is ideally positioned to benefit from blockchain technology.

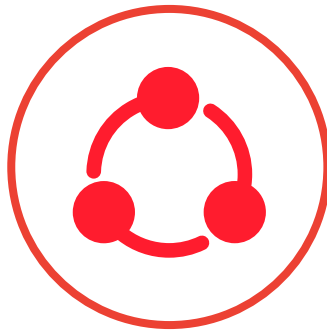
Currently, the model is up and running in an offchain environment, but will look to enhance its functionality by utilizing blockchain technology towards blockchain technology in order to sustain the scale-up to a global consumer network based on digital gift cards. We recognize that blockchain is an evolving technology and that the current eco-system of traditional third party merchants and consumers will only allow us to implement a transformative vision of the rewards industry, in a step-by-step approach.



# Market & Consumer



A. Digital Gift Card Market



B) The Peer-to-Peer Networking Market



C) The sum of Household Consumption

There are 3 ways of looking at our potential market:

## A. Digital Gift Card Market

There is great potential in the digital gift card market. Reliable numbers are scarce, but in the United States we see: "The total gift card market is an estimated \$307 billion. The potential for the entire gift card market by 2024 is \$698.2 billion USD. In North America, about 23% of all mobile commerce is gift card sales, and if we assume that percentage

holds true for United States, almost \$46 billion could be the market for electronic Gift Cards. According to First Data, the global leader in payment technology and services solutions which acquired Gyft, estimated in 2014 that virtual and mobile gift cards commanded nearly \$100 billion of the entire gift card market capitalization. In Latin America, only 3% of its online commerce is paid by gift cards, showing huge potential for growth."



## B. Network Marketing

The Network Marketing and Direct Sales profession hit a new record in 2013 with \$178 BILLION in global sales. That's up from \$167 Billion in 2012. Network Marketing is a BIG business!

Roughly \$71 Billion (40% of the \$178 Billion), was paid directly to distributors via commissions. That's \$6 billion a month, or \$200 million a day!

# Total Global Sales for 2013

The NFL: **\$9.5 billion**

Music Industry: **\$15 billion**

Video Gaming: **\$76 billion**

Movie Industry: **\$88 billion**

Natural Foods Industry: **\$9.5 billion**

Network Marketing: **\$9.5 billion**

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WFDSA (World Federation of Direct Selling Associations) reported the sales volume generated in 2015 by its member countries as \$184 billion, and the number of individual direct sellers as 103 million. The number of direct sellers does not include those in China as this country's figures were not reported. The sales volume in 2015 represents a 7.7% growth from the previous year in constant Dollars. Amway kept its leadership position among direct selling companies in 2015. Amway's 2015 global sales was \$9.5

billion, representing a 12% decline as compared to the previous year.

As of end-2015, Amway was followed by Avon (\$6.2 billion), Herbalife (\$4.5 billion), Vorwerk (\$4 billion), Infinitus (\$3.9 billion), Mary Kay (\$3.7 billion), Perfect (\$3.6 billion), Natura (\$2.4 billion), Tupperware (\$2.3 billion), and Nu Skin (\$2.3 billion). Avon's figure here does not include Avon North America's (a.k.a. "New Avon") figure as this unit was sold to form an entity outside Avon. New Avon's 2015 revenue was \$1 billion.

### C. Household Consumption

Global household consumption exceeds USD 45 trillion. Step by step and country by country, Fluz Fluz is aiming at a piece of this amount. The United States, our next target consumer market currently averages > 13 trillion in yearly household consumption currently.

Household Consumption reached USD 177bn in 2016 in Colombia. We have chosen to test Fluz Fluz in Colombia first, because of the country's stable economy and large development opportunities. Culturally, it has a history of companies engaging in multi-level and direct selling growth strategies, which are both similar and different to the Fluz Fluz model.

The appeal of Fluz Fluz lies in its fast processing, which will appeal to the money-conscious mobile users in Latin

America. Fluz Fluz is an ideal fit because it resembles loyalty programs and retail shopping models that Colombians are already comfortable with. In 2017 Fluz Fluz has seen great consumer traction in Columbia, and is now looking ready to enter the US consumer market.

Although there is slight competition in terms of existing retail loyalty programs and gift card exchanges, the US consumer has yet to enjoy the unique benefits offered from the Fluz Fluz model. The US consumer moreover has the purchasing power and the technological readiness needed to

fully grasp the benefits of Fluz Fluz. It is only logical to assume that if an emerging market like Colombia embraced the model in a landslide, so will a mature E-commerce economy like the US.



# Our Retail Partners

## Selection of Current Merchant

### Assortment

The Fluz Fluz merchant assortment responds to the needs and purchasing trends of the region to strategically partner with offline and online retailers. Fluz Fluz already has gift card purchasing

agreements with a large number of retailers from different categories in its initial market in Colombia. For the US market, the same methodology for merchant onboarding would be applied.



Jumbo, supermarket brand part of Cencosud, 2nd largest retailer in Latin America.



Metro, Cash & Carry brand part of Cencosud, 2nd largest retailer in Latin America



Dihego, Gas station operator for >50 gas stations



Uber & UberEats, international ride service



Nike, international sports fashion Brand



Under Armour, international sports fashion Brand



Tigo, telco operator



Virgin mobile, telco operator



Tous, International jewellery Brand



Kenzo jeans, Local traditional fashion retailer with > 100 stores.



Movistar, Telco operator



Locatel, Traditional pharmacy chain.



Time Square, Local watch multi-brand dealer



Jeno's Pizza, Local household pizza Brand with >100 restaurants.



New Balance, International footwear Brand



Fedco, Local beauty and perfume multi Brand store





Sportline America, Sports fashion multibrand retailer



Alsea Group, Regional master franchise for Starbucks, Archie's, Burger King, PF Changs, Domino



Kokoriko, Local household chicken Brand with > 100 restaurants



Distrihogar, Local household Brand for decoration and home linen



Atrápalo, Online travel booking platform



Bodytech, Leading gym chain in Colombia with 80 stores



Archie's, Leading italian restaurant chain with 50 stores



Swarovski, International jeweller



Café OMA, 220 local Starbucks coffee chain competitor, household name in Colombia



Claro, Telco provider



Mercadoni, Online food delivery



Pat Primo, Massive textile retail > 100 stores



Seven Seven, > 150 stores



LiliPink, Local house hold name for low end women underwear with 190 stores



CAFAM, Local household Brand pharmacy chain with >200 drugstores



Puma, International sports fashion Brand



Popsy, Regional ice cream parlos with >220



Accessorize, International low end accessories Brand



Pasteur, Local pharmacy chain with > 110 drugstores



Fossil, International watchmaker



KOAJ, Local tradition fashion Brand



Direct TV, pay TV provider



Avantel, telco provider



Brahma & Aka, local low end footwear retailer with > 100 stores

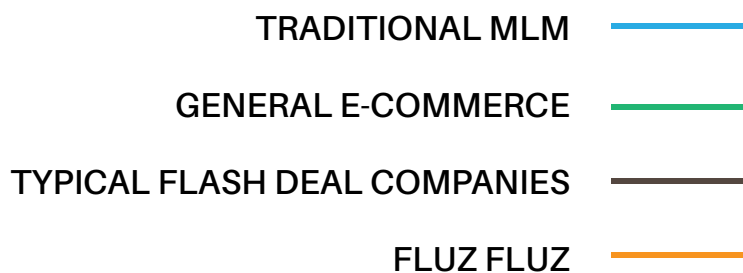
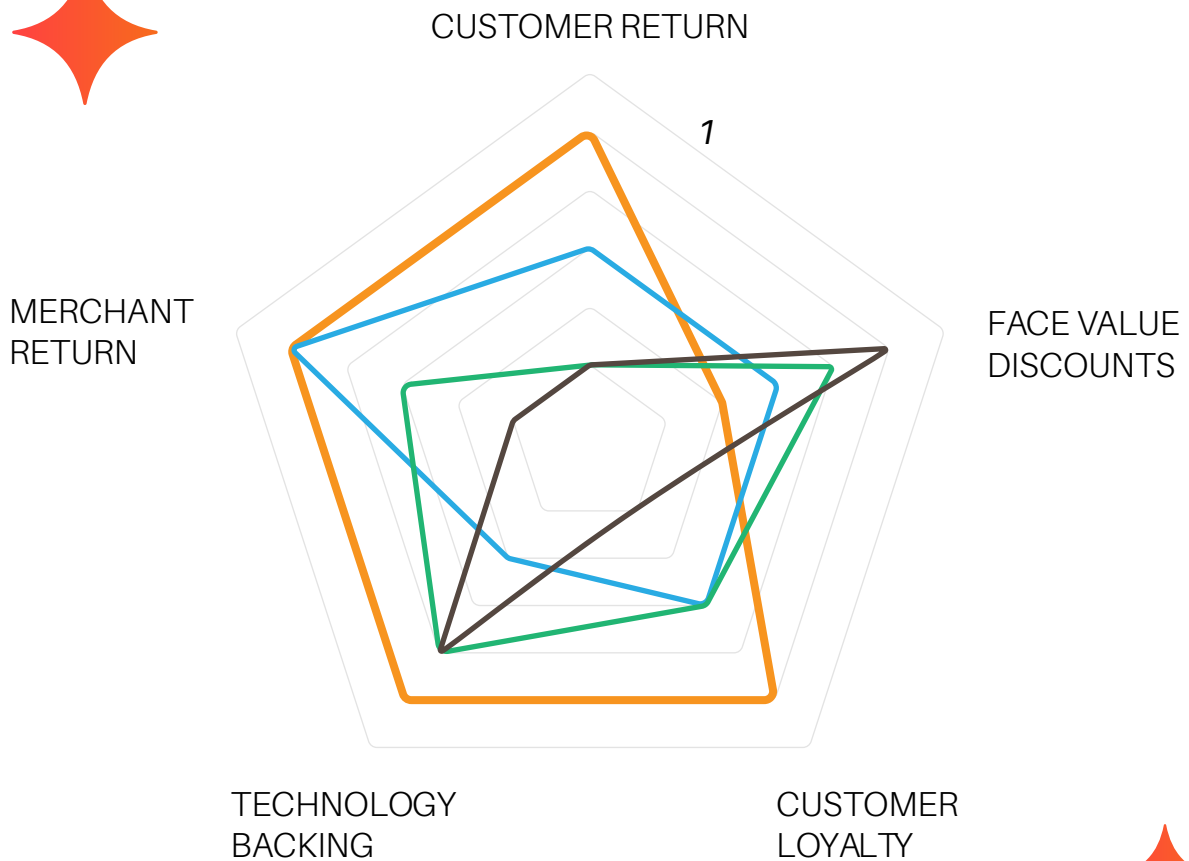
## Capitalize first letters for uniformity:

1. Fluz Fluz generates recurrent revenue for the retailers on a lower cost basis compared to other online sales channels (compare with high discount Groupon type models).

3. Fluz Fluz attracts new customers to retailers showcased on the Fluz Fluz site.

2. The incentive cost for the channel from the retailer's perspective is wrapped up in Fluz points and not as face value discounts which preserves the retailer's brand image.

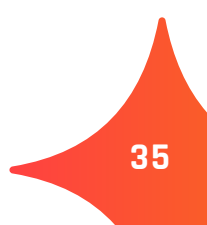
4. Fluz Fluz works as an outsourced loyalty program for many retailers.



Apart from digital gift code merchants, Fluz Fluz has already partnered with gatekeeper financial processing institutions in Colombia. In Colombia, Credibanco and Redeban historically share access to hundreds of thousands of retail dataphones.

Fluz Fluz has become a strategic partner of these gatekeeper institutions in the management and commercialization of digital gift codes.

Fluz Fluz also provides an attractive platform for retail banks to acquire and activate customers.



# The Network Model

## Our Business Model



### B2C

#### How Does Fluz Fluz Grow?

Fluz Fluz offers two forms of Fluzzer onboarding:

1. Through direct invitation into a specific Fluzzer's network either via email or personal reference code. This is the classic form for Fluzzers to organically grow their network of friends and close social circle by being able to control who is invited into their particular downstream network.

2. Fluzzers who do not disable the function of auto network-fill can benefit

#### Peer to Peer Marketing

In our marketplace, a portion of the revenue is reinvested with the members in the form of payouts. Fluz Fluz has an advanced network model to determine a payout structure for each member. The invite-only process forces each new member to be entered within the network of a pre-existing Fluzzer while establishing a sense of trust for the marketplace. Each member can earn rebate payments for their purchases as well as the purchases

from the automatic horizontal network fill mechanism. Unrelated and uninvited Fluzzer candidates can just download the Fluz app and are then instantly allocated into the next available seat in the overall network. The auto-fill works with a horizontal priority (opposed to a vertical fill), guaranteeing a smooth growth and extension of the network, without favouring particular parts of the network over others. This is particularly interesting for early token holders who would directly benefit from this mechanism.

of anyone else in their extended network. This allows members to potentially earn several thousands of dollars per month depending on network size and consumption level, as well as type of digital codes bought.

Because members earn points for their friends purchases, they act as our biggest advocates. Members want their friends to make purchases through the network to increase their own payout.

	No. of Members
Level 0	1
Level 1	2
Level 2	4
Level 3	8
Level 4	16
Level 5	32
Level 6	64
Level 7	128
Level 8	256
Level 9	512
Level 10	1024
Level 11	2048
Level 12	4096
Level 13	8192
Level 14	16384
Level 15	32768
<b>SUM</b>	<b>65535</b>

### Cash back network & pay out structure

We want to be very transparent with this essential part of the value proposition. Fluz Fluz works under the following mechanism: Each digital retail code purchase generates Fluz points for the purchaser and up to 15 upstream Fluzzers in his/her direct line.

As we can observe in the table and graphics above, Fluz Fluz was set up as a binary network with a total depth of 16 levels contributing to each Fluzzer. Each Fluzzer has the full potential to build a  $2^{16}$  consumer network, resulting in 65,535 consumers plus oneself to generate cash back rewards from their daily consumption. This structure was carefully chosen to foster teamwork among the network members and

avoid as much competition as possible amongst the closest social circle working with a  $3^X$ ,  $4^X$ , etc structures.

From 100% of the cash back amount available from an individual purchase, 50% goes to the purchasers in the form of Fluz points (i.e Fluz consumption coins for the US launch), 50% are split up evenly among the participating upstream Fluzzers. So, in the normal case the 50% will be divided between 15 upstream Fluzzers.

This split guarantees a significant incentive for consumption (what do I get back from what I purchase) whereas at the same time it incentivizes the construction of the consumer network. Earned Fluz points from one's own purchases and the purchases of other Fluzzers in the network accumulate in real-time towards the Fluz balance. Fluz points can currently be used in real-time for the purchases of new retail codes or be cashed-out into cryptocurrency wallets.

Purchases with Fluz points also generate new points, a major differentiator from other loyalty programs. It is also possible to purchase a retail code partially with Fluz points and cover the remaining amount with other payment methods.

## Minimum Consumption: A Simple Rule

Fluz Fluz is based on consumer reciprocity. The consumer who contributes with his/her consumption, receives cash back Fluz points from the purchases of others. The consumer who does not purchase on his/her own behalf, cannot expect to receive cash back Fluz points from the consumption of his network.

Hence, the 'minimum consumption rule' states that in order to stay active in the network, a consumer needs to purchase at least 2 digital gift cards from the offered catalogue per month. There is no requirement as to which digital gift card or which amount. This should not yield any extraneous burden on the consumer given the broad variety of everyday household consumption merchants.

In turn this rule guarantees an active and contributing consumer network.

Premier Seats 1 and 2, offered in this tokensale, enjoy an initial exemption from this rule making them attractive for anyone to buy, even those living and consuming in a region where Fluz Fluz is currently inactive. If within the first month the minimum consumption rule has not been met, the Fluzzer receives alerts and the chance to recover during the 2nd month. If the minimum consumption

level is not met at the end of the 2nd month, the network will automatically suspend the consumer from being able to purchase and receive further Fluz points from his/her network. The Fluzzer may request a re-invite at any given moment and will at no times lose his accumulated Fluz points. If the re-invite is accepted, so is the consumer. But he/she will lose original network seat membership and be placed into the next free seat by normal upstream succession. This in turn signifies that the free network seat is occupied by the next level of the downstream network. If there are 2 active members, the system automatically allocates the freed network seat to the Fluzzer who has a higher total historic transaction volume history on Fluz Fluz. In this regard, Fluz Fluz stays coherent in rewarding consumption. The entire affected part of the network is moved in succession closing all free upline seats.

Through this mechanism, active Fluzzers may eventually improve their absolute network seat. The above mentioned mechanisms are already in place and working properly in the Colombian consumer network.



## How Much Money Can A Fluzzer Make?

Taking into account the mechanisms outlined, the answer to this pressing question is: it depends.

And precisely it depends on these factors:

1) Amount of consumption - how much does my downstream network and myself consume?

2) Percent of network payout - where do I and my network consume, at what retailers?

3) Size of my downstream - How many Fluzzers are in my network contributing through their consumption?

From the above logic it becomes clear that for a sustainable and dynamic network there cannot be a rigid compensation plan as in traditional MLM models. Precisely because in the Fluz Fluz model everyone wins, and the cash back amounts differ for every retail code. It is understandable that retail margins and code denominations vary from category to category and Fluz Fluz manages different retail negotiations with its partners. From there, different cash back amounts can be redistributed to the network. The cash back amounts are transparently shown to the purchaser before concluding the transaction.

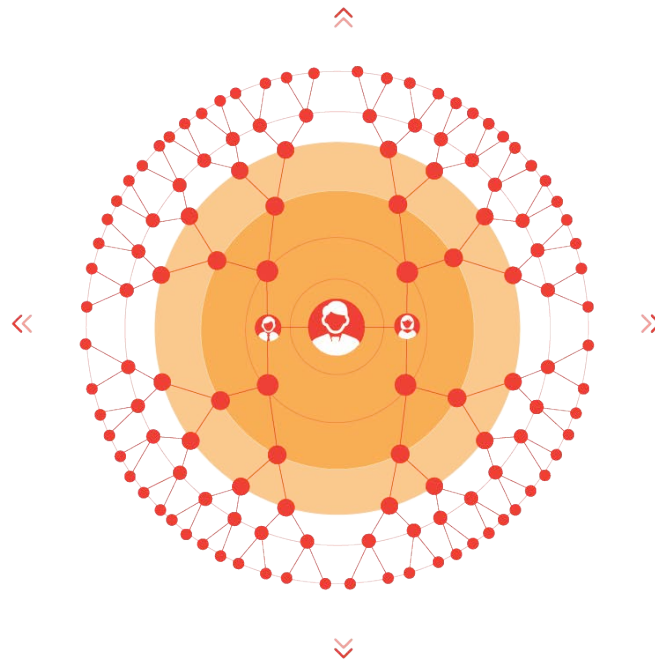
The network activity feed shows the Fluzzer exactly how many Fluz points were earned from every purchase and Fluzzer in the individual network.

With the combinations of 1), 2), and 3) it is clear that there can be infinite payout combinations. Fluz Fluz invites every Fluzzer to make her/his own estimations and calculations. Either through a small network of high spenders or a large network of low spenders, attractive monthly cash back rewards can amount. Ideally, you would have a large network of Fluzzers spending as much as possible of their household consumption via Fluz Fluz through the already numerous and constantly growing retail redemption options!





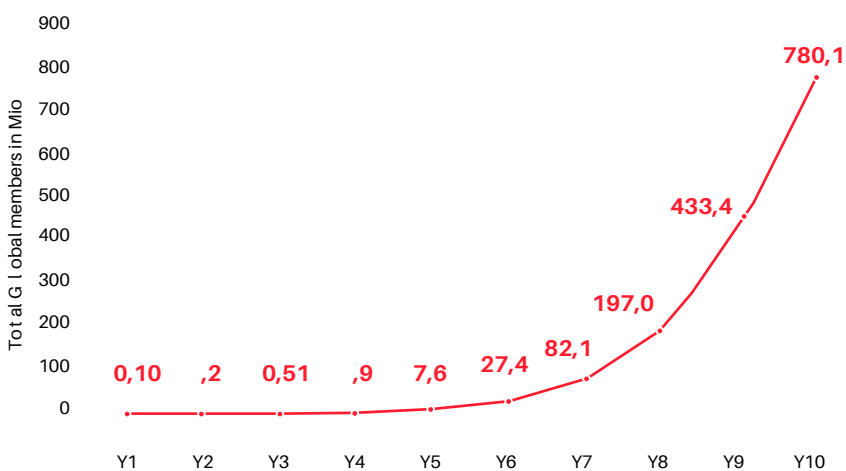
# Summary of Our Network



Within Fluz Fluz, we envision the network as a circle, in which each Fluzzer is the core of his/her own network and can accrue Fluz points based on his/her friends and their own purchases. Additionally, Fluzzers can interact with

others in their network via an internal messaging system or by hosting meetups. There's a side leaderboard which shows monthly winners in different categories and inspires a little friendly competition between members.

## Global Consumer Network



The projected member growth curve follows a typical exponential curve, where after a while the business model becomes entrenched into the shopping culture, and the virality of the model kicks in fully.



### 3. Diversity of Categories

Telecommunications (phone cards, phone plans), Food and Beverage Retail Industry (supermarkets, restaurants, food and beverage vendors), and Consumer Goods (pharmaceuticals, household items, apparel) are primary categories for Fluz Fluz. Additionally, Fluz Fluz provides travel services in Colombia. We currently see the highest percentage of our sales in everyday purchases-- i.e. food, gasoline, convenience, as well as telecom, restaurants, pharmaceuticals, and apparel.

#### Telecom

- Claro, Tigo, Movistar, Éxito, Virgin Mobile, Avantel, Direct TV, Une, ETB,

#### Restaurants

- Archies, Jenos Pizza, Café Oma, Helados Popsy, Kokoriko

#### Market and Liquors

- Jumbo, Easy, Metro, Mercadoni, Kokoriko

#### Consumer Goods

- Pasteur, Cafam, Locatel, Copifam

#### Apparel

- Nike, Sportline, Under Armour, Puma, Pat Primo, Brahma, Lili Pink, Koaj, Seven Seven, New Balance

#### Experiences/Travel

- Avianca, Atrapalo

#### Transportation

- Uber, Cabify, Esso



# Competition

## **Wider Competition**

Traditional shopping methods and a deep rooted history of cash only purchases.

## **Closer 360 Competitor**

No direct competitor offering the Fluz Fluz ecosystem.

## **Closer Colombian B2C Competitors**

No direct competitors. Potentially there are loyalty programs such as Puntos Colombia, but they lack network approach. MLM and direct selling companies (Amway, Herbalife, Fuxion, Linea Directa, Yanbal) are also indirect competition..

## **MLM Companies**

### **How Does Fluz Fluz Compare and Differ From MLM Companies?**

Fluz Fluz has many key distinctions compared to traditional MLM operations. Unlike many direct-selling companies that employ MLM techniques, Fluz Fluz does not sell products. Instead, Fluz Fluz offers an array of services for corporations that want to transfer digital gift cards to consumers.

Secondly, unlike other MLM companies, there is no membership fee, nor are there rewards for mere invitations. Rewards on

## **US Competitors (for future market entry):**

Digital Gift Card Marketplaces (with C2C components): Gyft, Card Cash, Raise.  
Corporate Benefits: Bonus.ly  
Online affiliated based cash-back models: ibotta  
MLM companies: Amway, Herbalife, Avon.



Fluz Fluz are reaped from consumption on the app. Fluz Fluz is a consumer network where Fluzzers are incentivized to invite friends so they can earn points and cash out later. Corporations are incentivized to use the network because we make it easier to take care of their payroll and benefits. Fluz Fluz employs MLM techniques but is not an MLM company. We have adapted this business model and utilize it as a vehicle for efficient member growth, keeping long-term CAC low.

## Brief Overview

Latin America has extensive experience with multilevel marketing selling techniques. Leverage use of brand ambassadors/social aspects. Demographics: mostly female.

### A) Avon

- Voted #2 on DSN "Direct Selling Network" on 2017 Global 100 List w/ Revenue of \$5.7 billion (2016)
- 15% of its revenue was from Northern Latin America, 38% of annual 2016 revenue was from Southern Latin America (largest market is Brazil with 21%)
- According to "World Federation of Direct Selling Association" (WFDSA), over the past 4 years, direct selling has grown by 20%

### B) Yanbal

- Founded in 1967
- 1979: opened in Colombia
- 1982: entered Mexican market. Now, in 10 countries (Bolivia, Colombia, Ecuador, Spain, US, Guatemala, Italy, Mexico, Peru, and Venezuela)
- 500,000 "independent consultants" aka brand ambassadors
- Have products for women (jewelry, makeup, perfume, face care, body care), products for men (fragrances, face care/body care), and children (jewelry and essential care)



# Marketing & User Journey

## Who Are Our Customers?

As noted, our target customers want to pull more money out of their everyday purchases. They are budget conscious and looking to leverage their purchasing power.

Fluz Fluz implements a binary model, where every network member invites two new members into his/her downstream. These two members will invite two new members respectively. Given the limited width of our network, our members will

choose the friends in their network very carefully.

- Our target customer/target network includes:
- Heads of households looking to optimize their family budget
- Budget-conscious consumers looking to leverage purchasing power
- Moderately social consumers with a few friends in their close circle of influence
- Consumers looking for real time savings based on their current location.

## How Does Fluz Fluz Increase Engagement?

**Long Term:** Social component

**Short Term:** Cross-channel marketing plan (online and offline) for Brand-building.

With a strong, initial marketing campaign the Fluz Fluz model should become massive and obtain unclear sentence, rewording necessary.

## The Following Channels Will Be Worked On With Tight Performance

### Measures:

- ATL Campaigns (TV, Radio, Print)
- Offline Events
- PR Campaigns
- Online Advertising (Display, SEM)
- Free Fluz Credits
- Outbound Calls



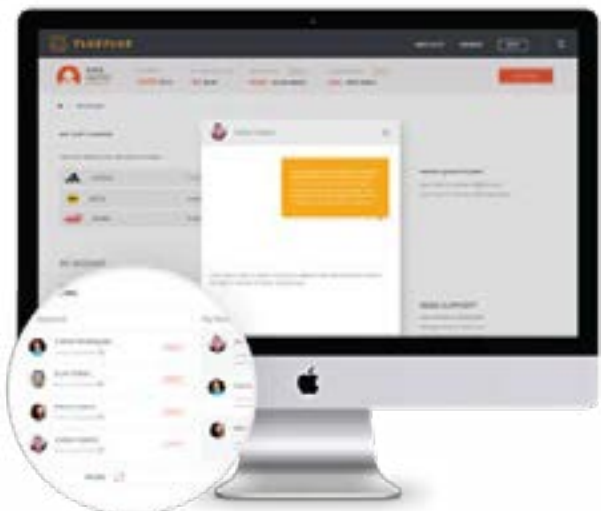
## Community Marketing

- The social sharing component is built to increase member engagement.
- As demonstrated by Facebook's social advertising model, reinforcing members whose inner circle made a purchase will increase conversions on first time purchases. If a friend made the purchase from a merchant, it will validate the merchant to the member who may have never heard of them.
- Our ecosystem recommends merchants based on the fact that people in their network made purchases from those merchants. When recommending, the Fluz Fluz app displays the friend who made the purchase. In the newsfeed, Fluzzers can see how many points members earn from their inner network.
- Fluz Fluz also provides a built-in messaging system for members to talk amongst themselves to drive purchases and contribute to purchase patterns.



## Event Marketing and Offline Component

- Fluz Fluz is working to turn our customers into leaders. Be it a social media campaign on their own accounts or hosting meetups, Fluz Fluz empowers our members to become an advocate for their network. By increasing the purchases of their network, that in turn drives more reward payouts for these members.
- Fluz Fluz is digitizing multilayer business strategies by using this extended network. One of these methods is the organization of regular, local meet-ups where Fluzzers can interact and attract new members. These events may be held by experienced Fluz Fluz members and employees to present our value proposition to new and potential members. This should permit us to grow our member base at an enormous speed.
- The physical meet-up strategy is complemented by frequent Instagram Live and other efficient Webinar tools for mass education of new Fluzzers.







## Gamification & Prize Contests

- Fluz Fluz is looking to capitalize on the global trend of Gamification with Fluz Fluz. The idea of online games and friendly competition works well within the Fluz Fluz network model. People will be spurred to make more purchases as a result of being able to interact with their network. There is a global trend in gamification, in which companies are able to generate buzz, retain customer interest, and develop customer loyalty by spurring competition. Gamification is the application of game design thinking to non-game applications to make them more fun and interesting. Demand for gamification in business is spurred by the social trend of the "Quantified Self", a term coined by Wired writers Gary Wolf and Kevin Kelly in 2007 to describe the growing Gamification & Prize Contests interest in self-tracking. People want to know where they stand

in comparison to others in their social network and Fluz Fluz can promote certain spending behaviors by tapping into this phenomenon. For example, NikeFuel was able to gamify running by letting runners earn trophies for goals met and allowing them to post results on social media. Nike saw a 30% increase in revenue as a result of the app. DevHub, an online project completion website for web developers was able to raise various engagement metrics by 20% using gamification. Forbes reported that user completion of projects went from 10% to 80% as a result of badges on Devhub.

- Fluzzers can gain access to their status in the program's leaderboard, which will have monthly competitions based on number of transactions, biggest purchasers and other achievements. There will be different categories like biggest buyer in terms of USD, biggest buyer in terms of units, biggest buyer in terms of transactions, and best brand ambassador in terms of number of meetups hosted.

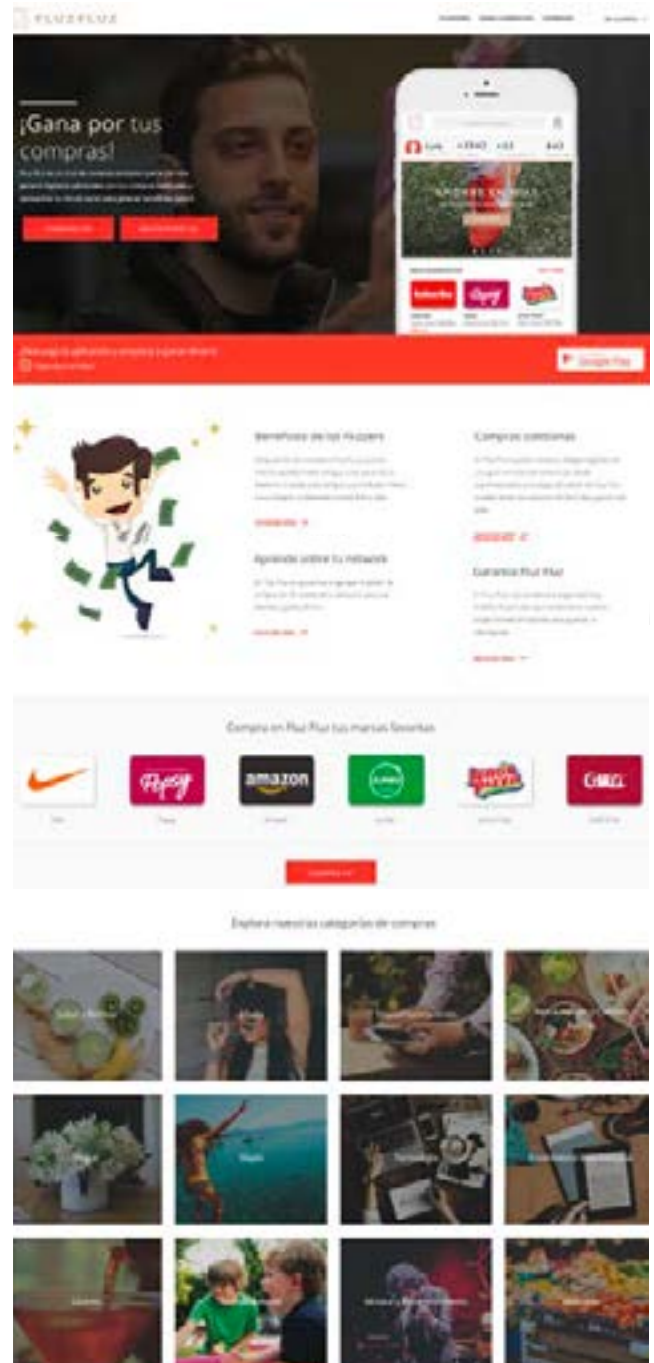
- The prizes would include free gift cards from our affiliate network, bonus Fluz points, or a paid destination trip.

- The prize giveaways would function to incentivize member spending so that they can win in light-hearted competitions with their friends for prizes.

## How Do New Fluzzers Apply and Get Onboard? How Do They Use Fluz Fluz?

Exemplary pitch to consumers / User Journey:

- After someone invites you, you sign up with your ID details. After clicking on a confirmation email, you are officially a Fluzzer! You can start making money on every purchase.
- Assuming you meet the minimum requirements of two gift card purchases a month, you can continue to use the Fluz Fluz application and accrue points. If you want to earn even more points, you can invite two other people to become Fluz Fluz members and you get points when they spend!
- If you wish to increase your involvement and make even more money, you can become a brand ambassador and host meetups. Meetups provide chances to teach people in your extended network about Fluz Fluz. In addition, you can enjoy perks like free merchandise from our retailers, free refreshments, and Fluz points!
- You need to pay someone for dinner last night. Want to save on hassle and transaction costs? Just send them some Fluz.



# Technology & Blockchain

We think the Fluz Fluz business model is ideally positioned to benefit from blockchain technology. Currently, the model is up and running in an offchain environment, but will introduce blockchain technology simultaneously with the US consumer market launch in order to sustain scaling to a global enterprise.

These are some of the benefits we will realize when we deploy blockchain technology onto our existing operation model:

1. Code security is of the essence in a model based upon digital gift cards. Experience with other digital gift card marketplaces has shown that hacking incidents, code redemption errors and fraudulent behaviour with regards to digital gift cards are rampant and difficult to contain in an Internet 2.0 environment. Yet with blockchain technology we create a high standard of code security enabling merchants to directly upload

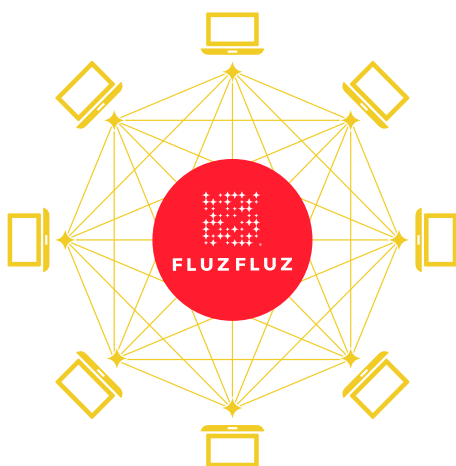
digital codes, and allowing Fluzzers to buy these codes without the need to go through Fluz Fluz. Cutting out intermediaries should allow for safer decentralized transactions.

We welcome and embrace the ERC-20 standard for the implementation of the Fluz Fluz global consumer network based on blockchain protocol.

2. The complex consumer network information with cash back points accrual and the network positions and dependencies, would be stored transparently on the blockchain. Thereby we guarantee that information on Fluz points and all movements (premier seats activations, network position successions, etc) in the Fluz Fluz network may be supervised by the community.

Sensitive personal data and gift codes will be stored securely offchain.

3. Put into a robust blockchain model, tradable Fluz coins would also be perfectly used to pay merchants and for merchants in turn to pay Fluz Fluz for anonymized consumer insight. Needless to say, Fluz Fluz will also accept digital retail code payments through cryptocurrencies, and will allow





redemption of accrued Fluz coins into major cryptocurrencies like Bitcoin.

Each user's mobile wallet codes are also secured through best-in-class authorization steps.

Our existing app is easy to use on-the-go, buying a gift card to redeem instantly while waiting in line at the supermarket for instance.

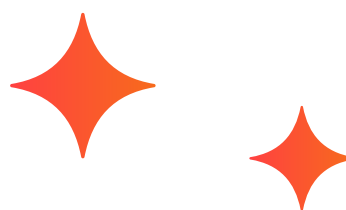


The system is built to automatically configure and distribute rewards for each product, transform gift cards into different formats (bar code, QR code) send out consumption reminders,

execute inactive member deletions and so-called successions in the network, and many more custom features not available on any off-the-shelf solution.

### Redemption Hardware at POS

Key to the current Fluz user experience is the seamless redemption process at POS. Despite the fact that we have knitted close ties to dataphone processors, on some retail store locations Fluz does not yet control the end to end redemption experience; however Fluz will deploy specialized scanning hardware to make gift code redemption quicker and more simple than using a credit card.



# Management & Board Advisors



**Please Note:** *Fluz Fluz Management acts as replaceable facilitator for the network.  
The success of the network model depends on decentralized consumption.*

## Founders



A) Stefan Krautwald

- CEO for Latin America at Cdiscount, part of Cnova Group and sixth largest e-commerce company in the world.
- Co-Founder of Farmalisto. Columbia and Mexico's first online pharmacy,
- Co-Founder and former Managing Director of Dafiti LATAM, the Rocket Internet backed fashion e-commerce leader.
- General management for global BPO provider Arvanto Bertelsmann in Colombia.
- MBA from WHU-Otto Beisheim School of Management, Germany.



B) Maurice Harary

- Serial Entrepreneur with a 10-year background in E-commerce
- Currently manages over 20 e-commerce sites in the B2B and B2C environment, ranging from interactive learning based experiences to price competitive marketplace trading sites.
- Experience in all areas of e-commerce sites, ranging from custom e-commerce software development to operational planning.



## Programmers



A) Luis Felipe Quiñones

- CTO.
- Colombian based Software Leader with 15 years of programming experience.
- CTO of Farmalisto. Founder of Ingenio Contenido Software.
- Masters in Computacional Science from Universidad Javeriana.



B) Moises Bassan

- Senior Developer & Solutions Architect
- Moises has written cryptocurrency trading software in use by companies around the world. He holds >10 years of programming experience.



## Board of Advisors



Anil Benard-Dende

Mr. Anil Benard-Dende has been Chief Operating Officer at SRP Groupe S.A. since 2016. Mr. Benard-Dende began his career as a consultant with PwC before joining the PPR (Kering) Group in 2001, first in Fnac, then as Head of Logistics and the Supply Chain at Conforama, Switzerland in 2004. In 2007, he joined Casino as Director of Methods and Organization at Easydis (Casino Group's logistics subsidiary).

In 2009, he joined Cdiscount as Head of Logistics and Supply Chain management. In particular, he was responsible for reorganizing logistic operations, improving service quality and rolling out Cdiscount pick-up outlets in Casino stores. In 2011, he was appointed Head of Development, then in 2013 International Vice-President of Cnova, where he was responsible for all international subsidiaries in Africa, Europe, South America and Asia. He is an engineering graduate from Arts et Métiers Engineering School (Ensam).



Andreas Antrup

Andreas is the Vice President of Data & Advertising at Zalando SE, the 2nd largest E-commerce company in Europe. Andreas has built and lead one of the largest digital advertising platforms in Europe and is widely recognized as one of the most knowledgeable business leaders in the field. Andreas has been head of the data intelligence and CRM unit at Zalando since 2011.

He holds a PhD in Economics from the University of Edinburgh, and a Masters in Management from WHU - Otto Beisheim School of Management.





José Ruiz

Mr José Ruiz is a widely recognized business leader in Panamá. In September 2009, he was appointed Ambassador of Panama to Singapore. He was also the non resident Ambassador of Panama to Australia, New Zealand and Myanmar. In 2013, he was appointed the position of Dean of the Diplomatic & Consular Corp in Singapore. Shortly after, Jose has been involved in crypto businesses as an investor and advisor.



José Abbo

José Abbo is the Chairman of Panama's Sovereign Wealth Fund. José has more than 30 years experiences in the field of Financial Advisory, Private Banking and Financial Research. He's also the author of "The Big Gamble - Are You Investing or Speculating".

José is a widely recognized financial expert in Central America and former Vice President of Capital Markets Credit Suisse, Panama and VP of Financial Projects Cable & Wireless, Panama.





Gabriel Zanko

- Fintech entrepreneur-Advisor. Founder of MobileyourLife
- Involved in the AI-Fintech space providing solutions in the B2B space
- ICO advisory in Fundraising Capital and International Business Development (hacken.io)



Leigh Lindenbaum

- Silicon Valley based entrepreneur
- 23 years of experience in creating global distribution, marketing, supply chain channel
- US market entry specialist



# Token Economy

Total Tokens available: 204,780,000

Token Crowdsale:

- 18th of January, 2018
- Token Price: USD 0.10 per Token
- Accepted currencies ETH, BTC

Token Reserve:

There is no fixed token reserve.

Token Premier Seat Multi-tier system

- Tier 2: With an accumulated 10.000 tokens, the token holder may activate a “second seating” premier seat membership, allocated right after all Tier 1 token holders are randomly placed into the global consumer network. Premier Tier 2 memberships are exempt from the general member minimum consumption rule for 12 months after the operational US launch, and will then be required to make a minimum annual purchase of 10 USD.
- Tier 1: With an accumulated 20.000 tokens, the token holder may activate a “first seating” premier membership, allocated on the very top of the global consumer network. Premier membership

Tier 1 members are also exempt from the minimum consumption rule for 12 months after the operational US launch, afterwards the company may request a minimum of one annual purchase of 10 USD or more. Fluz Fluz will create blocked premier seat memberships in all theoretical combinations of outstanding Tier 1 and Tier 2 premier memberships tokens held after the Token sale by the market.

## **Effective Premier Seat Allocation Mechanism after Token Sale**

It is proposed that 30 days before the operational Fluz Fluz launch in the United States, and thereby the launch of the global consumer network, qualifying token holders will be able to activate their premier seats. All qualifying token holders will enter into a random allocation pool organized by blockchain technology to their respective Tier level. This will guarantee the most transparent premier membership allocation.

## **Community Superpower Utility of FLUZ Tokens**

Community building and consumption networking is at the core of the Fluz Fluz model. In order to further propel consumption team building, the attachment of FLUZ tokens to a Fluzzers's account - premier seat or normal account membership - grant communication packages to the downstream network.

Our experience has shown that active consumption motivation and communication can further boost cash back performance and cohesion.

1 Fluz token linked to an account grants the possibility to deliver 1 personalized message (previously verified for not containing inappropriate or offensive language) to a specific downstream network member per month.

With for example 65,535 FLUZ tokens attached to an account, the Fluzzer is able to communicate 1 message per month to his/her total network if completed.

A premier seat member Tier 1 (Tier 2), is equipped from the start with a credit of 20.000 (10.000) messages to his/her consumption team.

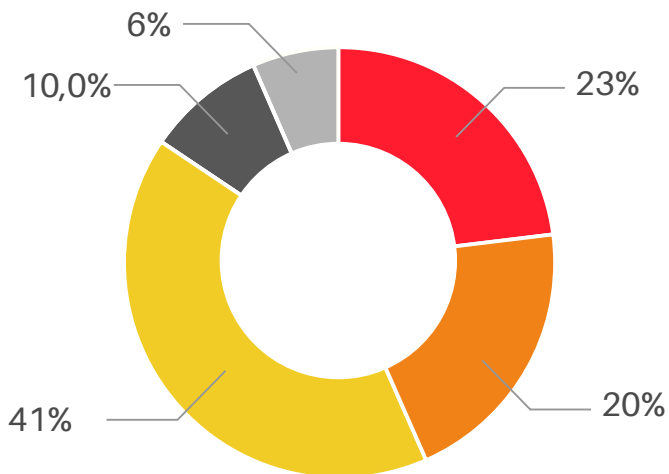
When tokens are detached from an account, the community messaging credit is lost and not restored.

FLUZ tokenholders through the community superpower might also be eligible for other features within their network such as birthday FLUZ giftings, merchant suggestion voting system, special deal eligibility, and more to enhance community consumption and strengthen their specific network. The details of these features shall be released during the implementation roadmap.





## Use of proceeds from Token Sale for US launch (est.)



- ◆ Gift Code Inventory
- ◆ Personnel OH
- ◆ Branding campaign
- ◆ IT Infrastructure
- ◆ Legal & Financial OH

### Use of Token Sale Funds

As a consequence of the considerations made above, our business model requires capital to start operating in the US consumer market. The use of the proceeds from the Tokensale are projected as follows for informative matters. To no extent does this illustrative use of proceeds suggest any conclusion towards the value of the token.

We firmly believe that every business relationship should be founded upon mutual consensus and most importantly trust; therefore, if you are not willing or able to trust our Board for the economically sound management of the funds, we encourage you not to buy the Fluz token.



# Summary of Fluz Token Opportunity

## **Blockchain Technology for Consumer Networks**

Fluz Fluz decentralized network structure intends to bundle consumer purchasing power. FLUZ tokens represent a form of participating early in a global consumer network with preferred cash back generation opportunity.

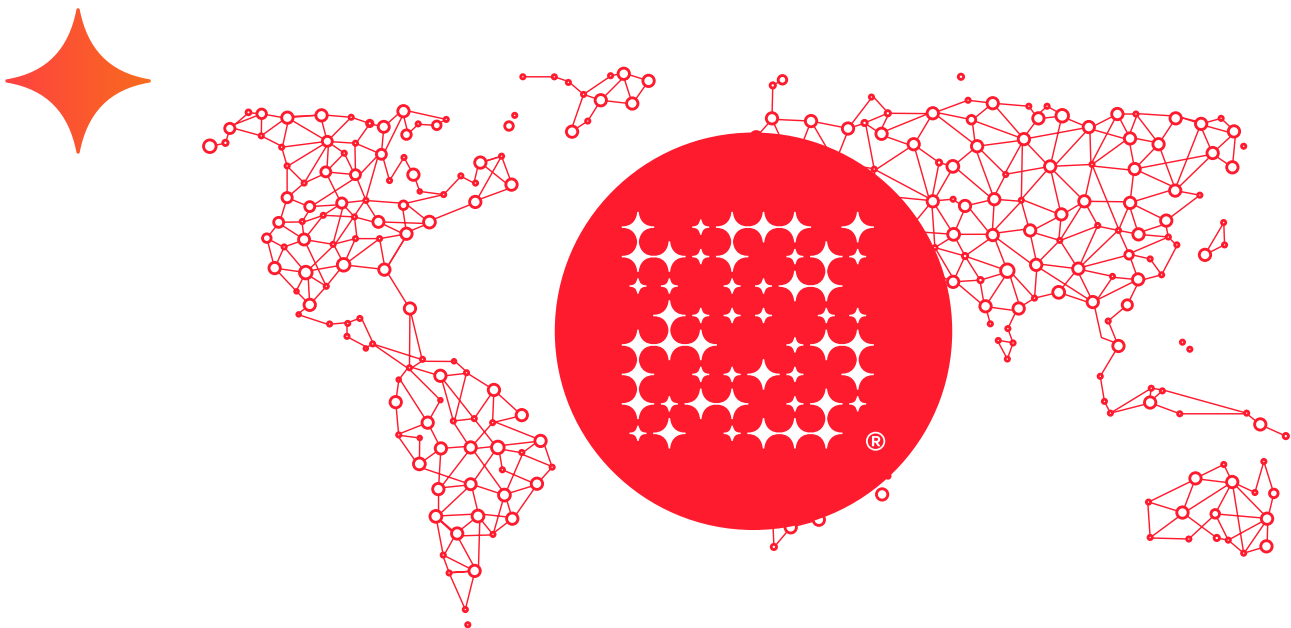
## **User-friendly Ecosystem With Strong Lock-in Effect**

The Fluz Fluz mobile application is in line with current global trends. Our progressive marketing approach ensures high customer loyalty through the residual income generated by its members.

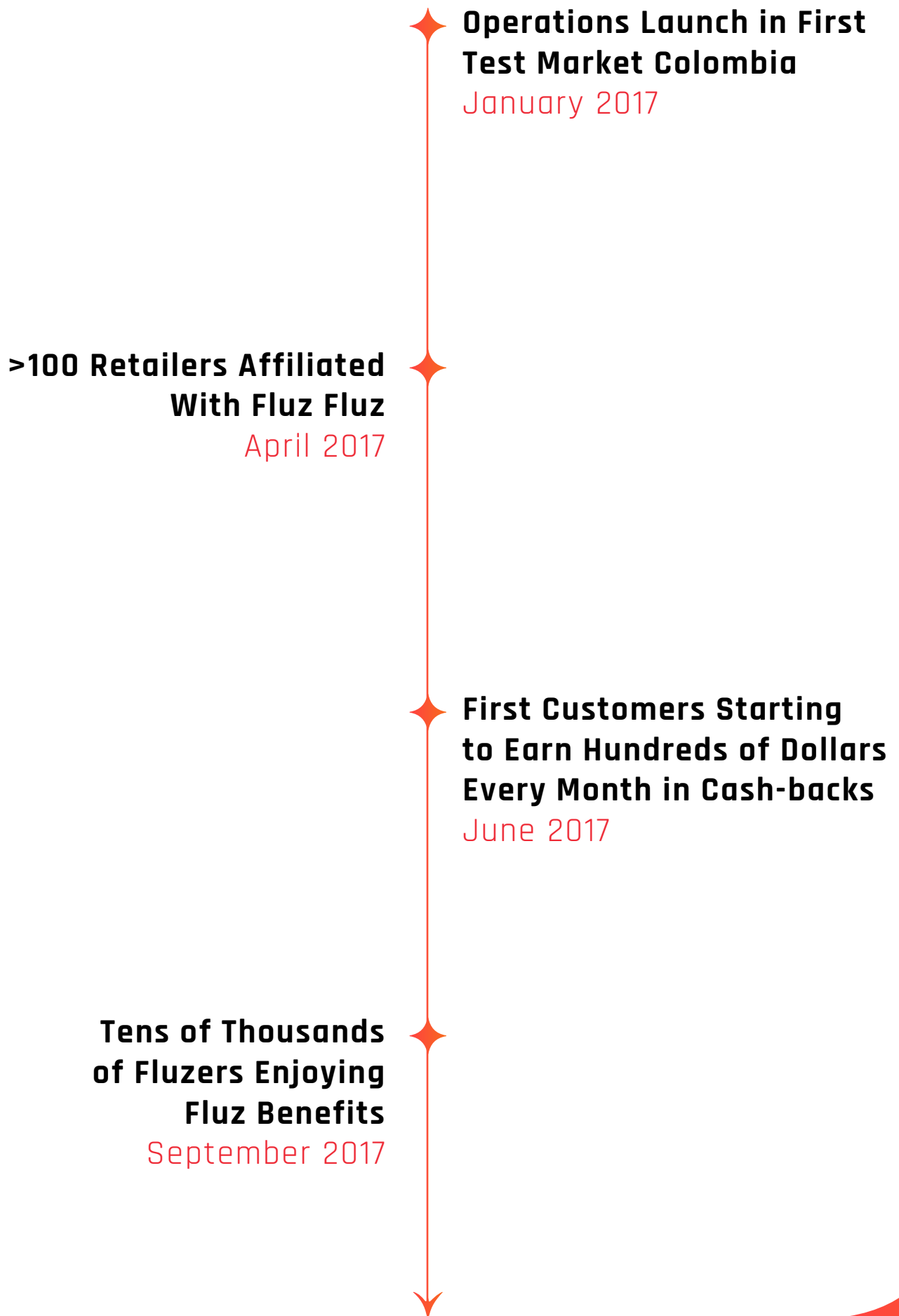
## **Game Changer**

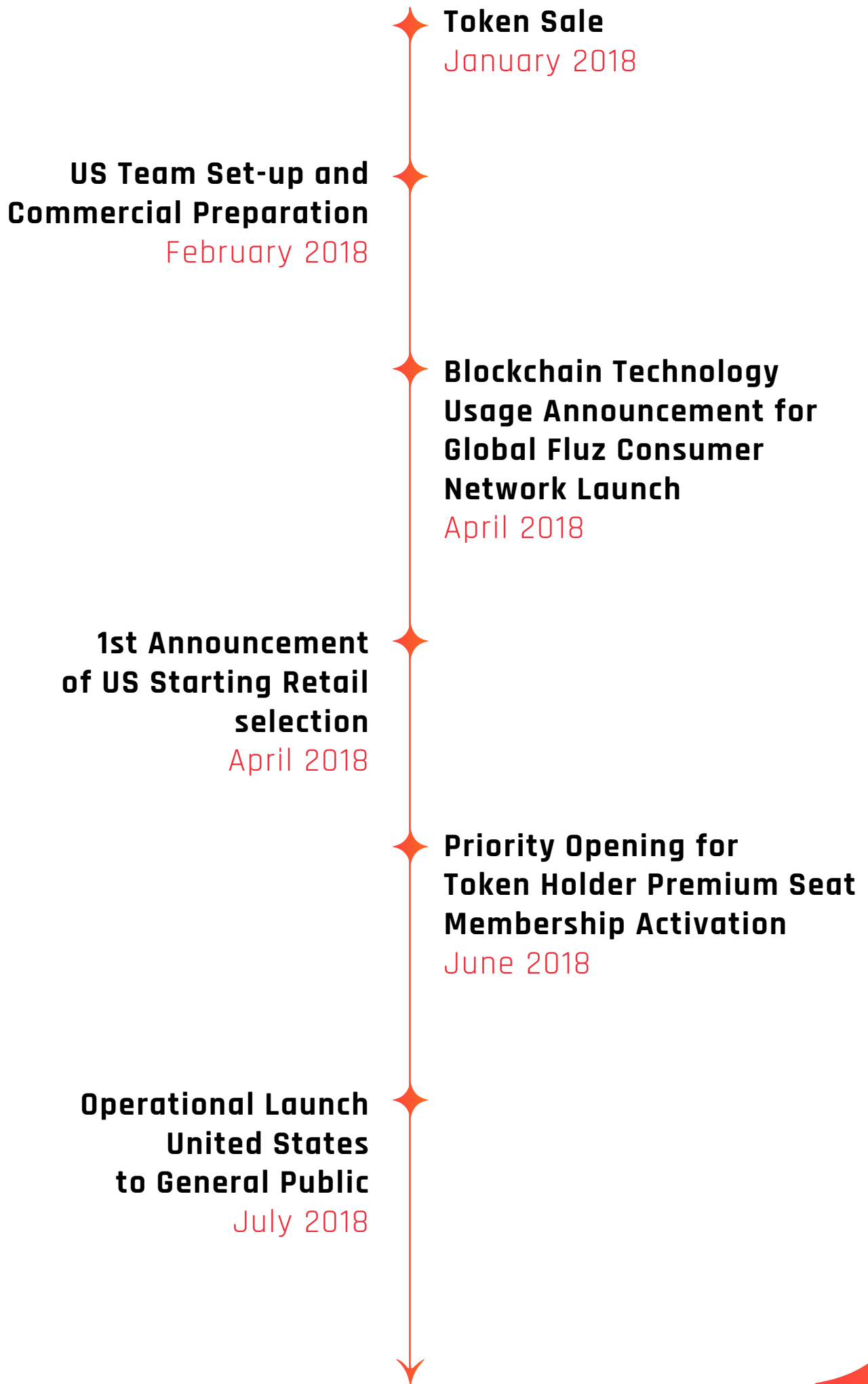
Fluz Fluz is stronger and more agile than its competitors. Fluz Fluz takes best practices from all existing network models to build an advanced mathematical underlying dynamic. Fluz Fluz is 100% online and due to its easy to use gift card system it does not affect customer shopping behavior. Fluz Fluz should integrate easily into cryptocurrency payment systems.

Fluz Fluz management team is made up of digital commerce experts and serial entrepreneurs. Fluz Fluz board advisors have strong track records in digital business, retail and blockchain environments.



# Milestones & Roadmap





# Media Links

**Join us as we build the largest consumer network in the world!**

Facebook: <https://www.facebook.com/fluzfluzglobal>

Twitter: <https://twitter.com/FluzFluzGlobal>

Reddit: <https://www.reddit.com/r/fluzfluz/>

Medium: <https://medium.com/@fluzfluz>

Telegram: <https://t.me/fluzfluz>

Become an insider!

You can meet and chat directly with our team via:

Official Tokensale Website: <https://ico.fluzfluz.com>

Join the crowdsale!

See Fluz Fluz working today

<https://www.instagram.com/fluzfluz/?hl=en>

<https://www.youtube.com/channel/UCCR890w9H9whlTpgIFKllyA?pbjreload=10>

Sample articles from PR launch:

<http://www.portafolio.co/negocios/empresas/fluz-fluz-club-de-compras-en-internet-504073>

<http://www.portafolio.co/negocios/empresas/bonos-digitales-el-negocio-de-fluz-fluz-507156>

<http://www.finanzaspersonales.co/consumo-inteligente/articulo/compras-como-convertir-las-compras-en-consumos-gratis/71597>

<http://www.bluradio.com/tecnologia/fluz-fluz-una-nueva-alternativa-para-hacer-compras-virtuales-132044>



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Mastermind (2013). Total Global Sales for 2013. Mastermind [online] Available at: <http://www.mastermindevent.com/blog/networkmarketing2013> (Accessed: 3 October 2017)

Lebleu, G. (2017). Building Gift Cards 2.0 on the block chain. Medium [online] Available at: <https://medium.com/@giyom/building-gift-cards-2-0-on-the-block-chain-3ae9e7cf4152> (Accessed: 12 October 2017)

Perez, S. (2014). First Data Acquires Mobile Gift Card Platform Gyft. Techcruch [online] Available at: <http://www.bandwidthblog.com/off-topic/firstdata-acquires-gyft-founded-by-sa-born-entrepreneur/> (Accessed: 3 October 2017)

Perez, S. (2014). Raise.com's New App Lets You Buy Discounted Gift Cards To Instantly Save While Shopping. Techcrunch [online] Available at: <https://techcrunch.com/2014/11/11/raise-coms-new-app-lets-you-buy-discounted-gift-cards-to-instantly-save-while-shopping/> (Accessed: 3 October 2017)

Statista (2017). Most popular payment methods of online shoppers worldwide as of 2016, by region. Statista [online] Available at: <https://www.statista.com/statistics/676385/preferred-payment-methods-of-online-shoppers-worldwide-by-region/> (Accessed: 3 October 2017)

# FAQ

## **1. DO I HAVE TO LIVE IN COLOMBIA OR THE US TO JOIN MY PREMIER NETWORK SEAT WHICH I ACTIVATED WITH THE TOKEN I BOUGHT?**

No. Premier memberships and their future cash backs may be enjoyed from anywhere in the world.

## **2. CAN I LOOK AT YOUR APP?**

Yes. The Fluz Fluz app is available on the Apple and Google stores and may be downloaded by anyone. We would like to point out that given our current focus on Colombia, the app is only available in the Spanish language.

### **App Store**

<https://itunes.apple.com/us/app/fluz-fluz/id1086373988?mt=8>

### **Google Play**

<https://play.google.com/store/apps/details?id=com.ionicframework.fluzfluz141172>

## **3. WHEN AND HOW WILL TOKENS BE DISTRIBUTED?**

Tokens will be distributed to the tokenholder addresses within 5 working days after the crowdsale end.

## **4. WHICH JURISDICTION WAS CHOSEN FOR THIS TOKEN SALE?**

The Fluz Fluz Tokensale will be launched from Gibraltar by Fluz Fluz (Gibraltar) Ltd and is therefore subject to Gibraltar law. We have been advised that the activity of the Fluz Fluz Token sale falls outside the scope of the existing regulatory framework in Gibraltar.

The Financial Services (Distributed Ledger Technology Providers) Regulations 2017 (the "DLT Regulations") have recently been published and is due to take effect as of 1 January 2018 and whilst these impending regulations should not apply to token sale activity, the Gibraltar Financial Services Commission have recently announced that they are considering preparing complementary regulations that will be specifically aimed at initial coin offerings or similar token generating events. We will be monitoring the situation closely and endeavour to do whatever is required to be compliant with any regulations that may become applicable to Fluz Fluz (Gibraltar) Ltd in due course. Fluz Fluz Group may appoint one of its affiliated and/or subsidiary

companies to act as collecting agent for token sales.

## **5. CAN I SUBMIT BTC OR ETH FROM AN EXCHANGE ACCOUNT?**

No. Exchanges send funds via multiple wallets that are not fully in your control. You don't hold the private keys in many cases. When sending funds from an exchange the process can take hours to clear or even reach the blockchain. If sending ETH you are unable to add an ETH payload (sometimes called 'data') to a transaction. Once you submit through an exchange, you are also unable to modify the transaction fee to speed up a transaction. Please use a wallet that you are in full control of.

## **6. WHICH WALLETS CAN I USE?**

Please view the list below for compatible wallets. If you choose to purchase tokens with BTC, you can send BTC from an Exchange but need to provide us with a token receipt address that is ERC20 compatible (see the list of ERC20 compatible wallets below). If you choose to purchase tokens with ETH, the ETH must be sent by an ERC20 compatible wallet. You must enter data input and gas limit values for a successful transaction. The following wallets are known to

be compatible with Ethereum tokens (ERC20 standard) and may allow you to receive and view your balances.

MyEtherWallet (no download needed), Mist (Desktop), Parity (Desktop), imToken (iPhone), imToken (Android)

Non ERC20 Compatible Wallets. Do not send ETH from these sources.

Any Bitcoin/Ethereum Exchange:  
Coinbase, Poloniex, Kraken, Bitstamp, Bitnexus, Bitrex, Cex.io, Exodus

## **7. I SENT ETHEREUM FROM AN EXCHANGE FOR THE PRESALE OR TOKEN SALE, WHAT CAN I DO?**

The transaction will be returned because of no data field. If the funds do not show up in your exchange wallet please contact the exchange's support with the details of your transaction to see if you can get credit back for the transaction.



## 8. Where Can I Purchase ETH?

There are many exchanges that sell Ethereum, these include: Coinbase, Poloniex, Kraken, Bitstamp, Bitnexus, Bittrex, Cex.io

Please send your purchased ETH to a compatible wallet whose private keys you own and control, before sending to the token sale.

## 9. Where Can I Purchase BTC?

There are many exchanges that sell Bitcoin, these include: Coinbase, Poloniex, Kraken, Bitstamp, Bitnexus, Bittrex, Cex.io

## 10. HOW TO PARTICIPATE IN THE TOKEN SALE WITH ETH?

1. Buy ETH on a cryptocurrency exchange, unless already owned.
2. Transfer ETH to a compatible wallet (see below)  
MyEtherWallet (no download needed), Mist (Desktop), Parity (Desktop), imToken (iPhone), imToken (Android)
3. Send a deposit to the payment address displayed through the token sale widget with correct data and gas limit values.

Token sale deposit transactions need to have non-default gas limit (a.k.a. transaction maximum gas). This is because token sale transactions are more complex than simple Ethereum transfer transactions. The default gas limit is too low to correctly perform a token sale deposit.

To participate in an Ethereum token sale you need to complete your transaction with the following details

- 1) Address - this is given to you on the token sale payment information page.
- 2) Gas limit: 250000 - gas tells that this is a smart contract transaction and is more expensive than normal Ether transfer.

**Note:** For any wallet always check your gas limit. If you are using MyEtherWallet.com please double check the gas limit value after filling in the data field. MyEtherWallet may reset the gas value to an invalid number after inputting the data field.



## **11. HOW TO PARTICIPATE IN THE TOKEN SALE WITH BTC?**

1. Buy BTC on a cryptocurrency exchange, unless already owned.
2. Set up an ERC20 compatible wallet
3. Locate your BTC refund address (which is your receiving address) and your ERC20 compatible wallet address for receipt of tokens
4. Provide your refund and token receipt addresses and send the deposit to the payment address displayed through the token sale widget



# Legal considerations, Risks and Disclaimer

YOU MAY LOSE ALL MONIES THAT YOU SPEND PURCHASING FLUZ TOKENS. In the event that you purchase Tokens, your purchase cannot be refunded or exchanged.

THERE IS NO GUARANTEE THAT THE UTILITY OF THE FLUZ TOKENS OR THE PROJECT ENVISAGED IN THIS WHITE PAPER WILL ACTUALLY BE DELIVERED OR REALISED.

FLUZ TOKENS ARE NOT SHARES OR SECURITIES OF ANY TYPE. THEY DO NOT ENTITLE YOU TO ANY OWNERSHIP OR OTHER INTEREST IN FLUZ FLUZ (GIBRALTAR) LIMITED. THEY ARE MERELY A MEANS BY WHICH YOU MAY BE ABLE TO ACCESS FUTURE MEMBERSHIP ON A MEMBERSHIP NETWORK THAT IS YET TO BE DEVELOPED. THERE IS NO GUARANTEE THAT THE MEMBERSHIP NETWORK WILL ACTUALLY BE DEVELOPED.

YOU ARE WAIVING YOUR RIGHTS BY AGREEING TO THESE TERMS AND CONDITIONS AND PARTICIPATING IN THE FLUZ FLUZ (GIBRALTAR) LIMITED TOKEN SALE. BY PARTICIPATING IN THE FLUZ FLUZ (GIBRALTAR) LIMITED TOKEN SALE YOU ARE AGREE TO HAVE NO RECOURSE, CLAIM, ACTION, JUDGEMENT OR REMEDY AGAINST FLUZ FLUZ (GIBRALTAR) LIMITED IF THE UTILITY OF THE FLUZ TOKENS OR IF THE PROJECT DESCRIBED IN THIS WHITE PAPER IS NOT DELIVERED OR REALISED.

IF YOU ARE UNCERTAIN AS TO ANYTHING IN THIS WHITE PAPER OR YOU ARE NOT PREPARED TO LOSE ALL MONIES THAT YOU SPEND PURCHASING FLUZ TOKENS, WE STRONGLY URGE YOU NOT TO PURCHASE ANY FLUZ TOKENS.

WE RECOMMEND YOU CONSULT LEGAL, FINANCIAL, TAX AND OTHER PROFESSIONAL ADVISORS OR EXPERTS FOR FURTHER GUIDANCE BEFORE participating in the FLUZ FLUZ (GIBRALTAR) LIMITED token sale outlined in this White Paper. You are strongly advised to take independent legal advice in respect of the legality in your jurisdiction of your participation in the Token Sale.

PLEASE READ THE ENTIRETY OF THIS "Legal Considerations, Risks and Disclaimer" SECTION CAREFULLY.

You must read the following “Legal Considerations, Risks and Disclaimer” section in full before: (i) making use of this White Paper and any and all information available on the website(s) of Fluz Fluz (Gibraltar) Limited (the **“Company”**) located at <https://ico.fluzfluz.com/> (the **“Website”**); or (ii) participating in the Company’s token sale outlined in this White Paper (the **“Token Sale”**). This “Legal Considerations, Risks and Disclaimer” section applies to this White Paper and any and all information available on the Website. The contents of this “Legal Considerations, Risks and Disclaimer” section outlines the terms and conditions applicable to you in connection with (i) your use of this White Paper and of any and all information available on the Website; and (ii) your participation in the Token Sale, in each case in addition to any other terms and conditions that we may publish from time to time relating to this White Paper, the Website and the Token Sale (such terms hereinafter referred to as the **“Terms”**). This “Legal Considerations, Risks and Disclaimer” section may be updated from time to time and will be published as part of the latest version of the White Paper which shall be available on the Website. You shall be obliged to read in full

the latest available version of the White Paper available on the Website prior to participating in the Token Sale.

The information set forth in this “Legal Considerations, Risks and Disclaimer” section may not be exhaustive and does not imply any elements of a contractual relationship. While we make every reasonable effort to ensure that all information: (i) in this White Paper; and (ii) available on the Website (all the information in the White Paper and all information available on the Website hereinafter referred to as the **“Available Information”**) is accurate and up to date, such material in no way constitutes professional advice. Individuals intending to participate in the Token Sale should seek independent professional advice prior to acting on any of the Available Information.

## **LEGAL CONSIDERTIONS**

The Company has used reasonable endeavours to approach the Token Sale in a responsible and sensible manner. Given the legal uncertain of distributed ledger technologies, businesses and activities as well as cryptocurrencies and cryptocurrency-related businesses and

activities in a number of jurisdictions, the Company has spent time and resources to consider its business approach and where it proposes to operate now and in the future. The Company accepts no responsibility or liability to you in these or any other circumstances. You are strongly advised to take independent legal advice in respect of the legality in your jurisdiction of your participation in the Token Sale and purchase of Tokens.

The Gibraltar Financial Services Commission has on 12th October 2017 published a draft of the principled-based regulations which relate to the use of distributed ledger technology for storing and transmitting value belonging to others, and which regulations come into effect on 1st January 2018. The Gibraltar Financial Services Commission has also announced that Gibraltar regulations relating to public token sales will come into effect in early 2018. The Company will use reasonable commercial endeavours to comply with all Gibraltar regulations and, to the extent reasonably practicable with the regulations of such other jurisdictions that it is able to. However, due to the current uncertain

state of regulation relating to distributed ledger technology and token sales across the world, the Company cannot guarantee the legality of the Token Sale or the future business platform to be developed as envisaged by the Available Information or the Company's ability to develop, structure and licence any future Token functionality in every jurisdiction but the Company will use reasonable commercial endeavours to be responsive and compliant in the face of any regulatory inquiry.

The Tokens are functional utility tokens designed for use only on the Company's business platform that is yet to be developed. The Tokens are not securities. In the event that you purchase Tokens, your purchase cannot be refunded or exchanged. The Company does not recommend purchasing Tokens for speculative investment purposes. Tokens do not entitle you to any equity,



governance, voting or similar right or entitlement in the Company or in any of its affiliated companies. Tokens are sold as digital products, similar to downloadable software, digital music and the like. The Company does not recommend that you purchase Tokens unless you have prior experience with cryptographic tokens, blockchain-based software and distributed ledger technology and unless you have taken independent professional advice.

The Company may choose to make the Available Information in a number of different languages. In the event of any conflict between the English version of the Available Information and any foreign language version, the English language version will prevail.

## **REGIONAL RESTRICTIONS**

Citizens, nationals, residents (tax or otherwise) of any jurisdiction which prohibits the possession, dissemination or communication of the Available Information and/or prohibits participation in the Token Sale or the purchase of Tokens or the offer for sale of the Tokens or any similar activity or product (collectively the ***“Restricted***

***Jurisdictions”***) or any other Restricted Persons are not permitted to participate in the Token Sale. The term ***“Restricted Persons”*** refers to any firm, company, partnership, trust, corporation, entity, government, state or agency of a state or any other incorporated or unincorporated body or association, association or partnership (whether or not having separate legal personality) that is established and/or lawfully existing under the laws of a Restricted Jurisdiction.

The Tokens are not intended to constitute, and shall not constitute, securities in any jurisdiction. This White Paper does not constitute a prospectus or offer document of any sort and the Available Information is not intended to constitute an offer of securities or a solicitation for investment in securities in any jurisdiction. The Company does not provide any opinion or any advice to purchase, sell, or otherwise transact with Tokens and the presentation, publication or communication of all or any part of the Available Information shall not form the basis of, or be relied upon in connection with, any contract or investment decision.

## **NO ADVICE**

No part of the Available Information should be considered to be business, legal, financial or tax advice regarding the Company, the Tokens, the Token Sale or any of the matters to which all or any part of the Available Information relates. You should consult your own legal, financial, tax or other professional advisor regarding the Available Information. You should be aware that you may be required to bear the financial risk of any purchase of Tokens for an indefinite period of time.

## **LIMITATION OF LIABILITY**

In no event shall the Company or any current or former employees, officers, directors, partners, trustees, representative, agents, advisors, contractors, or volunteers of the Company (hereinafter the **“Company Representatives”**) be responsible or accountable or liable in any way whatsoever to any purchaser of Tokens for any loss of profits or otherwise or for any lost savings or for any incidental direct indirect special or consequential damages in each case arising out of or from or in connection with:

(i) any failure by the Company or any of its affiliated companies to deliver or realise all or any part of the project or the platform or the membership network or the Token features described in or envisaged by the Available Information;

(ii) your use or inability to use at any time the services or the products or the platform or the membership network or Tokens offered by the Company;

(iii) the breach of any of these Terms by the Company or by the Company Representatives or by you or by any third party;

(iv) any security risk or security breach or security threat or security attack or any theft or loss of data including but not limited to hacker attacks, losses of password, losses of private keys, or anything similar;

(v) mistakes or errors in code, text, or images involved in the Token Sale or in any of the Available Information; or

(vi) any information contained in or omitted from the Available Information;

(vii) any expectation promise representation or warranty arising (or purportedly arising) from the Available Information;

(viii) the volatility in pricing of Tokens in any countries and/or on any exchange or market (regulated,

unregulated, primary, secondary or otherwise);

(ix) the purchase use sale resale redemption or otherwise of the Tokens; or

(x) your failure to properly secure any private key to a wallet containing Tokens, (collectively, the **“Excluded Liability Matters”**).

The Available Information (including the Website and the White Paper) and the Tokens are provided on an “as is” basis and without any representations or warranties of any kind, either express or implied. You assume all responsibility and risk with respect to your use of the Available Information and purchasing of any amount of Tokens and their use. If applicable law does not allow all or any part of the above limitation of liability to apply to you, the limitations will apply to you only to the maximum extent permitted by applicable law.

To the maximum extent permitted by applicable law, you hereby irrevocably and unconditionally waive: (i) all and any claims (whether actual or contingent and whether as an employee, office holder, trustee, agent, principal or

in any other capacity whatsoever or howsoever arising) including, without limitation, claims for or relating to the Excluded Liability Matters, any payment or repayment of monies, indemnity or otherwise that you may have against the Company or against any of the Company Representatives; and (ii) release and discharge the Company and all of the Company Representatives from any and all liability (of whatsoever nature or howsoever arising) it or they may have to you. If for any reason you hereafter bring or commence any action or legal proceeding in respect of any claim purported to be released and discharged pursuant to this paragraph or these Terms, or otherwise attempt to pursue any such claim against the Company or any Company Representative then you hereby irrevocably and unconditionally undertake to indemnify, and keep indemnified the Company and all Company Representatives fully on demand from and against:

(a) all liabilities or losses suffered by the Company or any Company Representative; and

(b) all reasonable costs, charges and reasonable expenses (including without limitation reasonable legal



costs and expenses) reasonably and properly incurred by the Company or any Company Representative, in each case by reason of or in connection with the bringing or commencement of such action or pursuit of such claim by you.

If any provision or part-provision of this "Legal Considerations, Risks and Disclaimer" section is or becomes invalid, illegal or unenforceable, it shall be deemed modified to the minimum extent necessary to make it valid, legal and enforceable. If such modification is not possible, the relevant provision or part-provision shall be deemed deleted. Any modification to or deletion of a provision or part-provision under this "Legal Considerations, Risks and Disclaimer" section shall not affect the validity and enforceability of the rest of this "Legal Considerations, Risks and Disclaimer" section.

#### **NO REPRESENTATION & WARRANTIES**

Notwithstanding any other provision of these Terms or any statement made expressly or impliedly in the Available Information, the Company does not

make or purport to make, and hereby disclaims, any representation warranty undertaking or covenant in any form whatsoever to any entity or person, including any representation warranty undertaking or covenant in relation to the truth, accuracy and completeness of any of the information set out in the Available Information.

#### **REPRESENTATION & WARRANTIES BY YOU**

By howsoever accessing and/or accepting possession or communication of all or any part of the Available Information, you represent and warrant (and shall be deemed to represent and warrant) to the Company on the date of such access or on the latest date on which you retain possession of all or any part of the Available Information as follows:

(a) you are over 18 (eighteen) years of age;

(e) you agree and acknowledge that the Available Information, the undertaking and/or the completion of the Token Sale, or future trading of



the Tokens on any exchange or market (regulated, unregulated, primary, secondary or otherwise), shall not be construed, interpreted or deemed by you as an indication of the merits of the Company, the Tokens, the Token Sale or the Available Information;

(f) the distribution or dissemination of the Available Information any part thereof or any copy thereof, or acceptance of the same by you, is not prohibited or restricted by the applicable laws, regulations or rules in your jurisdiction, and where any restrictions in relation to possession are applicable, you have observed and complied with all such restrictions at your own expense and without liability to the Company;

(g) you agree and acknowledge that in the case where you wish to purchase any Tokens, the Tokens are not to be construed, interpreted, classified or treated as:

(i) any kind of currency or commodity;

(ii) debentures, stocks or shares issued by any person or entity (whether the Company or otherwise);

(iii) rights, options or derivatives in respect of such debentures, stocks or shares;

(iv) rights under a contract for differences or under any other contract the purpose or pretended purpose of which is to secure a profit or avoid a loss;

(v) units in a collective investment scheme;

(vi) units in a business trust;

(vii) derivatives of units in a business trust;

(viii) any other security or class of securities; or

(ix) any type of investment (as such term is defined by the Financial Services (Investments and Fiduciary Services) Act 1989-47 of Gibraltar (as amended or re-enacted from time to time) or as such term might be construed under similar legislation in any other part of the world);

(h) you are fully aware of and understand that you are not eligible to purchase any Tokens or access the Available Information if you are a citizen, national, resident (tax or otherwise) and/or green



card holder of a Restricted Jurisdiction or if you are a Restricted Person;

(i) you have a basic degree of understanding of the operation, functionality, usage, storage, transmission mechanisms and other material characteristics of cryptocurrencies, blockchain-based software systems, cryptocurrency wallets or other related token storage mechanisms, blockchain technology and smart contract technology;

(j) you are fully aware and understand that in the case where you wish to purchase any Tokens, there are risks associated with: (A) the Company and its business and operations; (B) the Tokens; (C) the Token Sale; and (D) relying or acting on all or any part of the Available Information;

(k) you agree and acknowledge that the Company is not liable for any direct indirect special incidental consequential or other losses of any kind in tort contract or otherwise (including but not limited to loss of revenue income or profits or loss of use or data or loss of reputation or loss of any economic or other opportunity of whatsoever nature or howsoever arising) arising out of or in connection with any acceptance of or reliance on the Available Information or

any part thereof by you; and

(l) all of the above representations and warranties are true, complete, accurate and not misleading from the time of your last access to and/or possession of (as the case may be) the Available Information.

## **RISK FACTORS**

You should carefully consider and evaluate each of the following risk factors and all other information contained in these Terms before deciding to participate in the Token Sale. To the best of the Company's knowledge and belief, all risk factors which are material to you in making an informed judgment to participate in the Token Sale have been set out below. If any of the following considerations, uncertainties or material risks develops into actual events, the business, financial position and/or results of operations of the Company and the maintenance and level of usage of the Tokens could be materially and adversely affected. In such cases, the trading price of Tokens (in the case where they are listed on an exchange or market (regulated, unregulated, primary, secondary or otherwise)) could decline due to any of these considerations,

uncertainties or material risks, and you may lose all or part of your Tokens or the economic value thereof.

## **RISKS RELATING TO PARTICIPATION IN THE TOKEN SALE**

***There is no prior market for Tokens and the Token Sale may not result in an active or liquid market for the Tokens.***

Prior to the Token Sale, there has been no public market for the Tokens. In the event that the Company ever decides to seek the approval for availability of the Tokens for trading on a cryptocurrency exchange or market, there is no assurance that such approval will be obtained. Furthermore, even if such approval is granted by a cryptocurrency exchange, there is no assurance that an active or liquid trading market for the Tokens will develop, or if developed, will be sustained after the Tokens have been made available for trading on such market. There is also no assurance that the market price of the Tokens will not decline below the original or issue purchase price (the ***“Purchase Price”***). The Purchase Price may not be indicative of the market price of the Tokens after they have been made available for trading on a market.

A Token is not a currency issued by any central bank or national, supra-national or quasi-national organisation, nor is it backed by any hard assets or other credit nor is it a commodity in the traditional sense of that word. The Company is not responsible for, nor does it pursue, the circulation and trading of Tokens on any market. Trading of Tokens will merely depend on the consensus on its value between the relevant market participants. No one is obliged to purchase any Token from any holder of the Token, including the purchasers, nor does anyone guarantee the liquidity or market price of Tokens to any extent at any time. Furthermore, Tokens may not be resold to purchasers who are citizens, nationals, residents (tax or otherwise) and/or green card holders of Restricted Jurisdictions or to Restricted Persons or to purchasers in any other jurisdiction where the purchase of Tokens may be in violation of applicable laws. Accordingly, the Company cannot ensure that there will be any demand or market for Tokens, or that the Purchase Price is indicative of the market price of Tokens after they have been made available for trading on any cryptocurrency exchange or market.

***Future sales or issuance of the Tokens could materially and adversely affect the market price of Tokens.***

Any future sale or issuance of the Tokens would increase the supply of Tokens in the market and this may result in a downward price pressure on the Token. The sale or distribution of a significant number of Tokens outside of the Token Sale (including but not limited to the sales of Tokens undertaken after the completion of the initial crowdsale, issuance of Tokens to persons other than purchasers for purposes of community initiatives, business development, academic research, education and market expansion and issuance of Tokens as a reward to users of the Company's business platform that is yet to be developed or otherwise), or the perception that such further sales or issuance may occur, could adversely affect the trading price of the Tokens.

***Negative publicity may materially and adversely affect the price of the Tokens.***

Negative publicity involving the Company, the Tokens or any of the

key personnel of the Company and/or regulation of distributed ledger technologies, cryptocurrencies and/or crowdsales of tokens in any jurisdiction, may materially and adversely affect the market perception or market price of the Tokens, whether or not it is justified.

***The Company may not be able to pay any anticipated rewards in the future.***

There is no assurance that there will be sufficient engagement in the Company's business platform that is yet to be developed such that you will receive any rewards anticipated to be distributed to active users of the Company's business platform. Further, even in the event there is substantial engagement and interactions among the users of the Company's business platform that is yet to be developed, there is no assurance you personally will receive any part of the rewards. This is because the ability of the Company to pay any reward to you will depend on the future results of operations and the future business and financial condition of the Company, and there is no assurance of the future results of operations and the future business and financial condition of the Company.

***There is no assurance of any success of the Company's Token Sale or business platform that is yet to be developed as envisaged by the Available Information.***

The value of, and demand for, the Tokens hinges heavily on the performance of the Company's Token Sale and business platform that is yet to be developed and the continuous active engagement of its users and success of its contemplated business lines. There is no assurance that the Company's Token Sale will be successful or that its business platform that is yet to be developed will gain or continue to gain traction. While the Company has made every effort to provide a realistic estimate, there is also no assurance that the cryptocurrencies raised in the Token Sale will be sufficient for the development of the Company's business platform. For the foregoing or any other reason, the development of the Company's business platform and launch of the anticipated Token functionality may not be completed and there is no assurance that it will be launched at all. As such, distributed Tokens may hold

little or no worth or value and this would impact any trading price and/or use of the Tokens.

***The trading price of the Tokens may fluctuate following the Token Sale.***

The prices of cryptographic tokens in general tend to be relatively volatile, and can fluctuate significantly over short periods of time. The demand for, and the corresponding market price of, the Tokens may fluctuate significantly and rapidly in response to, among others, the following factors, some of which are beyond the control of the Company:

- (a) new technical innovations;
- (b) analysts' speculations, recommendations, perceptions or estimates of the Token's market price or the Company's financial and business performance;
- (c) changes in market valuations and token prices of entities with businesses similar to that of the Company that may be listed on the same cryptocurrency exchanges or markets as the Tokens;
- (d) announcements by the Company of significant events, for example partnerships, sponsorships or new product developments;



(e) fluctuations in market prices and trading volume of cryptocurrencies on cryptocurrency exchanges or markets;

(f) additions or departures of key personnel of the Company;

(g) success or failure of the Company's management in implementing business and growth strategies; and/or

(h) changes in conditions affecting the blockchain or financial technology industry, the general economic conditions or market sentiments, or other events or factors.

***The funds raised in the Token Sale are exposed to risks of theft.***

The Company will make every effort to ensure that the funds received from the Token Sale will be securely held. Further, the Company may make every effort to ensure that the funds received by it from Token Sale will be securely held through the implementation of security measures. Notwithstanding such security measures, there is no assurance that there will be no theft of the cryptocurrencies as a result of hacks, sophisticated cyber-attacks, distributed denials of service or errors, vulnerabilities or defects on the Token Sale website, in the smart contract(s) on which the Token

Sale relies, on the Ethereum blockchain or any other blockchain, or otherwise. Such events may include, for example, flaws in programming or source code leading to exploitation or abuse thereof. In such event, even if the Token Sale is completed, the Company may not be able to receive the cryptocurrencies raised and the Company may not be able to use such funds for the development of the Company's business platform. In such case, the launch of the Company's business platform might be temporarily or permanently curtailed. As such, distributed Tokens may hold little worth or value and this would impact their trading price.

## **RISKS RELATING TO THE COMPANY**

***The Company's business platform that is yet to be developed.***

Any events or circumstances which adversely affect the Company or any of its successor or affiliated operating entities may have a corresponding adverse effect on the Company's business platform that is yet to be developed, including but not limited to the development, structuring and launch of the Company's business platform. Such adverse effects would

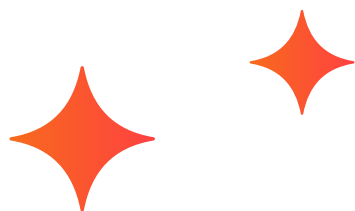


correspondingly have an impact on the utility, liquidity, and the trading price of the Tokens.

***The Company may be materially and adversely affected if it fails to effectively manage its operations as its business develops and evolves, which would have a direct impact on its ability to develop, maintain or operate the Company's business platform and/or develop, structure and/or licence any Token functionality.***

The financial technology and cryptocurrency industries in which the Company competes have grown rapidly over the past few years and continue to evolve in response to new technological advances, changing business models, shifting regulations and other factors. As a result of this constantly changing environment, the Company may face operational difficulties in adjusting to the changes, and the sustainability of the Company will depend on its ability to manage its operations, ensure that it hires qualified and competent

employees, and provides proper training for its personnel. As its business evolves, the Company must also expand and adapt its operational infrastructure. The Company's business will in part rely on its blockchain-based software systems, cryptocurrency wallets or other related token storage mechanisms, blockchain technology and smart contract technology. All of these systems, tools, and skillsets represent complex, costly, and rapidly changing technical infrastructure. In order to demonstrate continued ability to effectively manage technical support infrastructure for the Company's business platform that is yet to be developed and the future functionality of the Tokens, the Company will need to continue to upgrade and improve its data systems and other operational systems, procedures, and controls. These upgrades and improvements will require a dedication of resources and are likely to be complex and increasingly rely on hosted computer services from third parties that the Company does not or will not control. If the Company is unable to adapt its systems and organisation in a timely, efficient, and cost-effective manner to accommodate changing circumstances, its business, financial condition and/or results of





operations may be adversely affected. If the third parties whom the Company relies on are subject to a security breach or otherwise suffer disruptions that impact the services the Company uses, the integrity and availability of its internal information could be compromised, which may consequently cause the loss of confidential or proprietary information and/or economic loss. The loss of financial, labour or other resources, and any other adverse effect on the Company's business, financial condition and/or operations, would have a direct adverse effect on the Company's ability to develop maintain or operate the Company's business platform and/or to develop, structure and/or license the anticipated Token functionality. Any adverse effects affecting the Company business or technology are likely to also adversely impact the utility, liquidity, and trading price of the Tokens.

***The Company may experience system failures, unplanned interruptions in its network or services, hardware or software defects, security breaches or other causes that could adversely affect the Company's infrastructure***

***network, and/or the Company's business platform that is yet to be developed.***

The Company is not able to anticipate when there would be occurrences of hacks, cyber-attacks, distributed denials of service or errors, vulnerabilities or defects in: the Company's business platform that is yet to be developed, in the smart contracts on which the Company or the Company's business platform relies, or on the Ethereum or any other blockchain. Such events may include, for example, flaws in programming or source code leading to exploitation or abuse thereof. The Company may not be able to detect such hacks, cyber-attacks, distributed denials of service errors vulnerabilities or defects in a timely manner, and may not have sufficient resources to efficiently cope with multiple service incidents happening simultaneously or in rapid succession.

The Company's network or services, which would include the Company's business platform that is yet to be developed and, if successfully structured, developed, licensed and launched, the Token functionality, could be disrupted by numerous events, including natural

disasters, equipment breakdown, network connectivity downtime, power losses, or even intentional disruptions of its services, such as disruptions caused by software viruses or attacks by unauthorized users, some of which are beyond the Company's control. There can be no assurance that cyber-attacks, such as distributed denials of service, will not be attempted in the future or that the Company's security measures will be effective. The Company may be prone to attacks on its infrastructure intended to steal information about its technology, financial data or user information or take other actions that would be damaging to the Company and/or holders of the Tokens. Any significant breach of the Company's security measures or other disruptions resulting in a compromise of the usability, stability, and security of the Company's business platform that is yet to be developed may adversely affect the utility, liquidity and/or trading price of the Tokens.

***The Company may in the future be dependent in part on the location and data centre facilities of third parties.***

The Company's future infrastructure network may be established in whole or in part through servers which it owns

and/or houses at the location facilities of third parties, and/or servers that it rents at data centre facilities of third parties. If the Company is unable to renew its data facility leases on commercially reasonable terms or at all, the Company may be required to transfer its servers to a new data centre facility, and may incur significant costs and possible service interruption in connection with the relocation. These facilities are also vulnerable to damage or interruption from, among others, natural disasters, arson, terrorist attacks, power losses, and telecommunication failures.

Additionally, the third-party providers of such facilities may suffer a breach of security as a result of third-party action, employee error, malfeasance or otherwise, and a third party may obtain unauthorised access to the data in such servers. The Company and the providers of such facilities may be unable to anticipate these techniques or to implement adequate preventive measures.

***General global market and economic conditions may have an adverse impact on the Company's operating performance, results of operations and/or cash flows.***

The Company could continue to be affected by general global economic and market conditions. Challenging economic conditions worldwide have from time to time, contributed, and may continue to contribute, to slowdowns in the information technology industry at large. Weakness in the economy could have a negative effect on the Company's business, operations and financial condition, including decreases in revenue and operating cash flows, and inability to attract future equity and/or debt financing on commercially reasonable terms. Additionally, in a down-cycle economic environment, the Company may experience the negative effects of a slowdown in trading and usage of the Company's business platform that is yet to be developed and may delay or cancel the development, structuring, licensing and/or launch of the anticipated Token functionality.

Suppliers on which the Company relies for servers, bandwidth, location and other services could also be negatively impacted by economic conditions that, in turn, could have a negative impact on the Company's operations or expenses. There can be no assurance, therefore, that current economic conditions or

worsening economic conditions or a prolonged or recurring recession will not have a significant, adverse impact on the Company's business, financial condition and results of operations, and hence, the Company's business platform that is yet to be developed and/or the ability to develop, structure, license and/or launch any Token functionality. Any such circumstances would then correspondingly negatively impact the utility, liquidity, and/or trading price of the Tokens.

***The Company or the Tokens may be affected by newly implemented regulations.***

Distributed ledger technologies, businesses and activities as well as cryptocurrencies and cryptocurrency-related businesses and activities are generally unregulated worldwide, but numerous regulatory authorities across jurisdictions have been outspoken about considering the implementation of regulatory regimes which govern distributed ledger technologies, businesses and activities as well as cryptocurrencies and cryptocurrency-related businesses and activities. The Company or the Tokens may

be affected by newly implemented regulations relating to distributed ledger technologies, businesses and activities as well as cryptocurrencies and cryptocurrency-related businesses and activities, including having to take measures to comply with such regulations, or having to deal with queries, notices, requests or enforcement actions by regulatory authorities, which may come at a substantial cost and may also require substantial modifications to the Company's business platform that is yet to be developed and/or the anticipated Token functionality. This may impact the appeal or practicality or functionality of the Company's business platform that is yet to be developed and/or the anticipated Token functionality for users and result in decreased usage of and demand for the Company's business platform and the Tokens. Further, should the costs (financial or otherwise) of complying with such newly implemented regulations exceed a certain threshold, maintaining the Company's business platform that is yet to be developed and/or developing, structuring, licensing and/or launching the Token functionality may no longer be commercially viable, and the Company may opt to discontinue the Company's business platform

that is yet to be developed and/or the anticipated Token functionality, and/or the Tokens. Further, it is difficult to predict how or whether governments or regulatory authorities may implement any changes to laws and regulations affecting distributed ledger technology and its applications, including the Company's business platform that is yet to be developed and/or the anticipated Token functionality, and/or the Tokens.

The Company may also have to cease operations in a jurisdiction that makes it illegal to operate in such jurisdiction, or make it commercially unviable or undesirable to obtain the necessary regulatory approval(s) to operate in such jurisdiction. In scenarios such as the foregoing, the utility, liquidity, and/or trading price of Tokens will be adversely affected and/or Tokens may cease to be traded.

***There may be unanticipated risks arising from the Tokens.***

Cryptographic tokens such as the Tokens are a relatively new and dynamic technology. In addition to the risks included in the above discussion of risk factors, there are other risks associated

with your purchase, holding, and use of the Tokens, including those that the Company cannot anticipate. Such risks may further appear as unanticipated variations or combinations of the risks discussed above.

## **PRIVACY POLICY**

By purchasing Tokens, you agree to your personal data, (i.e., your e-mail address, name, address and other details personal to you) being processed by the Company for its business purposes or the purposes of building, promoting, and communicating (about) the Company's business platform that is yet to be developed and the Tokens. The Company agrees to keep your email address and other personal data private and not share it with the public (e.g., by including it on any external lists or selling to any third parties).

## **DISCLAIMER**

The presentation of the Available Information is solely for informational purposes. Anyone interested in purchasing Tokens and participating in the Token Sale should consider the various risks prior to making any kind

of decision in respect of the Token Sale. The Available Information does not comprise any advice by the Company or by the Company Representatives, or any recommendation to any recipient of the Available Information, by the virtue of any participation in the Token Sale or otherwise. The Available Information does not necessarily identify, or claim to identify, all the risk factors connected with the Company, the Company's business platform that is yet to be developed, the Tokens, the Token Sale, any future Token functionality or the Available Information. All the participants must make their own independent evaluation, after making such investigations as they consider essential, of the merits of participating in the Token Sale and after taking their own independent professional advice. Any participant in the Token Sale should check with and rely upon their own investment, accounting, legal and tax representatives and consultants in respect of such matters concerning the Company, the Company's business platform that is yet to be developed, the Tokens, the Token Sale, any future Token functionality and the Available Information and to assess separately the financial risks, consequences and appropriateness of the purchase of

Tokens, or if in any doubt about the facts set out in the Available Information. **A purchase of Tokens comprises considerable risk and might involve extraordinary risks that may lead to a loss of all or a significant portion of monies or monetary value utilised to acquire Tokens.** Participants in the Token Sale are urged to completely understand, be aware of and accept the characteristics of the Company, the Company's business platform that is yet to be developed, the Tokens, the Token Sale, any future Token functionality and the Available Information. If you are not prepared to accept any or all of these Terms or the risks set out in these Terms then you are urged not to participate in the Token Sale. No guarantee or assurance is given by the Company or by the Company Representatives that the Company's proposals, objectives and/or outcomes set out in the Available Information will be achieved in whole or in part. You are urged to consider whether participation in the Token Sale is suitable for you having regard to your personal and financial circumstances and your financial resources.

## **RESTRICTIONS ON DISTRIBUTION AND DISSEMINATION OF THE AVAILABLE INFORMATION**

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You are not eligible to purchase any Tokens in the Token Sale if you are a citizen, resident (tax or otherwise) or green card holder of a Restricted Jurisdiction or you are a Restricted Person. No regulatory authority has examined or approved of any of the Available Information. No such action has been or will be taken under the laws,

regulatory requirements or rules of any jurisdiction. The publication, distribution or dissemination of the Available Information does not imply that the applicable laws, regulatory requirements or rules have been complied with.

