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Legal

PLEASE READ THIS DISCLAIMER CAREFULLY. THIS DOCUMENT WAS CREATED SOLELY FOR INFORMATIONAL PURPOSES. NOTHING IN THIS DOCUMENT CONSTITUTES, OR IS INTENDED TO BE CONSTRUED AS, AN OFFER TO ISSUE, ALLOT, SELL, OR OTHERWISE TRANSFER, OR AN INVITATION, ADVERTISEMENT, SOLICITATION, RECOMMENDATION, ADVICE, OR INDUCEMENT TO INVEST IN OR MAKE A COMMITMENT TO INVEST IN, ANY SECURITIES, OPTIONS, OTHER FINANCIAL INSTRUMENTS OR OTHER ASSETS, WHATSOEVER.

THIS DOCUMENT IS NOT INTENDED TO GIVE AND DOES NOT CONTAIN ANY LEGAL OR FINANCIAL ADVICE. IT IS RECOMMENDED TO ENGAGE THE CONSULTATION OF A QUALIFIED LEGAL AND/OR FINANCIAL ADVISOR FOR GUIDANCE. OVER THE LAST SIX MONTHS, FINANCIAL AUTHORITIES IN THE UNITED STATES, SINGAPORE, CHINA, SWITZERLAND, GERMANY AND OTHER JURISDICTIONS HAVE TIGHTENED THEIR POLICIES REGARDING INITIAL COIN OFFERINGS (ICOS) AND/OR ISSUED WARNINGS THAT DIGITAL TOKENS MAY BE LEGALLY RECOGNIZED AS SECURITIES.

THE SPOT TOKEN IS NOT CURRENTLY KNOWN TO BE RECOGNIZED AS A SECURITY BY ANY JURISDICTIONS. UNITED STATES PERSONS WILL ONLY BE ALLOWED TO PURCHASE SPOT TOKENS AFTER VERIFYING THEIR STATUS AS ACCREDITED INVESTORS. FOR UNITED STATES PERSONS, WE FOLLOW RULE 506 OF REGULATION D, SECTION 4A OF THE US SECURITIES ACT, UNDER WHICH SECURITIES CAN ONLY BE DISTRIBUTED TO “ACCREDITED INVESTORS” WITH A NET WORTH OF $1M USD OR EARNED INCOME THAT EXCEEDED $200,000 (OR $300,000 TOGETHER WITH A SPOUSE) IN EACH OF THE PRIOR TWO YEARS, AND IS REASONABLY EXPECTED TO BE ABOVE $200,000 (OR $300,000 TOGETHER WITH A SPOUSE) FOR THE CURRENT YEAR. CLASSIFICATION AS AN “ACCREDITED INVESTOR” REQUIRES WRITTEN CONFIRMATION FROM A TAX ADVISOR, LAWYER OR CHARTERED ACCOUNTANT. KNOW YOUR CUSTOMER (KYC) AND ANTI-MONEY LAUNDERING (AML) REGULATIONS VARY FROM COUNTRY TO COUNTRY, BUT GENERALLY THEY REQUIRE THE CUSTOMER’S IDENTITY TO BE VERIFIED AND CHECKED AGAINST VARIOUS LISTS CONCERNING TERRORISM, EMBARGOS AND POLITICALLY EXPOSED PERSONS (PEP).

1. The purpose of this document is to introduce the Spotcoin Project (the “Project”) and SPOT tokens (“SPOT Token” or “SPOT Tokens”) to potential token-holders.

2. The information set forth in this document cannot be exhaustive and does not imply any contractual obligations. The sole purpose of this document is to provide relevant and up-to-date information about the Project and the team behind the Project to potential token-holders to assist in determining whether or not further due diligence may be required.

3. Although this document aims to provide the most relevant and accurate information, the information set forth in this document is only intended to provide general and preliminary information to potential token-holders and should not be construed to be the basis of any investment decision or strategy. This document in no way constitutes legal, financial or other professional advice.

4. Nothing in this document can be considered as or construed to be forming part of a prospectus of any kind. The information provided in this document has no relation to a securities offering of any kind in any jurisdiction.

5. This document was not written in accordance with the laws or regulations of any legal jurisdiction. This document is intended for informational purposes only and is not subject to any of the laws or regulations designed to protect investors.

6. The SPOT Token is not intended for sale or use in any jurisdiction where the sale or the use of digital tokens is prohibited. For more information on jurisdictions that are excluded from the token sale, please refer to the Spotcoin Token Sale Agreement. Please read the Spotcoin Token Sale Agreement carefully before considering purchasing SPOT Tokens.

7. The SPOT Token does not provide and should not be construed to provide any financial, legal or other rights in any form apart from the rights expressly defined in the Token Sale Agreement. In case of inconsistencies between this document and the Token Sale Agreement, the Token Sale Agreement shall prevail.
8. Investing in tokens is a high risk activity considering the unstable regulatory frameworks and market volatility. Only investors with a sound understanding of digital assets and those that have read the Token Sale Agreement risk warning should purchase SPOT tokens.

9. This document includes forward-looking statements which reflect the Company’s and/or the Directors’ current views with respect to financial performance, business strategy and future plans, both with respect to the ICO and the sectors and industries within which the Company will operate. Statements which include the words “expects”, “intends”, “plans”, “believes”, “projects”, “anticipates”, “will”, “targets”, “aims”, “may”, “would”, “could”, “continue”, “continuing” as well as other similar terms are of a future or forward-looking nature. Such forward-looking statements include known and unknown risks and uncertainties, which can lead to the case where events or results may materially differ from those predicted or implied by the forward-looking statements contained in this document.

10. All forward-looking statements address matters that involve risks and uncertainties. Accordingly, there are or will be important factors that could cause the Company’s actual results to differ materially from those indicated in these statements. These factors include but are not limited to those factors described in risk warnings section of the Token Sale Agreement, which should be read in conjunction with the cautionary statements in the Token Sale Agreement. Any forward-looking statements in this document reflect the Company’s current views with respect to future events and are subject to these and other risks, uncertainties and assumptions relating to the Company’s operations, results of operations and growth strategy.

11. These forward-looking statements speak only as of the date of publishing appearing on the first page of this document in English. Spotcoin LLC undertakes no obligation to publicly update or review any forward-looking statement, whether as a result of new information, future developments or otherwise. All subsequent written and oral forward-looking statements attributable to the Company or to individuals acting on behalf of the Company are expressly qualified in their entirety by this paragraph. Prospective token-holders should specifically consider the factors identified in the Token Sale Agreement which could cause actual results to differ from expected results before making an a decision to purchase SPOT Tokens.

12. This document can be amended at any time to provide more detailed information or to reflect changes in circumstances. In such cases, the latest version of the document shall prevail over all prior versions. Spotcoin LLC is under no obligation to provide any notifications or notices of updates or changes to this document. The latest version of this document can be accessed by visiting https://www.spotcoin.com/whitepaper.

13. Although Spotcoin LLC will make every effort to ensure that the latest version of this document is relevant and accurate, potential token-holders must not rely on the information provided in this document as an alternative to professional advice from qualified third party advisors.

14. If you have any specific questions about legal, financial, tax or other issues related to this document or the Token Sale Agreement, you should consult an appropriately qualified professional advisor.

15. The English version of this document is the official version of this document and is the primary source of information about the Project.

16. Information contained in this document may, from time to time, be translated into other languages, used in writing, or used verbally to communicate with existing or potential token-holders, partners, or any other parties. In case there is a conflict or inconsistency between the translated versions and the official English version, the English version shall prevail.

17. Spotcoin LLC will not be liable for losses, including, but without limitation to, loss of or damage to profits, income, revenue, use, production, anticipated savings, business, contracts, commercial opportunities or goodwill that may arise directly or indirectly from the information contained in this document.

Anyone interested in reading the current text of the Spotcoin token sale agreement may read the document on our [website](https://www.spotcoin.com).
The chasm between legacy financial markets and new digital asset ecosystems has grown as the market exploded. Spotcoin was born to bridge the gap.

—Andrew Thornhill
Spotcoin Co-Founder
Abstract

Spotcoin is an economic platform designed to bridge the gap between legacy financial markets and emerging digital asset ecosystems. Spotcoin adds trust to the fragmented landscape of new digital assets by quickly and transparently handling complex transactions while matching orders and removing market inefficiencies. Spotcoin is building digital asset management tools and developing an interface that allows customers to derive the full benefit of the smart economy.

The digital marketplace has broken barriers, and Spotcoin embraces that universality, putting digital assets to work for everyone. Spotcoin provides reliable, simple liquidity for the community.

Spotcoin is developing a complete digital asset management toolkit. One intuitive interface that will provide access to digital asset markets, over-the-counter trading (OTC), mining and payments. Spotpay allows for fast, cheap, convenient retail transactions using digital assets. The Spotcoin toolkit is designed from the ground up to integrate with the entire digital asset ecosystem, simplifying the total user experience.

Spotcoin is cultivating strong working relationships with regional governments, positioning the company to launch its Blockchain Institute. The Black Sea Blockchain Institute will offer blockchain training, research, and an accelerator to advance entrepreneurship in distributed ledger technologies.
Our team was formed under a unified vision operating upon trust, integrity and responsibility. I hold each team member accountable to our company standards and core values.

—Tim Gick
Spotcoin Chief Executive Officer
Executive Summary

Spotcoin is already part of the smart economy having matured as a market leader in the Black Sea Region conducting over $10M in OTC trade volume in 2017. This success led to $1M in seed funding, allowing the company to grow from 3 to 27 employees. Our company was founded upon the core values of responsibility, integrity and trust. Spotcoin serves institutional investors, merchants, miners, professional and retail traders.

Spotcoin is aiming to raise the fiat equivalent of $30M through our token sale and will begin distributing Spotcoin tokens (SPOT) by the beginning of Q4 2018. The total supply of SPOT is ninety-nine million tokens (99,000,000). All SPOT holders are entitled to dividends based upon transparent, equitable and audited results.

We believe in the rapid transformation of digital marketplaces and their myriad use cases for blockchain technologies. Spotcoin intends to build the Black Sea region’s first comprehensive digital asset ecosystem. This plan includes development of the Spotcoin digital exchange, the Spotpay payment system, a 25MW mining facility utilizing renewable energy, and the inauguration of the Black Sea Blockchain Institute.

Over the Counter Marketplace (OTC)

Spotcoin’s OTC marketplace was established in November 2016 to provide digital to fiat currency trading services for clients worldwide. The fragmented global OTC marketplace for digital asset trading is estimated to be greater than $20B per year. Spotcoin intends to become a market leader for trusted OTC trades in all major digital currencies. Spotcoin is developing an automated marketplace and will obtain all necessary licenses to increase our global trading capabilities.

Exchange

Our digital asset exchange will focus on a simple user-interface providing global and regional fiat currency trading pairs with three core digital currencies: GAS, BTC and ETH. Spotcore, our proprietary order matching engine, will provide centralized liquidity between our digital asset exchange, mining operation, over-the-counter marketplace (OTC), and our Spotpay payment system.
Mining

Through our formal partnership agreement with Georgian Mining Company, Spotcoin has designed and initiated an environmentally friendly $3.25M facility utilizing hydroelectric power scalable up to 25MW. Our new facility will house 2,250 GPU miners with the capacity to host up to 9,000 additional units on behalf of clients.

Spotpay

Spotcoin’s innovative Spotpay payment system is a key aspect of our “simple liquidity” ethos. Spotpay will provide a secure payment widget, an API and app-based digital wallets that will provide consumers with fast, low-cost, and secure point of sale transactions. Spotpay will integrate with Spotcore to provide instantaneous payouts in the merchant’s desired currency with transactions occurring at the current market price. Spotcoin intends to capture $1M per month of the estimated $100M existing retail digital currency marketplace by Q4 2020.

Black Sea Blockchain Institute

To help the region keep pace with the disruptive impacts of distributed ledger technologies, Spotcoin is establishing the Black Sea Blockchain Institute to fulfill three key functions – Education, Research and Innovation. The institute and accelerator will advance and incorporate blockchain technology use cases covering digitizing assets, smart contracts, and digital identities. Projects will be selected by the blockchain community and accelerated through institute funding, directly addressing problems within the Black Sea Region.

Whitepaper Analysis

The Spotcoin Team asked that each whitepaper reviewer consider the Guidelines for Responsible Token Sales issued by Ethan Fast, City of Zion Council Member and NEX Co-Founder on November 10, 2017.

Spotcoin conducted our due diligence to ensure adherence to these 11 City of Zion Guidelines and has directed our 9 independent reviewers to rate the Spotcoin whitepaper according to these guidelines. In keeping with our pledge to be transparent, the average rating scores provided by our reviewers may be found in the “White Paper Analysis” section on page 10.
## White Paper Analysis

<table>
<thead>
<tr>
<th>Criteria</th>
<th>Measurement Overview</th>
<th>Rating</th>
<th>Page</th>
<th>Spotcoin Resolution</th>
</tr>
</thead>
<tbody>
<tr>
<td>1 Working demo or proof-of-concept</td>
<td>The team explicitly addresses a working demo or proof-of-concept of their technology.</td>
<td>3.44</td>
<td>12</td>
<td>Spotcoin is actively working on automating our existing OTC marketplace with an expected launch of these new features in Q1 2019. Our development team has completed the wallet integration of Bitcoin, Ethereum, and NEO and is currently working on Spotcore development.</td>
</tr>
<tr>
<td>2 Understanding of core technology</td>
<td>Demonstration of specific, applicable technology expertise in easy-to-understand language.</td>
<td>4.21</td>
<td>12</td>
<td>Spotcoin is continually searching for new talent to add to our existing and upcoming projects. We are excited to announce the addition of another developer to our team that will directly support NEO and City of Zion (CoZ) initiatives.</td>
</tr>
<tr>
<td>3 Value of token</td>
<td>Provides details on the fundamentals of a token; supports worth and longevity; develops basis for value.</td>
<td>3.67</td>
<td>33</td>
<td>Spotcoin is happy to provide our estimated token ROI calculation based upon revenue assumptions for the next three years. We have a detailed financial forecast that we will provide upon request.</td>
</tr>
<tr>
<td>4 Transparent Team</td>
<td>Develops and provides insight for a qualified, experienced team with sufficient detail.</td>
<td>4.33</td>
<td>7+ others</td>
<td>Spotcoin strives to always communicate openly and freely with our customers, our community and ourselves. We will actively improve our website, Github, and social media pages in an effort to assist our customers.</td>
</tr>
<tr>
<td>5 Company Structure</td>
<td>Detailed overview of company structure. Establishes understanding and compliance with statutes, rules and regulations.</td>
<td>3.56</td>
<td>14</td>
<td>Spotcoin has recently updated our website and included a detailed overview of our company structure. Additionally, we have updated our internal compliance policies to adhere to all rules and regulations imposed by the Georgian government.</td>
</tr>
<tr>
<td>6 Well-defined and realistic roadmap</td>
<td>Team provides clear timeline for development and evidence that this timeline is realistic and achievable.</td>
<td>3.89</td>
<td>31 &amp; 34</td>
<td>Spotcoin’s development team has a robust timeline that is structured for maximum engagement of our team in order to meet all defined milestones and expectations.</td>
</tr>
<tr>
<td>7 Explicit allocation of funds</td>
<td>Creates and supports strong development and allocation of project funds.</td>
<td>2.50</td>
<td>32</td>
<td>Spotcoin will provide detailed financial projections upon request.</td>
</tr>
<tr>
<td>8 Public audit of the smart contract used for the token sale</td>
<td>Timeframe establishes development, release, audit, and review of smart contract code. Policies on public release, review, and resubmission established.</td>
<td>3.56</td>
<td>31</td>
<td>Spotcoin published our smart contract on April 5, 2018 for open source review by digital currency wallet firm O3, and reviewed positively with exceptionally fast token transaction speed. Identified vulnerabilities, errors, or bugs are documented and updated.</td>
</tr>
<tr>
<td>9 Avoid explicit advertising campaigns</td>
<td>Creation of realistic marketing campaign. Marketing is not engaged in scattershot web advertisements or heavy marketing without substance.</td>
<td>4.75</td>
<td>32</td>
<td>Spotcoin’s marketing activities will be aligned with Spotcoin’s core values of trust, integrity and responsibility. Our team engaged in an ICO roadshow from March 7, 2018 until April 23, 2018.</td>
</tr>
<tr>
<td>10 Fair token distribution</td>
<td>Policies and allocation of token distribution are not heavily weighted towards an individual or a few individuals.</td>
<td>4.44</td>
<td>32</td>
<td>Spotcoin’s fair token distribution policy ensures that no single large investor will be able to easily manipulate the market for SPOT tokens. The maximum number of tokens a single investor can purchase is 1,000,000 SPOT tokens.</td>
</tr>
<tr>
<td>11 Responsible claim of involvement or endorsement</td>
<td>Token sales do not advertise the NEO or CoZ name nor claim that NEO or CoZ had a hand in their creation, unless explicitly given permission through official CoZ and NEO channels.</td>
<td>3.33</td>
<td>N/A</td>
<td>Spotcoin is excited to support NEO’s vision and is allocating resources to directly support NEO’s goal of 100,000 Transactions Per Second by 2020 by hiring a developer to work exclusively on NEO and City of Zion (CoZ) projects. Spotcoin also sponsored the Taipei Hackathon, the Black Sea Blockchain Summit, the formation of the NEO Black Sea Community, and connected NEO projects with senior NEO leadership.</td>
</tr>
</tbody>
</table>

Matrix based on City of Zion (CoZ) [“Guidelines for Responsible Token Sales”](#)
03 ABOUT SPOTCOIN

RESPONSIBILITY | INTEGRITY | TRUST
About Spotcoin

Spotcoin History

The digital asset marketplace often mimics a futures market more than a spot market. Where others must navigate multiple markets and their corresponding high fees to obtain liquidity between fiat currencies and digital assets, Spotcoin provides users with an efficient, cost-effective alternative. Spotcoin was founded to meet the increasing demand for rapid digital to fiat currency trading with the launch of our over-the-counter marketplace. Due to our access to working capital and well-supplied, diversified digital asset accounts, we were able to provide fast, effective solutions for our clients by delivering trades that were much closer to the spot price at transaction initiation.

Spotcoin processed over $1M per month in trades just two months after its November 2016 launch. Our proof of concept was affirmed as market demand increased. The company cleared over $5M in trades by the end of its second quarter in operation. Due to the overwhelming response, the founders recognized that the business required additional investment to grow its OTC business and expand its range of services. What began as an exquisitely simple way to handle the digital asset management needs of our colleagues and friends expanded into a much broader business. We are honored to bring transparency and innovation to this fragmented marketplace. As we move forward toward 2020, pioneers like Spotcoin will reshape and further define the marketplace for digital assets and their effects on the global economy.

Why NEO?

NEO is an open source, non-profit, community-backed blockchain token platform that aims to create a distributed network “Smart Economy.” NEO is ideally suited to provide the platform that will best support Spotcoin’s vision for the future. NEO was specifically designed to address legal and regulatory requirements for both fungible and non-fungible digital assets. NEO also incorporates digital identities which makes its network, and any tokens built upon it, ideally suited for satisfying know your customer (KYC) and anti-money laundering (AML) requirements.

NEO’s founders intend to work within existing legal and regulatory frameworks to bring real world assets to the blockchain. Spotcoin is excited about NEO’s vision and is directly allocating company resources to support NEO’s goal of 100,000 Transactions Per Second by 2020.
Spotcoin Today

Through our partnership agreement, Spotcoin designed and initiated an environmentally friendly $3.25M facility utilizing hydroelectric power scalable up to 25MW. Our new facility will house 2,250 GPU miners with capacity to host up to 9,000 additional units on behalf of clients.

Spotcoin Tomorrow

The Spotcore engine will sit at the heart of Spotcoin’s business. Spotcore is a process-mapping system that consists of automatic checks on wallet balances, fiat / digital exchanges, and trade matching. The Spotcore engine will seamlessly integrate each component of Spotcoin’s toolkit. Our fiat to digital asset exchange is designed around user experience allowing for fluid movement between our digital exchange, mining operations, Spotpay payment system and OTC marketplace. Spotcoin’s unified interface provides users with a comfortable, easy to navigate experience built upon simplicity.
Meet Our Team

Founders
Andrew Thornhill, Co-Founder
Guram Rukhadze, Co-Founder/Chief Technical Officer
Giorgi Abuladze, Co-Founder/Chief Operating Officer
Natalia Khizanishvili, Co-Founder

Executive Management Team
Tim Gick, Chief Executive Officer
Sean Mulcahey, Chief Strategy Officer
Giorgi Jamagidze, Chief Engineering Officer

Management Team
Nelly Gvadzabia, Director of Administration
Ketevan Popkhadze, Marketing Manager

ICO Team
Byron Yoshida, ICO Program Manager
Tatia Kakhetelidze, Community Relations Manager
Ambartsumyan, Armenia County Manager

Advisors
Nikoloz Enukidze, Senior Independent Director at TBC Bank
Zurab Tsikhistavi, Former Founder & Chairman of Basis Bank
Vakhtang Gogokhia, CEO Golden Fleece
John Wurteman, Co-Founder Pheasant Tears
John Okruashvili, Senior Mobile Internetworking Expert
Fred Kortmann, CFO, The Perfect Processor
Aram Shumavon, CEO Kevala Analytics
Michael Cowgill, President & Co-Founder, GAU
Zachary Newmark, Media entrepreneur, Consultant & Senior Manager
Brian Hankey, Co-Founder at Cranial Ink
Simon Cocking, Editor in Chief, Irish Tech News
Chris Colomb, Founder of NeoJP Community
Tamar Menteshashvili, Co-Founder of EXPREAD
Alexandre Orfevre, Community Growth Advisor
Greetings from Borjomi, Georgia!
OTC Marketplace

Timeline

<table>
<thead>
<tr>
<th>Quarter</th>
<th>Milestone</th>
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<tbody>
<tr>
<td>Q2 2018</td>
<td>Trading Logic Integration &amp; Matching Engine</td>
</tr>
<tr>
<td>Q3 2018</td>
<td>Advanced UI &amp; notification system Admin panel &amp; customer support tools</td>
</tr>
<tr>
<td>Q4 2018</td>
<td>Functional testing, security audit completed &amp; launch</td>
</tr>
<tr>
<td>Q1 2019</td>
<td>Launch</td>
</tr>
</tbody>
</table>

PROBLEM

- Fiat exchange limitations
- Lack of proven brokers
- Limited means to connect large traders of digital assets
- Non-responsive customer service

SPOT SOLUTION

- Large volume trade matching
- Providing trusted intermediary services
- Efficient marketplace with one business day settlement
- Spotcoin Ambassadors

Large Volume Trade Matching

Due to the limited availability of liquidity, digital asset exchanges typically impose stringent limitations on daily and monthly withdrawals and deposits. Spotcoin works with multiple banks in Europe to facilitate high value bank transfers. Our high-volume clients receive effective, efficient trading with quality assurance due to our redundant banking relationships. As our proven model continues to experience rising demand in trading volume, Spotcoin is actively establishing additional banking relationships to further increase its fiat liquidity.
Trust Paradigm

Spotcoin acts as both a trading intermediary and an escrow service for fiat currencies and digital assets. We have earned a reputation as a trusted intermediary by successfully settling every trade entrusted to us. As a result, our agent network has expanded by word of mouth based upon our next business day settlement policy.

Next Business Day Settlement

Spotcoin has developed a T+1 standard for all transactions. We are developing automation tools and strategic partnerships to grow our existing OTC business allowing Spotcoin to scale. Our development team has already completed 25% of our OTC platform, including: digital asset wallet integration, automated deposit and withdrawal functionality, 2FA, and a basic user interface.

Spotcoin Ambassadors

All of our services meet or exceed the exacting standards required by our clients. Any OTC client that trades in excess of $1M per month is assigned a Spotcoin Ambassador that will provide personalized service for each and every trade.
Spotcoin is making the smart economy accessible to everyone, allowing for easy, frictionless exchange between fiat currencies and digital assets, with competitive fees and a wide range of payment options.

—Giorgi Abuladze, Spotcoin Co-Founder/Chief Operating Officer
Digital Exchange

Regional Exchange Solution

Spotcoin is developing an exchange, built from the ground up to directly address the regional market demand for digital assets. Currently, there are few exchanges that support fiat currency in the Black Sea Region and the majority have a limited number of trading pairs. Our exchange will support the following regional fiat currencies: Georgian Lari (GEL), Ukrainian Hryvnia (UAH), Romanian Lei (RON), Moldovan Leu (MDL), Russian Rubles (RUB), Bulgarian Leva (BGN), Turkish Lira (TRY), Armenian Dram (AMD) as well as Euros (EUR) and US Dollars (USD). Spotcoin’s exchange will provide support in English, Russian, Mandarin, Georgian, and Armenian languages at launch.
Simple Trading

Bitcoin has become the standard trading pair for digital assets due to the high cost of listing additional pairs on most exchanges. The fee for exchange listing can cost up to 20 BTC per trading pair. We will offer three primary trading pairs: GAS (GAS), Ethereum (ETH) and Bitcoin (BTC). All listings on Spotcoin’s digital exchange will be paired with these three primary assets. Spotcoin actively supports the growing smart economy and will list all NEP-5 tokens that adhere to the City of Zion’s "Guidelines for Responsible Token Sales" free of charge.

Quarterly Audit

Spotcoin will engage an accounting firm to conduct quarterly audits, the results of which will be published on our website when completed. As NEO scales to 100,000 transactions per second (TPS), Spotcoin plans to provide on chain transaction data for both fiat and digital asset trades by 2020.
The traders we work with always say how happy they are with our speed, security and reliability. This is a part of our DNA.

–Natalia Khizanishvili, Spotcoin Co-Founder
Spotpay

### Timeline
- **Q4 2019**
  - Top level design and exchange integration
  - Basic UI with notification system
- **Q1 2020**
  - API library development
  - Testing
- **Q2 2020**
  - Security audit completed & launch

### PROBLEM
- Lack of retail adoption
- Inconsistent APIs lacking clear documentation
- Requires developer integration

### SPOT SOLUTION
- Enabling in-store digital currency use
- Well documented, consistent API with supporting libraries
- Simple drop-in components and plugin support for all major shopping carts

### Enabling Retail Payments
Spotpay will provide a secure point of sale (POS) system solution for brick and mortar retail establishments as well as an easy to use, drop-in payment widget for all major shopping cart platforms and a consistent API with supporting libraries. Spotpay will leverage Spotcore and the digital asset exchange to provide instantaneous payouts in the merchant’s desired currency (fiat, digital or a combination of the two) with transactions occurring at the current market price.

### API and Payment Widgets
Spotpay will provide a digital asset payment API that is simple, yet powerful, consistent and well documented. In addition, customizable pre-build UI components will be available to enable drop-in integration with existing websites.
Spotpay will also develop plugins for all major shopping cart platforms, allowing merchants to enable Spotpay checkout with the click of a button. Support will be provided in the form of open source API libraries in the following languages: PHP, Ruby, Python, Java, .NET, and NodeJS.

Transparent Fees

All fees will be clearly displayed to the buyer and the seller; no unpleasant surprises. Transaction fees will be priced competitively according to the current market at launch.
An important part of the digital asset ecosystem is mining. We chose Georgia as home to our mining operation because it offers low-cost, environmentally friendly hydropower.

—Guram Rukhadze, Spotcoin Co-Founder/Chief Technical Officer
Georgian Hydropower

Georgia generates more than 75% of its electricity from hydropower giving it the highest proportion of total hydroelectric energy production in the world. Georgia is the second most popular country for Bitcoin mining the world, capturing 15% of the global market. Spotcoin partners with the Zhinvali Dam on the Aragvi River which has a total capacity of 130 MW. Together with its partners, Spotcoin is currently utilizing 1.1MW of capacity in Zhinvali and other sites in Georgia. The public rate for electricity in Georgia is less than 6 cents per kW in bulk. Spotcoin can further reduce this cost by working directly with the power plants.
Georgia Incentivizes Mining

Current regulations allow all digital asset miners Value-added Tax (VAT) exemption for hosted mining services.

Experienced Community

Spotcoin is a member of the Georgian Mining Hosting Association. Studies estimate that 1-in-5 Georgian university students are directly involved blockchain technology or mining. The Spotcoin Team has access to over 20 highly-trained engineers and technicians capable of supporting our mining operations. Spotcoin’s 10MW mining facility is currently under development and can scale up to 25MW.

First of all, very friendly business and investment climate, no corruption, good taxation regime, competitive energy cost and competitive labor cost.

— Valery Vavilov, BitFury Founder, when asked about Georgia.
As Sun Tzu said, “In the midst of chaos, there is also opportunity.” Spotcoin has seized the opportunity to leverage education and innovation through the Black Sea Blockchain Institute, the future of education in the digital smart economy.

—Sean Mulcahey, Spotcoin Chief Strategy Officer
Black Sea Blockchain Institute

Vision
To deliver the smart economy and blockchain solutions throughout the Black Sea region through education and innovation.

Mission
To serve as a regional hub advancing the application and implementation of blockchain technologies through education, research and innovation.

The Black Sea Region is a hub of blockchain activity with an estimated 20% of Georgia’s university students directly involved in blockchain technology in some capacity. The region reflects the desperate need for expertise and education to harness and guide the technology toward the future. In the United States, blockchain developers living in high-tech corridors, earn an 18% premium over their peers.

Spotcoin is addressing knowledge gaps in blockchain technologies by establishing the Black Sea Blockchain Institute (BSBI). BSBI will form wide ranging strategic partnerships with educators, innovators and government representatives to facilitate education, research and innovation.

The BSBI: Education of the Future
There is a demand crisis for experts in blockchain technologies. BSBI will be a registered vocational / technical college officially recognized by the Georgian Ministry of Education and Science as well as the Council of Higher Education Accreditation (CHEA).

BSBI is already offering two popular courses: Cryptocurrency 101 and the Mergelyan Club series on blockchain digital assets.

By Fall of 2019, BSBI will begin offering accredited courses and certificate programs providing blockchain education suitable for students at all levels. Our curriculum will include:

Students – Project Management, Risk Management, and Strategic Operations with a focus on digitized assets and technological environs.

Developers – Design, architecture, development, and maintenance of blockchain applications and smart contracts.

Executive Management and Government Officials – A comprehensive curriculum for regulators and legislators covering policy issues and strategic blockchain initiatives.

The BSBI will continually expand its course offerings to meet the needs of the evolving market.
The Innovation Lab: Institutional Research

Spotcoin established the Black Sea Blockchain Institute to unite industry leaders, market makers, educators, government representatives and tech entrepreneurs with a focus on research opportunities and gap analyses through our Innovation Lab. The Innovation Lab is the incubator of opportunity. Key areas targeted for growth include:

- Legal, policy, and regulatory review
- Knowledge gaps and solutions
- Cross-functional alliances and strategic partnerships

Research results will be presented to the public at conferences and published in peer reviewed journals. The premier event for research development, discussion, and results will be the Annual Black Sea Blockchain Summit. Each and every spring students, innovators, entrepreneurs, educators, and government representatives will meet to discuss the state of the art and how we can work together to advance it.

The Innovation Fund: Spotcoin Sponsored Innovation

Blockchain technologies are radically upending notions of value across the world. With the disruptive changes in the Smart Economy, Spotcoin is stationed at the forefront of influential opportunities. Spotcoin has committed to investing up to $1M annually to accelerate broad cooperation through the Innovation Fund.

The Fund will provide seed funding, foundational support, and project execution through the Innovation Lab. In addition, the Fund will support strategic community partnerships with matching contributions through the Innovation Program Committee. To ensure comprehensive oversight, standards, and uniform evaluation criteria, the Program Committee will publish guidelines and criteria for project consideration, evaluate and select promising projects for funding, match funding with partners, and conduct status updates and evaluations.
More scrutiny will be given to ICO’s in 2018. ICO’s will need to have a working product, roadmap, well-grounded team, and a detailed business plan.

—Byron Yoshida, Spotcoin ICO Program Manager
Initial Coin Offering

Spotcoin will hold a Private Placement (PP) and Initial Coin Offering (ICO) to raise capital for the expansion of its business. Our NEO smart contract was made available for review in April 2018. It was reviewed by wallet provider O3, and was affirmed to process transactions quickly. There will be a maximum of 99,000,000 SPOT tokens, of which 66.7% (66,000,000 tokens) will be available for sale, and 33.3% (33,000,000 tokens) which will be reserved for the team and for Spotcoin’s treasury. This 2:1 ratio will be maintained in the event that the hard cap is not reached.

SPOT tokens will be priced at $0.50 USD per token during the Public Sale. For digital currency contributions, we will use the market price of the digital currency at the time of sale to determine the number of tokens to be reserved. Upon completion of the ICO, unsold tokens will be burned. If the soft cap is not reached, all contributions will be refunded (less transaction fees). SPOT tokens will be distributed after our accounting audit is completed.

Eligibility – Spotcoin LLC is incorporated under the laws of Georgia, with its registered office located in Tbilisi, Georgia. Investors must adhere to all KYC / AML compliance requirements. Currently, there are no regulations for initial coin offerings in Georgia. Residents and citizens of the countries are prohibited from taking part in the SPOT public sales: the United States, US territories, Ethiopia, Iran, Iraq, North Korea, Serbia, Sri Lanka, Sudan, Syria, Trinidad and Tobago, Tunisia, Vanuatu, and Yemen. However, certified accredited U.S. investors can take part in the SPOT private sale.

<table>
<thead>
<tr>
<th>TOKEN NAME</th>
<th>SPOT</th>
</tr>
</thead>
<tbody>
<tr>
<td>Maximum token supply</td>
<td>99,000,000 SPOT</td>
</tr>
<tr>
<td>Standard</td>
<td>NEO NEP-5 Token</td>
</tr>
<tr>
<td>Minimum purchase</td>
<td>50 SPOT</td>
</tr>
<tr>
<td>Maximum purchase</td>
<td>1,000,000 SPOT</td>
</tr>
<tr>
<td>Public Sale offering price per token</td>
<td>$0.50</td>
</tr>
<tr>
<td>Accepted forms of payment</td>
<td>GAS / NEO / BTC / ETH / USD / EUR</td>
</tr>
<tr>
<td>Private Placement Sale begins</td>
<td>April 10, 2018 18:00 GMT/UTC+4</td>
</tr>
<tr>
<td>Private Placement Sale ends</td>
<td>October 27, 2018 18:00 GMT/UTC+4</td>
</tr>
<tr>
<td>ICO Sale begins</td>
<td>October 22, 2018 18:00 GMT/UTC+4</td>
</tr>
<tr>
<td>ICO Sale ends</td>
<td>October 27, 2018 18:00 GMT/UTC+4</td>
</tr>
<tr>
<td>Token use</td>
<td>Dividend Token</td>
</tr>
<tr>
<td>Unsold tokens</td>
<td>Burned</td>
</tr>
</tbody>
</table>
Token Distribution – A trusted third-party financial firm will conduct a review of all funds collected from SPOT token sales. Tokens will be released and distributed once this review is completed and in conjunction with the publication of a financial report. All team tokens will be locked for a period of 12-months, after the conclusion of the public sale.

Refund – Tokens that are not sold during the Private Placement, ICO, or any other sales window will be burned. The quantity of tokens to be burned, if any, will be published along with the details of our along with the details of our audit. ICO funds will be returned (less transaction fees) one month after the third-party audit is completed if the soft cap is not achieved.

Minimum / Maximum Token Purchase – Spotcoin has instituted a fair token distribution policy designed to prevent large investors from manipulating the market for SPOT tokens. The maximum allowable purchase for a single investor is 1,000,000 SPOT tokens and the minimum is 50 SPOT tokens.

Private Placements – Private Placement investors may submit their KYC / AML applications beginning on March 30, 2018 (U.S. investors will also be required to demonstrate proof of accredited investor status). Spotcoin’s Private Placement will begin on April 10, 2018 and will conclude on October 27, 2018 or once the hard cap is reached, whichever comes first.

ICO – ICO investors may submit their KYC/AML applications beginning on October 8, 2018, 18:00 (GMT/UTC +4) on Spotcoin’s website. The ICO Sale will be from October 22 – October 27, 2018, 18:00 (GMT/UTC +4), and may end early once the hard cap is reached.

Treasury – Tokens held in the treasury will be used for creating exchange listing liquidity and expanding our business over the next 5 years. Spotcoin will sell a maximum of 20% of its initial treasury token balance as of the initial audit publication date for each of the next 5 years to fund business expansion.

Token Utility – SPOT token holders will be entitled to a weekly dividend of 51% of the total trading fees generated by Spotcoin’s digital asset exchange. SPOT token holders are also entitled to an additional quarterly dividend of 12% of the net profits derived from Spotcoin’s mining, OTC and Spotpay payments businesses.

Bounty Program – Spotcoin will have two bounty programs as part of its ICO marketing campaign; the investor bounty and the marketing bounty. Both programs were established to reward our community during the ICO.
ICO Timeline

Here’s how Spotcoin plans to take advantage of the changing strategic landscape: Agility is built into our business model. Innovation and flexibility will enable us to rapidly exploit new developments in technology, regulations, and use-cases.

2018

Q4 2018
- SPOT ICO
  - NEO Black Sea Community directly connects Spotcoin with at least ten other NEO projects
  - Full development of Spotcoin digital exchange underway

2019

Q1 2019
- Our innovation lab and fund will accelerate breakthrough technology and applications for the smart economy and promote good governance

Q2 2019
- Black Sea Blockchain Summit 2019
  - Increase our mining operations to 10MW capacity

Q3 2019
- Full-service on-ramp for businesses to move quickly and smoothly into the smart economy

Q4 2019
- Innovation lab test-bed for government partners to safely test and experiment with new technologies

2020

Q1 2020
- Launch Spotpay widget, API and POS system

Q2 2020
- Black Sea Blockchain Summit 2020
  - Digital exchange processing over $3M per day in transactions

Q3 2020
- New model for the financial institution of the future with a broad network of global partners that is legally compliant and meets the evolving needs of the smart economy

Q4 2020
- Combined support of the Smart Economy ecosystem allowing for 100,000 trades per second

2021

Throughout this journey, we’ll maintain our focus on the widespread adoption and growth of the Smart Economy ecosystem.