

# UbcoinMarket

Cryptocurrency **reimagined**

Whitepaper



Version 1.0



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# Executive Summary

Ubcoin Marketplace is a global mobile marketplace for buying and selling real world goods for cryptocurrency.

The number of cryptocurrency holders is projected to increase nearly 10-fold, from the current 22 million to 200 million worldwide by 2020. The simplest way to become an owner of cryptocurrency is by selling goods for crypto. This approach will drive mass adoption in the coming years.

Capitalization of the cryptocurrency market is around \$300 billion. There is a great demand to spend that wealth by buying real world goods for crypto.

Nearly half of all online buying and selling activity now occurs in marketplaces, while mobile commerce will soon surpass web commerce as global smartphone penetration reaches 37% of world's population by 2020.

The Ubcoin Marketplace is not a greenfield project, but an extension of the Ubank mobile app:

- A matured company, existing since 2009
- Our current product, Ubank, has over 16 million installations worldwide
- We consist of 50+ developers, top management and advisor talent
- Ubcoin will enhance and reinvent existing product value proposition
- Samsung and Fly pre-install our current product on all smartphones, sold in 10 countries of Eastern Europe and Central Asia, including flagship Galaxy 9

The token sale seeks to raise financing to expedite development of Ethereum blockchain-based smart contracts, of AI-based screening and KYC technology, and to fund global expansion. Ubank app's unique distribution model through pre-installation by manufacturers will be scaled to new geographies.



# Problem Statement

Presently, tens of millions of people legitimately own cryptocurrencies. Hundreds of millions around the world are aware of cryptocurrencies and would like to obtain them. Many view crypto as a means of investment with stunning returns, and others seek benefits of seamless digital transactions and new business opportunities afforded by blockchain technology.

Mass adoption of cryptocurrencies is inevitable and imminent. The cause and credit is owed to many trail-blazing entrepreneurs and visionaries, including the source of our inspiration and object of deepest respect, Telegram. The moment of mass adoption will definitely come sooner rather than later. Consumers need a simple, fast and safe means of obtaining digital currency.

Capitalization of cryptocurrencies fluctuates around \$300 billion. Yet the governments, banks, and international payment systems around the world drag their feet in establishing clear rules of regulating crypto transactions to enable law-abiding citizens buying and selling physical goods using their digital assets. A large portion of \$300 billion is ripe for spending - conversion into physical assets.

The goal of our company is to empower consumers around the world to participate in crypto and to enjoy the purchasing power of their crypto investments by creating a Ubcoin digital marketplace where they can freely and securely buy and sell goods for cryptocurrency.

# Vision

1. Many people want a simple and safe way to obtain a stake in cryptocurrency, but do not know how. They are not miners, not speculators, just individuals who see added value in investing in cryptocurrency. The number of cryptocurrency owners is projected to increase from a current 22 million to **over 200 million** by 2020.
2. Yet these same people are very comfortable with buying and selling on Ebay, Amazon, WeChat, Etsy, Taobao and the like. In 2016, marketplaces accounted for **44%** of the world's \$2.44 trillion spent online in 2016.
3. Cryptocurrency wallets are primarily concentrated on mobile devices, with **over 65%** of wallets being mobile. Global smartphone penetration is projected to reach **37%** by 2020.
4. Global population of digital buyers will surpass **2 billion** people by 2020.

## Potential for crypto-to-goods mobile marketplace





These four pivotal forces combine in the global mobile marketplace where people can:

- Easily become owners of cryptocurrency by selling goods
- Easily spend their cryptocurrency wealth by purchasing real world goods

The global Ubcoin Marketplace, powered by Ethereum blockchain and the exchange-traded UBC cryptocurrency, enables these endeavors with peer-to-peer smart contracts for buying and selling goods:

- Sellers are interested to receive cryptocurrency for their wares. Utility of settlement + Investment vehicle = mass adoption of digital currency;
- Buyers are realizing the cryptocurrency investment gains and purchasing power, yet are spared the pain and risks of switching between crypto and fiat currency;
- Smart contracts ensure that transactions are seamless, secure, enforceable, transparent and decentralized.

The smart contract technology allows the Ubcoin Marketplace, to ensure safety, executability, intractability and verifiability of a transaction, successfully facilitating peer-to-peer transactions.

As regulation concerning acceptance of digital currencies in a B2C arena evolves, the marketplace will add business sellers and buyers to its roster. The smart contracts will obliterate many existing intermediaries, the leeches of value chains. The delivery economy facilitates explosive growth in the form of direct manufacturer-to-consumer transactions, allowing for much more attractive pricing for both buyer and seller. Make-to-order manufacturing becomes a much more relevant business model.

Some transactions may, in the future, require additional KYC/AML procedures for execution of smart contracts for certain types of deals, involving third-party providers (i.e. delivery companies, couriers, notaries). The Ubcoin platform envisions seamless engagement of these parties.

We pay special attention to ensuring the legitimacy of goods and services sold on the Ubcoin marketplace. We are developing an advanced AI technology to help pre-screen seller postings for any potential infringements of reason, morality, safety and due care.

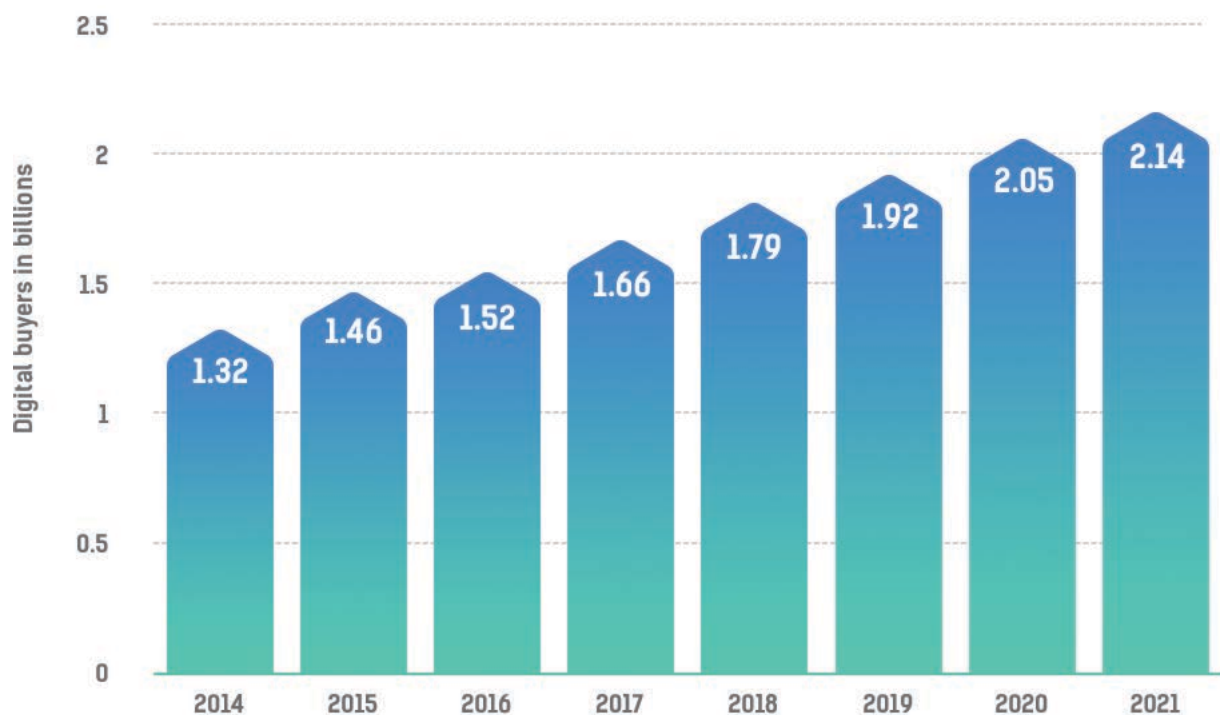


# Market Opportunity Analysis

Digital shopping is increasing in prevalence in the world.

The number of digital buyers worldwide is projected to surpass 2 billion individuals by 2020.

## Number of digital buyers worldwide from 2014 to 2021 (in billions)

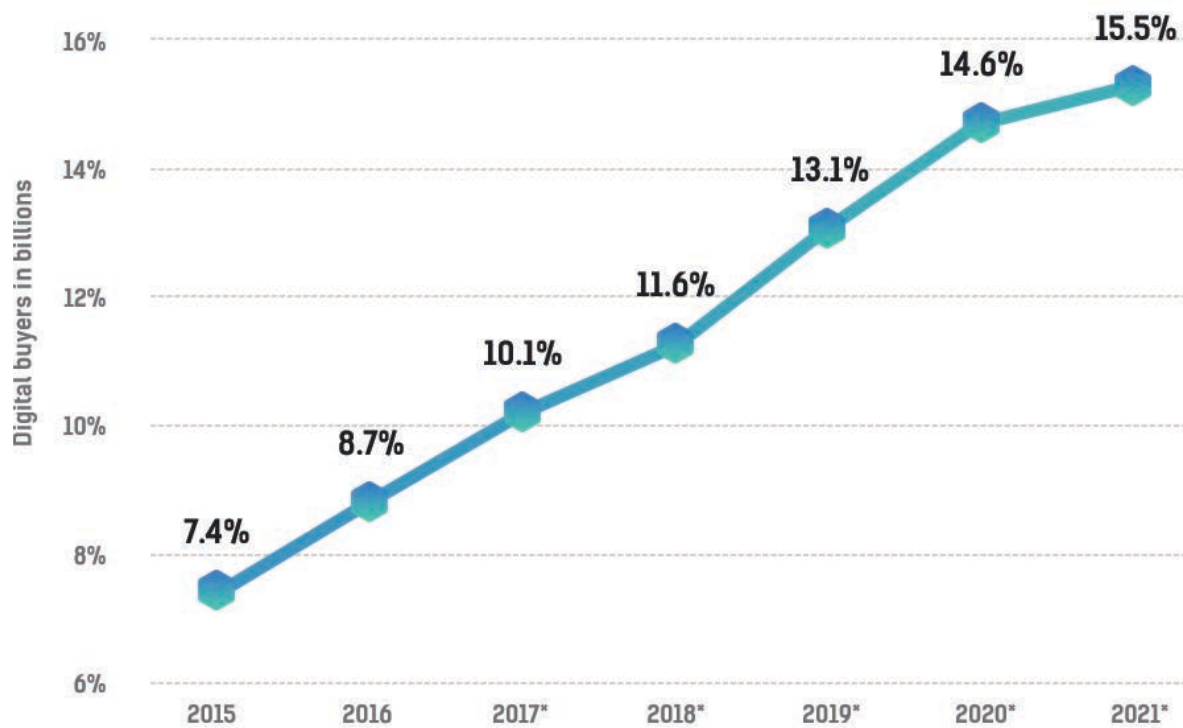


**Additional information:** Worldwide; eMarketer; 2014 to 2017; 14 years and older

Source: eMarketer 2017

Not only the number of buyers is projected to grow, but also the online shopping share of total global retail sales will surpass 15%.

## E-commerce share of total global retail sales from 2015 to 2021



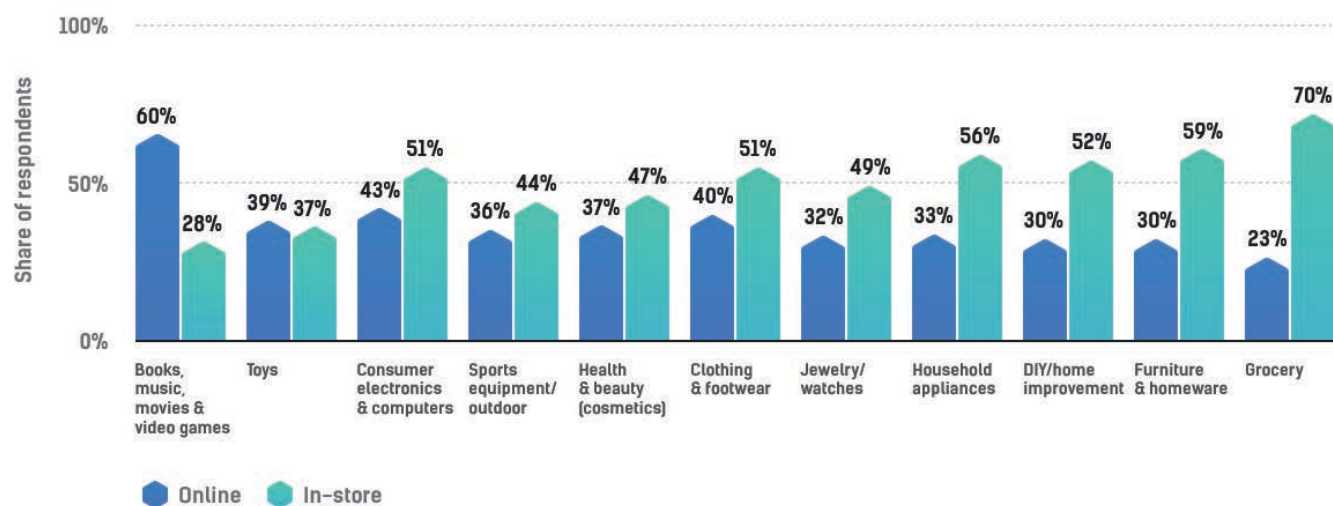
Additional information: Worldwide; eMarketer; 2015 to 2016

Source: eMarketer 2018



In many retail categories, online shopping is already the preferred channel versus the traditional offline stores.

### Online or in-store shopping preference for selected product categories by consumers worldwide as of 2017



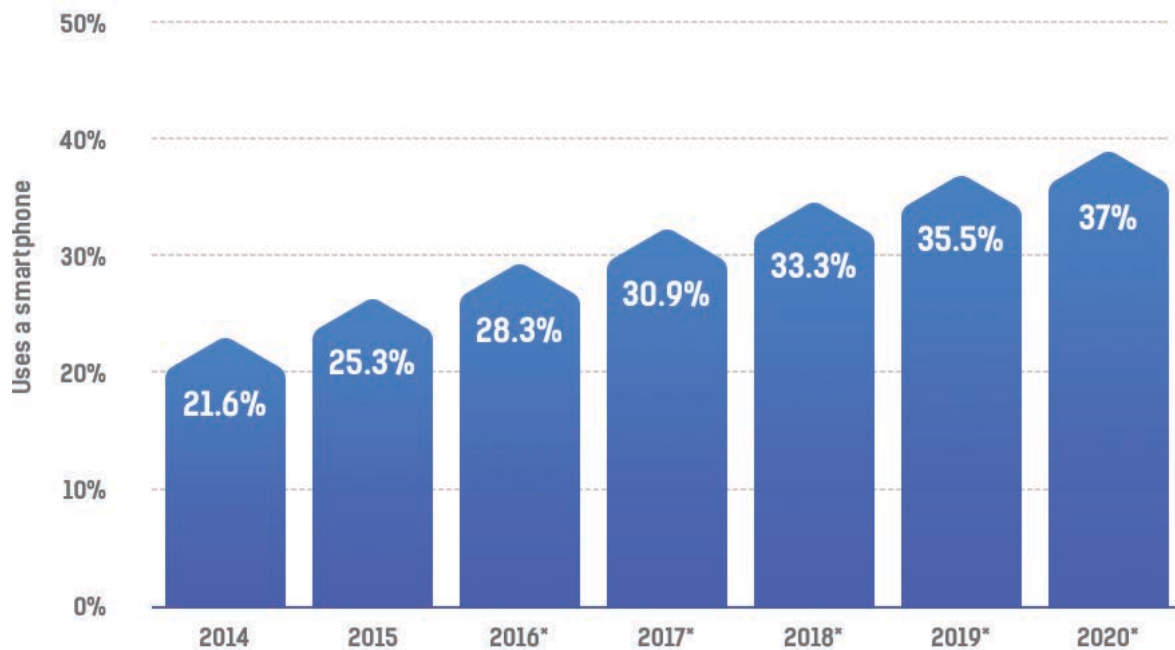
Additional information: Worldwide; PwC; 2017; 24,471 Respondents

Source: PwC 2017



Shoppers are also increasingly moving towards smartphones versus desktop shopping, as the smartphone penetration will increase globally to 37% of world's population.

## Smartphone user penetration as percentage of total global population from 2014 to 2020

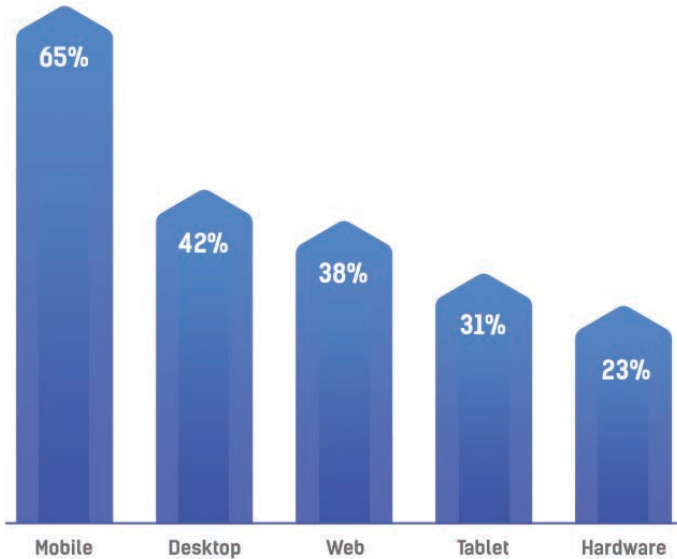


**Additional information:** Worldwide; Statista Market Analytics; 2014 to November 2016

Source: eMarketer, United Nations 2017

Coincidentally, mobile is also the dominant format for cryptowallets.

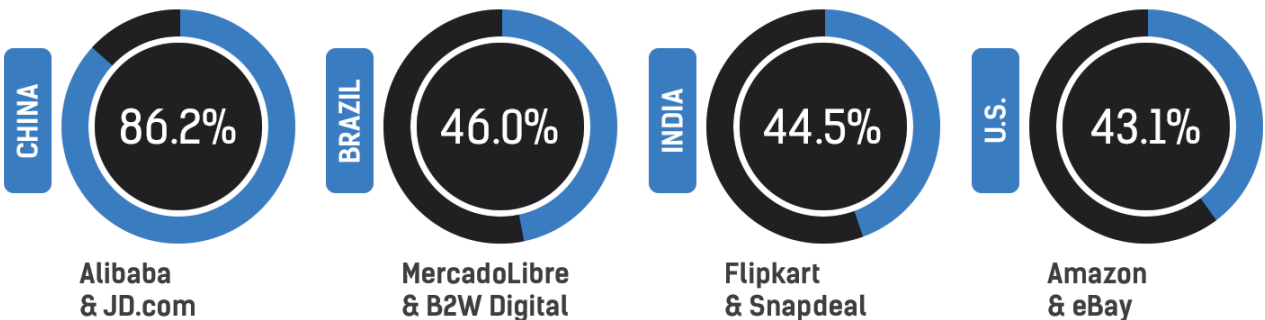
### % of wallet providers supporting the listed formats



Source: Global Cryptocurrency Benchmarking Study, University of Cambridge, Visa (p.56)

Marketplace transactions accounted for 44% of the world's \$2.44 trillion spent online in 2016. Nearly 50% of U.S. consumers say they have purchased merchandise online from overseas sources, according to a UPS and comScore study.

### Marketplaces Account for a Large Share of E-commerce, Internet-Retailer 2017



The peer-to-peer transactions are becoming increasingly global. Cross-border e-commerce already accounts for 15% of all package deliveries. By 2020, this share is expected to rise to 20% (The Economist, E-commerce Special Report, p. 13, Oct 28, 2017).



# Ubcoin Background and Team

We continue to see ICOs making bold assertions about transforming entire industries, spearheaded by individuals with no tangible experience or background in the very industries they plan to revolutionize. We tend to see efforts led primarily by developers, engineers, or tech entrepreneurs who bring in a panel of “advisors” to assist with navigating whichever industry they aspire to “disrupt.”

The team behind Ubcoin has been working together since 2009. We ardently focus on turning new technology into widely-adopted customer experience:

- We created Navifon, one of the best navigation software application at the time - first 3D/voice guidance navigation app in Russia for J2Me and other OS phones, even before Google and Yandex announced their 3D navigations. <https://en.wikipedia.org/wiki/Navifon>;
- We launched uTalk. First aggregator of social network sites allowed for seamless single-interface management of Google Talk, Facebook Chat, ICQ, Skype and many other networks. By 2010, over 5 million users have used uTalk regularly. Samsung, LG and Fly Mobile pre-installed uTalk app on more than 22 million smartphones. <https://en.wikipedia.org/wiki/Utalk>;
- We built Ubank. To date, over 16 million users had the app installed to ease the task of managing their daily finances spread across different banks, cards, services, even countries. Ubank brought it all together in one convenient and intuitive interface. The app processes tens of millions of transactions using its proprietary payment processing technology. Leading smartphone manufacturers, including Samsung, Fly and others pre-install Ubank on all of their smartphones destined for the markets of a dozen countries.

We know how to treat investors well and deliver on our promises. Ubank was the recipient of \$8 million in investments, the largest in any fintech company in its home market, in 2013. The investors exited the company in 2017 by means of a successful sale to strategic investor.



We constantly infuse new blood into our team, both technical and managerial talent. The technical team now numbers 51 superior programmers, designers, testers and other technical staff. In the recent 24 months, we recruited the head of the Brand Management team from Russia's largest online recruiting service. Also, we snapped up the leader who created the "2016 Best Mobile Banking App in Eastern and Central Europe" (according to Global Finance magazine), and who also is a seasoned COO and CFO, with experience, in his previous capacities, of raising over \$400 million of financing in international financial markets and sale of business to a major global investor, Siemens AG.

Our board of advisors includes pedigreed global business professionals and influencers, it is not stacked with pre-ITO hype-makers. The board of advisors are long-term trusted business partners.

## Felix Khachatryan

Founder and CEO of Ubcoin

Experienced entrepreneur with an excellent track record operating within the financial services industry. Skilled in Mobile Applications, Management, Software as a Service (SaaS), and Payments. CEO and founder of Ubank - one of the leading mobile wallets on the Russian market. Felix raised \$8 million in 2013 from Runa Capital, which is a leading Russian venture investment fund.



## Mazhar Jan

Founder and investor of Ubcoin

Director of Product Development and VAS at FLY Mobile (one of the TOP 5 smartphones brands in Russia). A highly-experienced Operations Executive in telecommunications with strong technical and business qualifications with an impressive track record of 22 years of hands-on experience in sales, strategic planning, business unit development, project and product management, and system engineering strategies. Responsible for sales growth of wireless products terminals-mobile phones from ground up resulting in over \$300 million in revenue – 2014, developed and launched over 200 mobile phones including over 100 smartphones and 15 tablets in last 5 years for Russian and CIS markets working with over 20 different ODMs in China and Korea.





## Andrew Lee

Founder and investor of Ubcoin

Commercial Director of Union Services. He has 20+ years of experience in global markets and mobile industry. With his strong international network with Samsung, Andrew Lee has been advising several international teams to streamline their processes.



## Stan Danysh

COO of Ubcoin

Now managing partner in Ubank, Stan was the deputy chairman, COO and Head of Digital at MDM Bank - one of the leading private banks in Russia. MDM's online banking program brought it recognition as "2016 Best Mobile Banking App in Eastern and Central Europe" according to the Global Finance magazine. Stan has 10+ years of experience as CFO including successful fundraising in the international markets of over \$400 million and sales of business to a major global investor, Siemens AG.



## Alex Putilin

CTO and chief blockchain developer of Ubcoin

Software Engineer with 15+ years of experience in commercial development. Currently, he focuses on data driven applications and smart contract development. He is a full stack software developer capable of handling the whole life-cycle of the development process.



## Marina Lerner

CMO of Ubcoin

Head of Marketing at Ubank from 2013, more recently head of brand management team in the HeadHunter Group (#8 of the TOP 20 most valuable Russian Internet companies according to Forbes 2018). Throughout this evolution we keep the original distinct entrepreneurial spirit alive, whilst the energy of our founders and core tech team continue to propel us towards the exploration of new global opportunities while concurrently improving our products.





Ubcoin Marketplace is a logical and exciting next business endeavor with the vision to improve the mass consumer experience by delivering a universal global marketplace where goods and services meet cryptocurrency. Utility and investment potential in one convenient quality product.



# Strategic Partners and Investors

The Ubcoin Marketplace is aligned with a select group of strategic partners, leveraging existing ties to develop a progressive vision for the future of the digital asset economy. Building national and international relationships with innovative companies enables resource-sharing, collaboration, and valuable opportunities to grow our company's success.

These strategic partners include:

- Samsung
- Fly
- Runa Capital





# Ubcoin Marketplace Product

## Product Value Foundation

Our product is founded on the following cornerstones:



**Cryptocurrency mass adoption.** We promote mass adoption of digital assets that are both a means of settlement and an investment vehicle, thereby enlarging benefits for all parties to everyday buy-and-sell interactions.



**Peer-to-peer interaction.** Cut out as many intermediaries from the value chain, as possible. The platform facilitates smart contract execution between independent parties. The Ubcoin Marketplace does not own any goods for sale, it is not biased in its search results, and protects fairness of smart contracts.



**Legal marketplace.** We pay special attention to ensuring the legitimacy of goods and services sold on the Ubcoin marketplace. We are developing an advanced AI technology to help pre-screen seller postings for any potential infringements of reason, morality, safety and due care. Seller profile transparency and verification will be strongly encouraged and promoted.



**Decentralization of transactions and settlements.** Blockchain allows for decentralized initiation, settlement and fulfillment of transactions. Payments are immediate upon performance under carefully crafted smart contracts.



**Impeccable interface.** Our interface design brings a harmonious and seamless experience of buying and selling goods globally. We will strive to open our API to the community in order to develop the best adaptation of the platforms for specific local needs of the global community.



**Open community.** Some transactions may, in the future, require additional KYC/AML procedures for execution of smart contracts for certain types of deals involving third-party providers (i.e. delivery companies, couriers, notaries). Ubcoin platform envisions seamless engagement of these parties.



## Product Description and Features

Ubcoin is a mobile app, which brings together sellers and buyers in one convenient marketplace, and facilitates payment in UBC cryptocurrency. The Ubcoin app provides convenient search tools, facilitates payments and regulates business relations between buyer and seller using a set of smart contracts on Ethereum blockchain. The platform will utilize the development of numerous tools for supplying rich information necessary for making decisions in regard to buying or selling products. Specifically, extensive and content-rich product descriptions, seller and buyer ratings, reviews, terms of sale and execution of smart contracts.

Ubcoin is not a new standalone app, it is a new set of features, a logical next step in development of Ubank, a leading mobile payments app in Eastern Europe.

### 16+ million

Ubank app downloads on Android and iOS. And over 5 million registered users globally.

### 2,5+ million

Monthly active users in Ubank and over 200.000 daily active users.

### 20+ million

Transactions are processed by Ubank system every year since 2013.

The new Ubcoin features of Ubank app include the following:

#### Storefront Section:

- Product categories screens;
- Product description screens;
- Smart-search engine with relevance algorithms based on search string, geography, product descriptions, user reviews and ratings, and prices;
- AI-based engine for pre-screening user posts, product descriptions, visual and video content.

#### Seller Account Management Section:

- Easy-to-use tools for creating and managing sale posts;
- Tools for promoting and targeting posted ads;
- Ad stats (views, clicks, conversions, reviews etc.);
- Terms of sale and payment management screens;
- Seller's cryptowallet;
- Review management screens;
- CRM.



#### Buyer Account Management Section:

- Saved favorites and previous searches;
- Buyer's cryptowallet;
- Purchasing history;
- Smart recommendations engine based on previous searches and purchase history;
- Purchase review management tools.

### Product Target Audience

Ubank surveyed its current users to measure interest in Ubcoin's potential product:

- 84% indicated their level of interest in cryptocurrencies was "high" or "above average";
- 79% expressed interest in Ubcoin service;
- 6% indicated they currently already own one or more types of cryptocurrencies;
- Among current cryptocurrency owners, only 2% indicated that they experience no complications when converting crypto to fiat for further spending on goods or services.

The target audience is comprised of individuals, ages between 25 and 45, with various income levels, who actively use smartphones, and share, to varying degrees, an interest towards the subject of cryptocurrencies and investments.

User personas based on interest in cryptocurrencies:

- Interested in becoming an investor in cryptocurrency, but do not see a clear process path or deem acceptable the risks of obtaining cryptocurrency due to the complexity of the process, safety risks (e.g. localbitcoins), potential repercussions from tax and regulatory treatment.
- Current holders of cryptocurrencies, who had invested in them over time and continue to do so. They wish to use crypto as a means of payment for goods to increase their quality of life, but encounter constant complications when converting to fiat currency due to the complexity of the process, safety risks (e.g. localbitcoins), potential repercussions from tax and regulatory treatment.



User personas based on interest in buying and selling goods

- Individuals, who wish to buy or sell various goods. For example, a smartphone, appliances, clothing items, artworks, jewelry, vehicles, property and so forth. In 2016, over 1.6 billion individuals sold or purchased goods online.
- Small-scale producers, who utilize marketplaces as the preferred format for selling their wares. Today, over 63% of this segment sell exclusively through online marketplaces, which allows them to avoid costs of building and supporting their own online storefronts. Typical assortment of items for sale averages 50 SKUs, focus is on selling in their domestic regional markets, and they employ no IT or online marketing staff.

## Product Usecases

Buyers of goods and services:

### Elsa, software engineer, Stockholm, Sweden

Elsa is a young software engineer from Sweden. She got excited about Bitcoin way back in 2011 and started mining. At first, she used her own desktop, then bought a few pieces of professional equipment. Today, Elsa has amassed quite a small fortune in digital currency. Sometimes she exchanges Bitcoin for altcoins as investment plays, but with increasing desire she would like to actually spend some of the coins on improving her everyday quality of life.

Going through online exchanges and cashing out into Swedish krona is quite cumbersome in large part due to significant commissions, complicated registration procedures and other limitations. Lately, she has been worried about frequent hacker attacks on coin exchanges. The last thing Elsa wants is to have some hacker steal her wealth.

Elsa's solution - one-click shopping on the Ubcoin Marketplace. She has bought home decorations, cosmetics, even tickets for a sold-out event from a guy, who would rather begin owning crypto than go to the fabulous concert.

### James, miner and crypto-investor, Vancouver

James is an early adopter and experienced user of cryptocurrency. He mined his first bitcoins, then expanded into altcoins, resulting in a diversified portfolio of digital currency assets. He wishes to make use of his digital investment foresight to build bridges into the physical realm, enjoying the purchasing power afforded by the crypto coins he owns.

He wishes to purchase goods and services directly with digital assets, and is dissatisfied with the current process because:

- Conversion from digital to fiat takes incommensurate effort;
- Whether through an exchange or fiat-conversion service, he pays high fees;
- Using p2p conversion sites, there is a high risk of fraud and endangerment.

James decides to use the Ubcoin Marketplace because transactions are settled in digital currency without fiat monies in conjunction with a secure digital smart contract. Furthermore, the marketplace offers a wide variety of goods and services he consumes in everyday physical life. He prefers to buy from locally-listed Ubcoin sellers. For example, he just bought a mountain bike from a guy living in English Bay, James also hired a crew from Burnaby to spruce up his front yard, and now has set his eyes on a few properties in West Van that are listed for sale in coins. Truly decentralized secure platforms have the potential of being used in local applications.



## Sellers of goods and services:

### Yoo Mi, aficionado of vintage clothing and accessories from Seoul

Yoo Mi derives great enjoyment from regularly foraging and finding exquisite vintage clothing and accessories, which she then puts up for sale on several specialized websites. Korean vintage is gaining steam and will follow the footsteps of K-Pop, conquering new fans all over the world.

She is, however, quite hesitant in dealing with overseas buyers of her vintage items – she never knows whether the buyers will deliver on the promise to pay. Additionally, each country has its own peculiar regulations and fees for international money transfers. Unfortunately, those potential fees are expenses that she incurs, ouch!

Living in Seoul, Yoo Mi can't help but be constantly surrounded by stories of her friends and relatives, down to her nephew Jihoo, who is still in college, making a killing from investments in bitcoin and many other coins she has never heard of. Yoo Mi knows she will never mine for cryptocurrencies, nor has she any desire to buy it on a digital exchange. If only there were a way to turn vintage into crypto without too much stress or discomfort from the unknown.

Yoo Mi discovered Ubcoin – she now sells her vintage goods and gets paid in Ubcoin from Busan to Sao Paolo, without having to worry about all the complexities, which scared her before. She now is a proud owner and crypto-investor and uses the Ubcoin Marketplace on a daily basis to broaden the reach to those who she makes happy with the joy of Korean vintage products. Most importantly, Yoo Mi learned she is well-protected because smart contracts with any buyer from any country are just as safe as selling in the flea market next door, and just as enticing in terms of investment like Jihoo's fancy crypto investment returns.

She is even planning to sign-up for premium service for her little business, giving her an option of auctioning off her vintage gems to the entire world and make more won for the buck, so to speak.



# Marketing Strategy

At the initial stages of the project the main focus will be customer acquisition and rapid geographic expansion. While exact timing of entering markets will change, we seek markets with a combination of substantial cryptocurrency contributor base or interest therein, warmer regulatory outlook on crypto transactions, underbanked population and proliferation of peer-to-peer transactions. We see significant potential in developing markets of Eastern Europe, Southeast Asia, South Asia, Middle East and Africa, Latin America.

One of the most important goals of ITO is to fund the global expansion. Depending on the success of the crowdfunding effort, we plan to spend between 25% and 40% for international marketing. Another main driver of the growth of business, starting in 2019, is attracting sellers from the SME sector who are more likely to actively use additional paid instruments for promoting the sales of their goods.



## Marketing strategy projections

|                                          | 2017* | 2018  | 2019  | 2020  | 2021  | 2022  |
|------------------------------------------|-------|-------|-------|-------|-------|-------|
| <b>Marketplace Activity</b>              |       |       |       |       |       |       |
| Gross merchandise value, \$ mil          |       | 222   | 1 035 | 1 572 | 1 947 | 2 535 |
| MAU, mln                                 | 2,50  | 3,50  | 8     | 15    | 17    | 19    |
| Number of sellers, mil per year          |       | 0,32  | 2,2   | 5,6   | 12,5  | 27,2  |
| Number of buyers, mil per year           |       | 0,32  | 1,5   | 2,2   | 2,8   | 3,6   |
| Number of transactions, mil per year     |       | 0,63  | 3,0   | 4,5   | 5,6   | 7,2   |
| <b>Avg check, \$</b>                     |       |       |       |       |       |       |
| p2p                                      |       | 351   | 350   | 350   | 350   | 350   |
| b2c                                      |       | 210   | 250   | 300   | 350   | 350   |
| b2b                                      |       | 1 900 | 2 000 | 3 000 | 3 000 | 3 000 |
| <b>Avg fees, % of transaction amt</b>    |       |       |       |       |       |       |
| p2p                                      |       | 1%    | 2%    | 3%    | 4%    | 5%    |
| b2c                                      |       | 2%    | 2%    | 2%    | 2%    | 2%    |
| b2b                                      |       | 2%    | 2%    | 2%    | 2%    | 2%    |
| <b>Share of transactions by segment</b>  |       |       |       |       |       |       |
| p2p                                      |       | 100%  | 95%   | 85%   | 60%   | 45%   |
| b2c                                      |       | 0%    | 5%    | 10%   | 30%   | 40%   |
| b2b                                      |       | 0%    | 0%    | 5%    | 10%   | 15%   |
| Avg annual number of sales per seller    | 4     |       |       |       |       |       |
| Avg annual number of purchases per buyer | 2     |       |       |       |       |       |
| Caclulated ARPU, \$                      |       | 0,63  | 2,55  | 3,75  | 5,40  | 7,50  |
| <b>Share of revenue sources</b>          |       |       |       |       |       |       |
| Commission                               |       | 95%   | 85%   | 75%   | 60%   | 50%   |
| Advertising                              |       | 5%    | 15%   | 25%   | 40%   | 50%   |

\* Existing Ubank app MAU

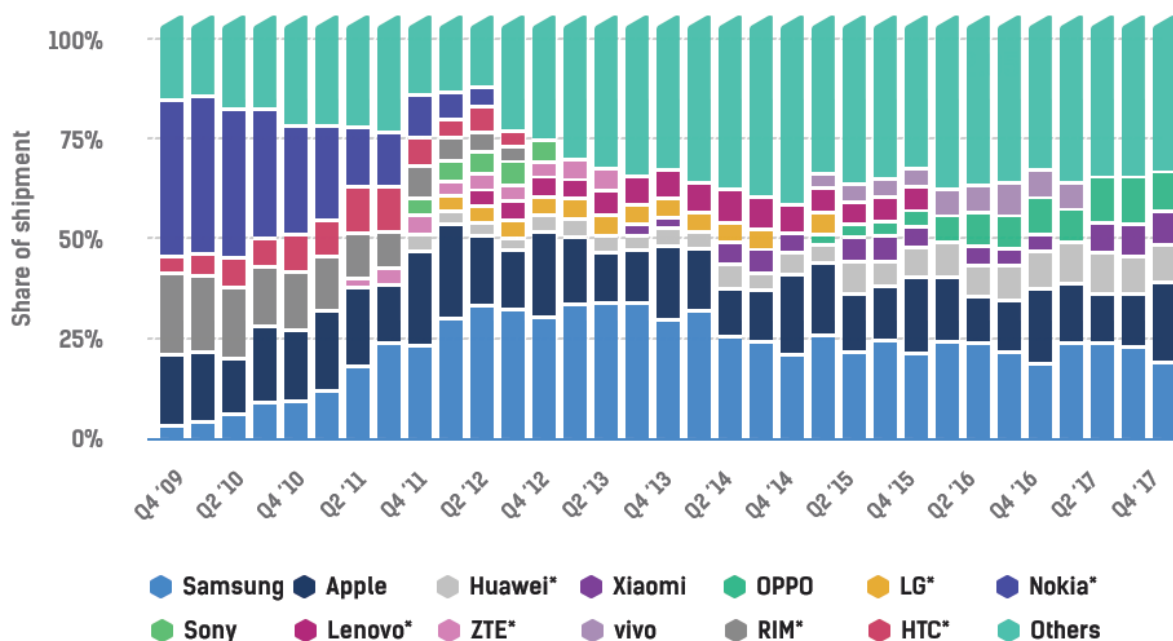
We see average check for different segments remain consistent with the current industry indicators. Average fees will be set far lower, starting from 1% at the launch of the project.

Calculated ARPU is lower due to marketplace being available only a fraction of the year. In the following years ARPU grows due to more volume coming from business customers and from gradual increase in seller fees and development of additional paid features to support freemium model.

## Distribution model and international expansion

Ubank's unique distribution model, where the app is preloaded by smartphone manufacturers into all new smartphones, has garnered much success in the CIS markets. We plan to extend this strategy and strike agreements with leaders in corresponding international markets. Worldwide, we have excellent relations with manufacturers who cover at least 40-45% of global smartphone sales.

## Global market share held by leading smartphone vendors from 4th quarter 2009 to 4th quarter 2017



**Additional information:** Worldwide; IDC; 4th quarter 2009 to 4th quarter 2017

Source: eMarketer, United Nations 2017



For each new country we enter, we plan to achieve “top of mind” position within two years through our pre-installation strategy and joint promotion with smartphone manufacturers.

To supplement our distribution strategy, we also plan to set up regional marketing teams to support local immersion activities, including forming and developing regional user communities, targeted advertising campaigns and coordinating marketing activities. Part of the marketing budget raised via token sale efforts will be spent on: deeper research of local markets, attracting top marketing talent in those markets, their operating costs and planned marketing campaigns.

Marketing activities for each geography will be comprised of the following:

- Brand management team;
- Traffic and ASO manager;
- SMM/community manager;
- Event manager;
- PR manager;
- User support team.

Marketing activities for each geography will be comprised of the following:

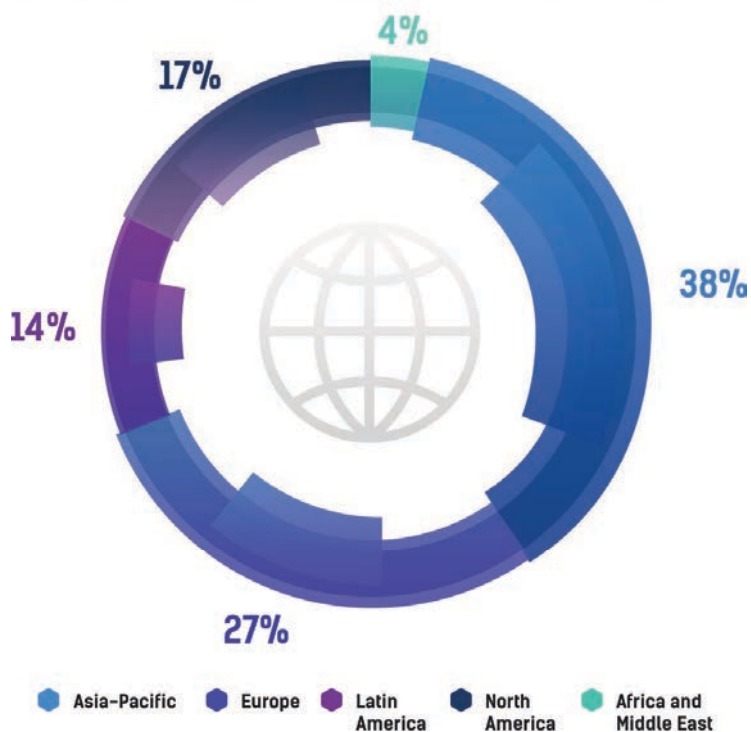
- SEO and ASO efforts to promote the Ubcoin Marketplace app to the top of web, AppStore and GooglePlay search results;
- Publications in local and regional press – at least 1,000 mentions for the first year;
- TV and outdoor advertising – at least 20,000 placements for the first year;
- SMM efforts – video and posts of influencers, local celebrities who endorse the project;
- Participation in regional networking opportunities such as conferences, seminars, panel discussions that are meaningful for the local target audience.

Initial aggressive media strategy is necessary for quick growth of Ubcoin’s brand recognition and user acquisition. Those efforts will be then followed by creation of active social network communities pertinent to local markets, where users will increase their product awareness, learn about cryptocurrencies and peculiarities of their local regulation, engage and interact with crypto enthusiasts, discover success stories of other users and so on. We view community-building as a cornerstone of long-term marketplace success due to cumulative network and viral effects, which are critical for success in our industry. It also will allow us to gradually reduce direct advertising expense and increase user retention rates, thus positively affecting the bottom line of the business. The speed of international expansion and level of marketing support will be hugely dependent on the success of the Token Sale event.

| Region                         | Projected Marketing and Support Budget, \$ mil<br>(scenarios depending on percent of hardcap raised during token sale) |            |             |
|--------------------------------|------------------------------------------------------------------------------------------------------------------------|------------|-------------|
|                                | 60% funded                                                                                                             | 80% funded | 100% funded |
| Europe                         | 2,5                                                                                                                    | 6          | 12          |
| China, South Korea             | 1,5                                                                                                                    | 4,5        | 8,5         |
| Middle East & Africa           | 1,5                                                                                                                    | 4,5        | 8,5         |
| Southeast & South Asia         | 1                                                                                                                      | 2,5        | 5,5         |
| Latin America                  | 1                                                                                                                      | 2,5        | 5,5         |
| <b>Total Budget</b>            | <b>7,5</b>                                                                                                             | <b>20</b>  | <b>40</b>   |
| <b>Budget share of hardcap</b> | <b>25%</b>                                                                                                             | <b>30%</b> | <b>40%</b>  |

The geographical expansion plan also closely tracks with existing geographical distribution of holders of crypto wallets, as illustrated by the joint Cambridge University and Visa benchmarking study.

### Cryptocurrency user share by region (based on combined wallet and payment provider data)



Source: Global Cryptocurrency Benchmarking Study, University of Cambridge, Visa (p.107)



## B2C and B2B expansion

The Internet Retailer Report 2017, authoritatively asserts that “for many smaller merchants, global marketplaces are a great place to reach consumers outside of their home markets since the online retailers have the resources to handle the obstacles to selling internationally, including language barriers, customs requirements and logistics and shipping. Furthermore, finding lower prices from international retailers on marketplaces is the top reason respondents say they shopped cross-border”. (Internet Retailer 2017, p. 8)

Starting in 2019, we plan to engage traditional marketing instruments to penetrate the b2c and b2b segments: lead generation, content-marketing, offline events including client conferences.

| Year | Projected Total Revenue, \$mil | Share from B2C | Share from B2B |
|------|--------------------------------|----------------|----------------|
| 2018 | 2,3                            | 0%             | 0%             |
| 2019 | 24                             | 5%             | 0%             |
| 2020 | 75                             | 10%            | 5%             |
| 2021 | 153                            | 30%            | 10%            |
| 2022 | 285                            | 40%            | 15%            |

B2C and B2B segments will begin growing once a lively P2P marketplace has established itself and formed a loyal audience that is interesting to business clients.

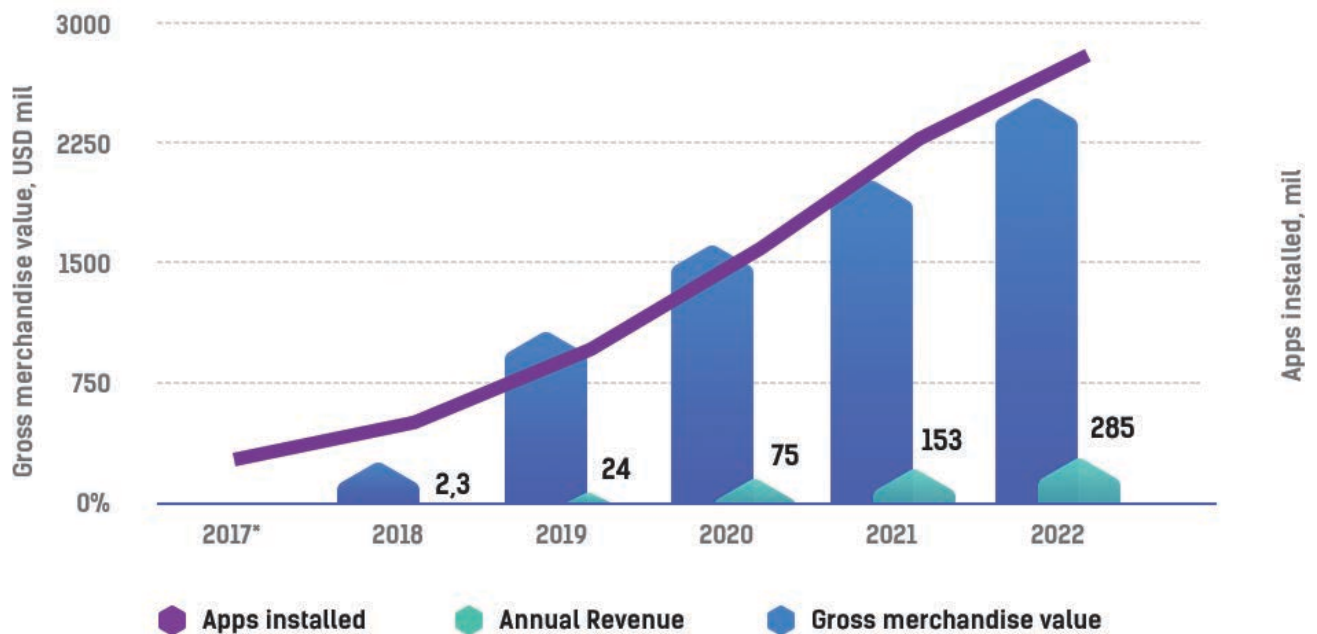


# Business Model

Ubcoin's business model is commission and advertising based. The general strategy of revenue stream structuring at Ubcoin's marketplace is:

- 1) Freemium for sellers;
- 2) Free for buyers;
- 3) Paid advertising.

## Projected Ubcoin Growth



\*including existing uBank app



## Commission revenue streams

- The marketplace plans to charge sellers a small commission for each successful sale. For early adopters we will offer two commission-free sales per month. Users, who underwent a simplified KYC procedure, qualify for reduced commission schedule;
- The marketplace will develop a special commission schedule for sale of luxury/expensive items (determined by certain price level), likely as % of sales price;
- The marketplace will charge a share of price excess over minimum sales price for auction-type sales;
- The marketplace will charge a fixed commission for choosing non-standard smart contract schemes through the platform's contract management tool;
- Buyers will pay no commission.

## Advertising revenue streams

- A number of advertising/promotion tools will be made available to sellers in the marketplace, including premium placement, segment targeting, demo targeting, community creation, product/community feeds and blogs, virtual storefront distinction items, bot tools, etc.



## FINANCIAL PROJECTIONS, \$ mil

|                                                    | 2018          | 2019         | 2020         | 2021          | 2022          |
|----------------------------------------------------|---------------|--------------|--------------|---------------|---------------|
| Commission revenue                                 | 2,2           | 20           | 56           | 92            | 143           |
| Advertising revenue, incl:                         | 0,1           | 4            | 19           | 61            | 143           |
| Premium placement                                  | 0,1           | 3,2          | 15,0         | 39,8          | 85,5          |
| Segment targeting                                  | -             | 0,2          | 1,9          | 9,2           | 21,4          |
| Storefront premium features                        | -             | 0,2          | 1,9          | 12,2          | 35,6          |
| <b>Total Revenue</b>                               | <b>2,3</b>    | <b>24,00</b> | <b>75,00</b> | <b>153,00</b> | <b>285,00</b> |
| <b>Expenses</b>                                    |               |              |              |               |               |
| <i>Ubcoin Product Development, incl:</i>           |               |              |              |               |               |
| Labor                                              | 7,8           | 14           | 15           | 17            | 18            |
| Infrastructure                                     | 5,0           | 8            | 10           | 11            | 12            |
|                                                    | 12,8          | 22           | 25           | 28            | 30            |
| <i>Marketing &amp; Client Care, by geography</i>   |               |              |              |               |               |
| Europe                                             | 4,0           | 8,0          | 9            | 11            | 13            |
| South Korea, China                                 | 0             | 8,5          | 11           | 15            | 20            |
| Middle East                                        | 0             | 8,5          | 10           | 12            | 12            |
| Southeast Asia & South Asia                        | 0             | 5,5          | 9            | 12            | 15            |
| Latin America                                      | 0             | 5,5          | 7            | 10            | 15            |
|                                                    | 4,0           | 36           | 46           | 60            | 75            |
| <i>App Distribution Pmt to Manufacturers</i>       | 6,3           | 13           | 21           | 22            | 15            |
| Preinstallations by manufacturers                  | 70%           | 65%          | 60%          | 55%           | 50%           |
| Organic app downloads                              | 30%           | 35%          | 40%          | 45%           | 50%           |
| <i>Legal &amp; KYC</i>                             | 1             | 5            | 4            | 4             | 4             |
| <i>General &amp; Administrative</i>                | 1,2           | 2            | 3            | 4             | 5             |
| <b>Total operating &amp; development expenses</b>  | <b>25,3</b>   | <b>78,0</b>  | <b>99,0</b>  | <b>117,5</b>  | <b>129,3</b>  |
| <b>Net Income/(Loss) before Burn &amp; Buyback</b> | <b>- 23,0</b> | <b>- 54</b>  | <b>- 24</b>  | <b>36</b>     | <b>156</b>    |
| Funds raised during token sale, \$ equiv           | 100           |              |              |               |               |
| Burn program expense                               |               |              |              | 5             | 7             |
| Buyback program expense                            |               |              |              | 4             | 16            |
| Remaining in investment, \$ equiv                  | 77            | 23           | - 1          | 26            | 159           |

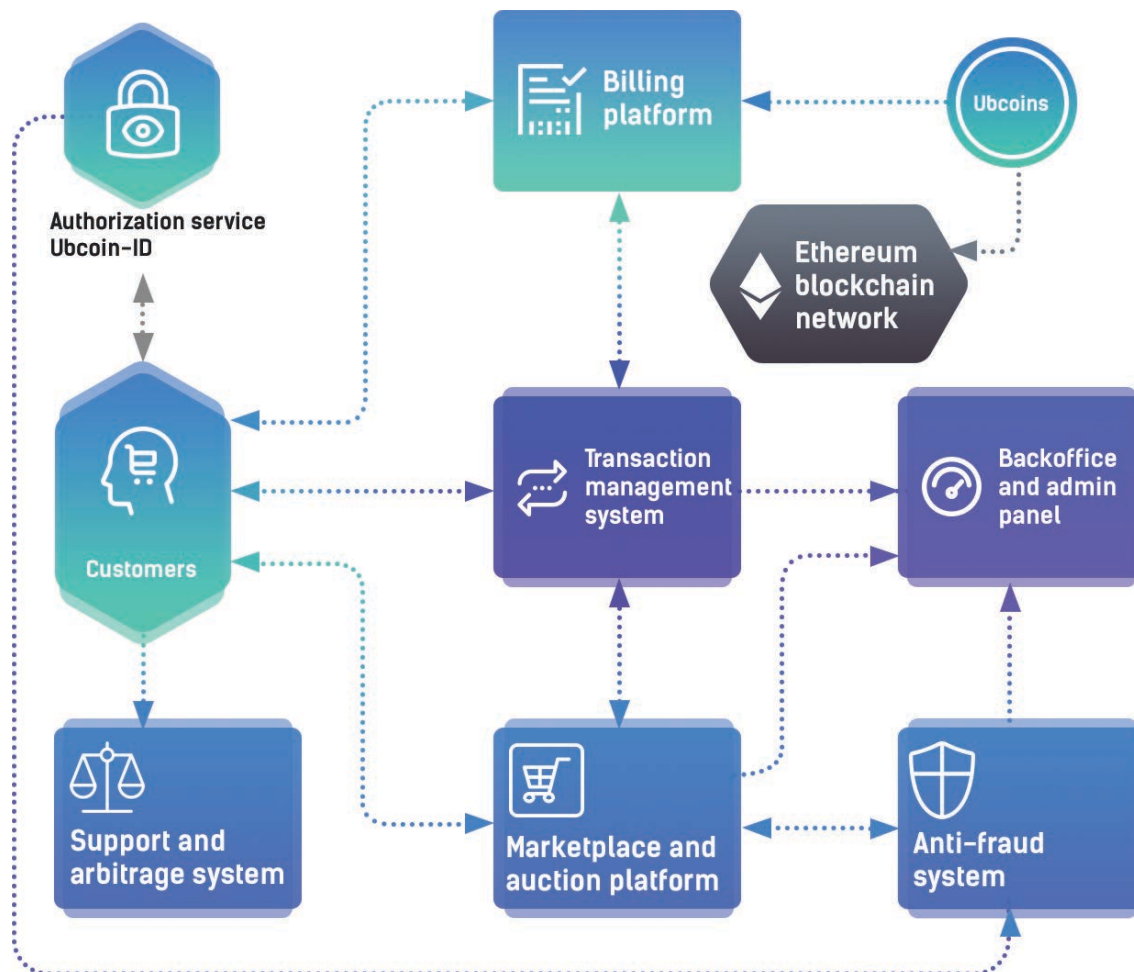
# Technology

The Ubcoin Platform applies blockchain technology to create, manage, and operate tokenized cryptocurrency. The platform operates on Ethereum-based smart-contracts.

## Platform structure. Architecture scheme.

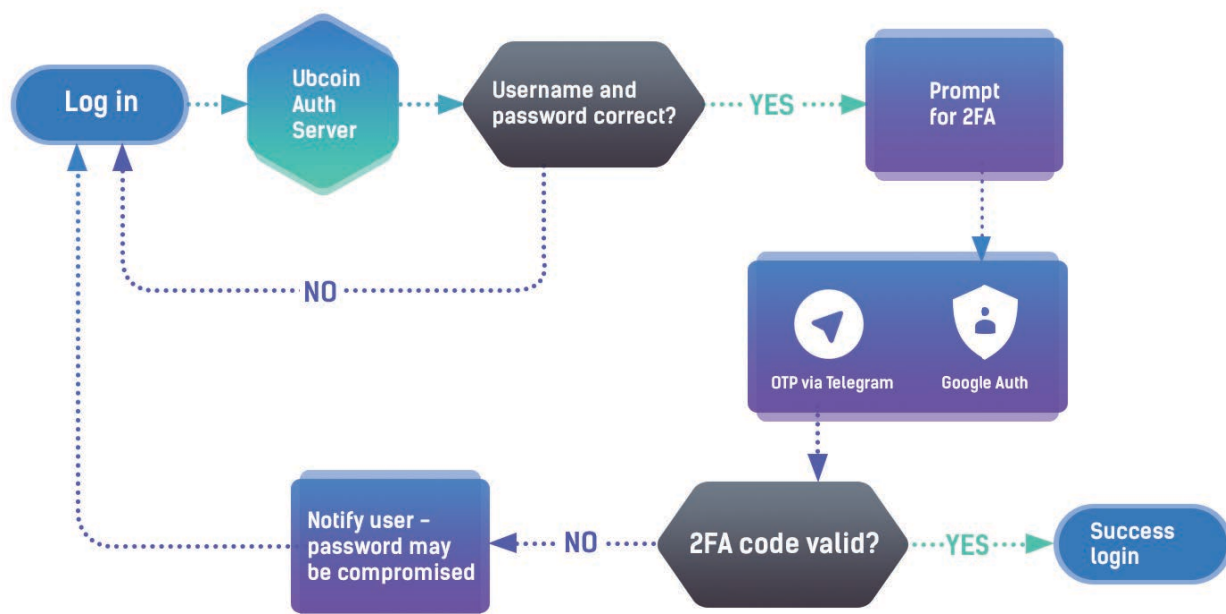
Basic system modules:

- 1) Authorization service Ubcoin-ID;
- 2) Billing system (wallet management, deposit/withdrawal, internal transactions);
- 3) Anti-fraud system (AI, internal regulations, ML);
- 4) Ad platform (placement and management, premium functionality, catalogue and search);
- 5) Auction platform (auction placement and management);
- 6) Transaction management system (holding of funds, transaction confirmation, transaction history);
- 7) Moderator and system administrator office;
- 8) Customer support and arbitration system.



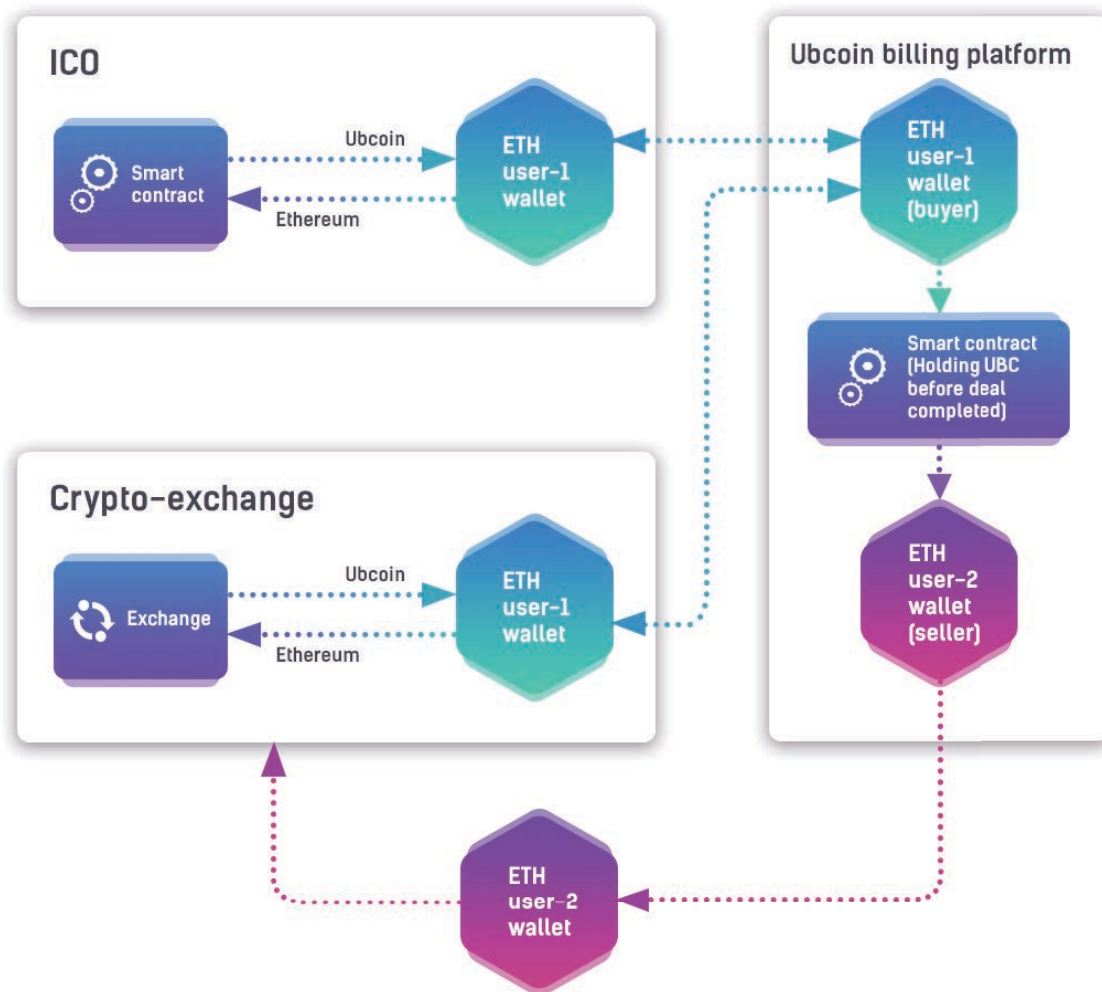
## Authorization and security

1. User authorization requires an email address and a password
  - a. Upon authorization the user enters an email address and a password.
  - b. If 2FA service is enabled, the user is to enter an additional password received via Google Authenticator or the Telegram bot.
  - c. 2FA via Telegram
    1. The user is to add UBCoinBot to his/her Telegram account
    2. Each time the user enters the application, he presses the button to get the password. After that, the Telegram bot generates a new password.
    3. To enhance security in case that user data are suspected to be compromised, the bot may request the user to send the current location. The received location will be compared by backend software to the location of the user that is trying to access the application.
2. Security of payment transactions and other Ubcoins operations.
  - a. In order to make a payment, it is necessary to enable 2FA service. In case of money deposit/withdrawal the system will request 2FA user password.
  - b. Security keys to the wallets inside the system are stored on a separate server which is different from the one that stores the backend.



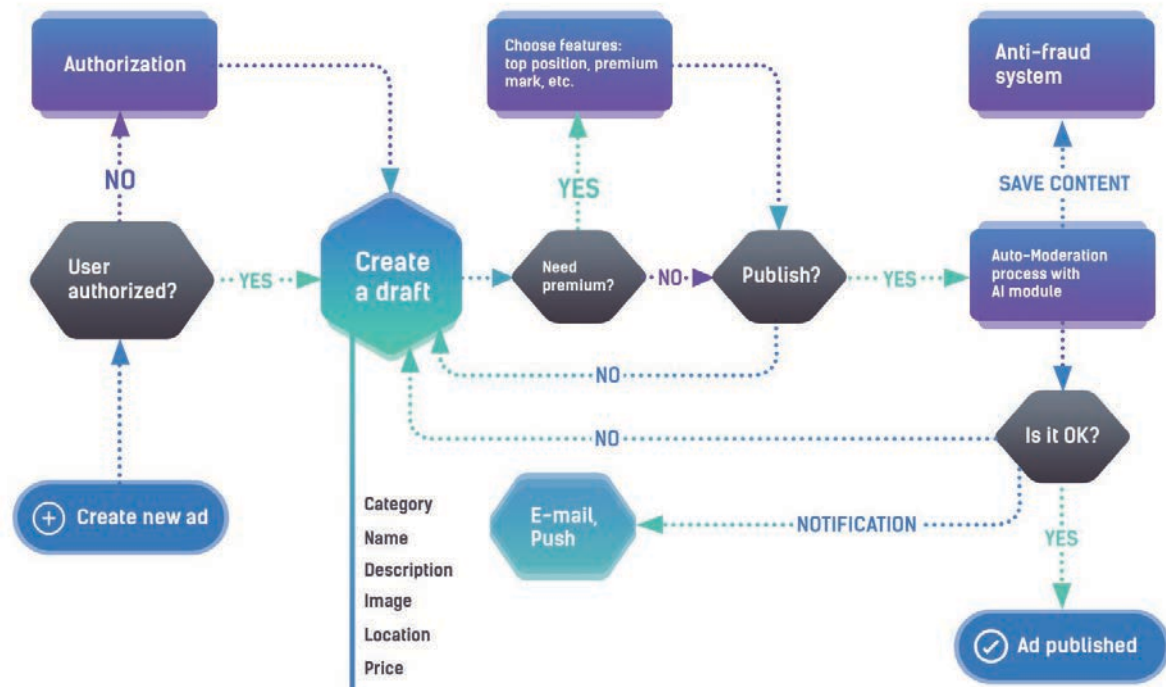
## Billing system (wallet management, deposit/withdrawal, internal transactions)

1. All Ubcoin wallet operations are performed in the application;
2. Upon registration in the system, the user receives access to an Ethereum wallet, that belongs to the system and is linked to the user. In order to top-up a Ubcoin wallet the user is to enter the wallet number that he received upon registration;
3. In order to withdraw funds, the Ubcoin user is to specify the Ethereum wallet to which the money will be transferred. The transaction is protected by the payment password.



## Ad placement. Ad search. Ad management. Categorization. Verification, fraud protection.

1. Ad placement:
  - a. Only users that went through the primary identification can place an ad;
  - b. The user presses the “create new ad” button;
  - c. Chooses the category;
  - d. Adds a description;
  - e. Attaches images;
  - f. Adds the price;
  - g. Specifies the meeting location;
  - h. At this stage, the user is offered various additional paid services: premium ad, top position placement for several days etc.;
  - i. After that, the ad is pre-moderated (including images validation, text content check, anti-fraud filters etc.);
  - j. If the ad moderation is successful, it is published in the system, and the author receives a push/email notification of the publication;
  - k. If the ad moderation fails, the author is notified via email of the refusal and the reasons for it.



## 2. Ad search:

- a. The system offers the user the following ad search options:
  - i. Category search;
  - ii. Price filter;
  - iii. Publication date filter;
  - iv. Seller ratings filter;
- b. During the search the user can perform the following actions with the ads he likes:
  - i. Add the listing to favourites;
  - ii. Use ad tracking service (price change and other dynamic parameters);
  - iii. Contact the seller via a personal message linked to the merchandise;
  - iv. To report the ad to the administration, specifying the reason: spam, abusive content etc.

## 3. Ad management:

- a. The user can perform the following actions with his ads:
  - i. See the whole ad list in the selected section in the application;
  - ii. Change the price, description, images. Any changes to the add lead to pre-moderation before publishing the ad again;
  - iii. Promote the ad in the search;
  - iv. Enable/disable additional services;
  - v. Stop the ad from appearing in the search.

## 4. Verification, fraud protection:

- a. Verification includes two aspects: content check and anti-fraud.
- b. Content check:
  - i. In order to detect inadmissible images and text, the application uses machine learning technologies and AI. The system has a built-in set of regulations describing inadmissible content criteria. Based on these regulations, the system checks the content with the help of neural networks featuring innovative technologies, such as Machine Learning и AI (TensorFlow, deeplearning4j etc). The technological solutions are provided by the market leader TensorFlow.
- c. Anti-fraud
  - i. Anti-fraud uses technologies similar to those in clause 4.b.i, but follows different rules.
  - ii. Examples of criteria used in anti-fraud mechanisms:

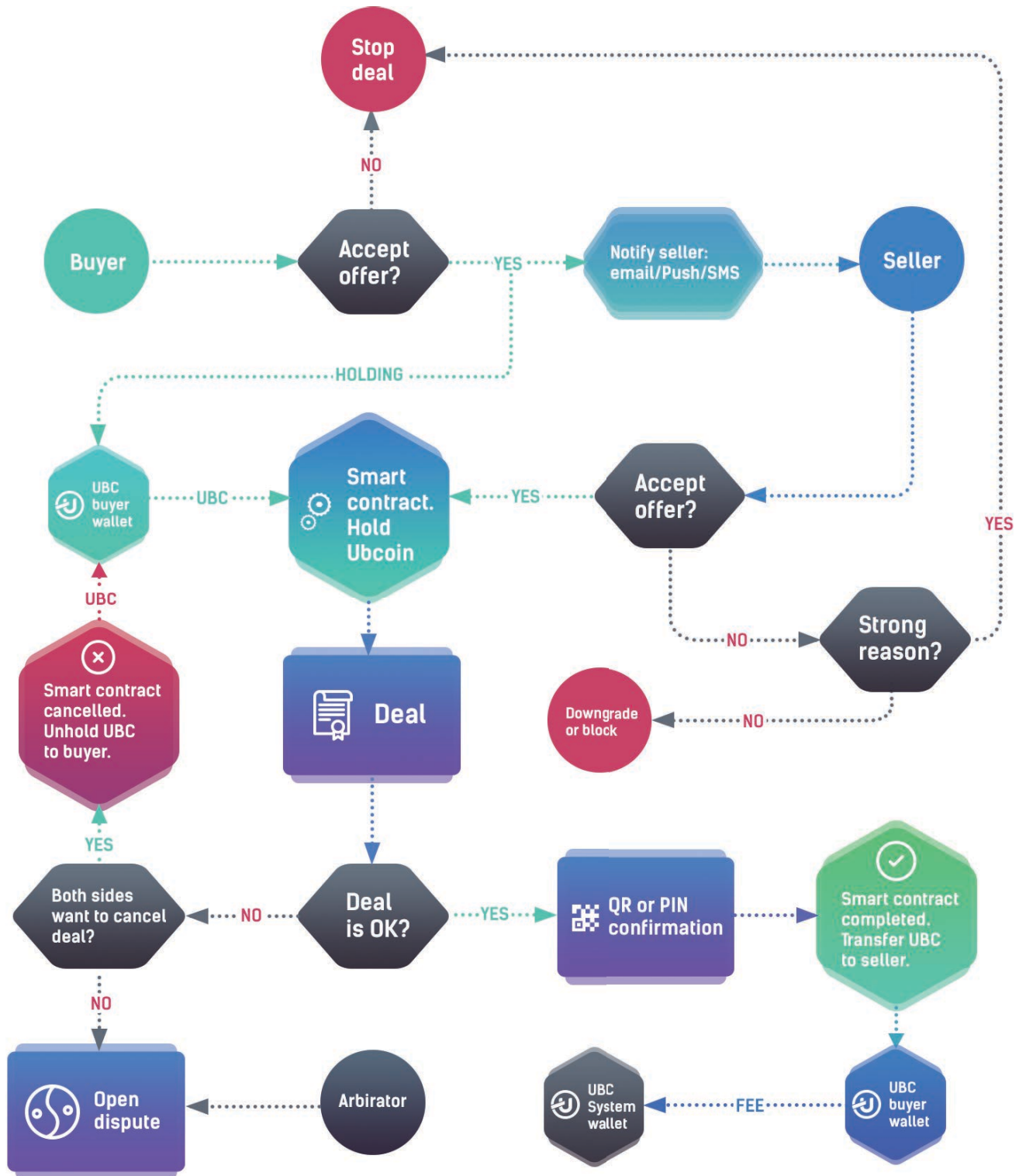


1. The number of ads from a single account in one category;
2. The total number of ads in the system;
3. Suspicious activity of a newly created account on the first day ;
4. Ads published by different accounts from the same IP address;
5. Ads published by different accounts from the same mobile device.

## **Transaction execution process**

1. The user wants to buy the merchandise from the ad and presses the “buy” button
2. After that the sum equal to the merchandise price is held in his/her wallet inside the system.
3. The buyer and the seller meet. The buyer examines the merchandise. There are three scenarios of closing the deal:
  - a. the deal is successful
  - b. the deal is cancelled by mutual agreement
  - c. the deal is cancelled because either the seller or the buyer refused to proceed with it.
    - i. The seller decided not to sell the merchandise for some reason. In this case, the platform reimburses the money to the buyer and lowers the seller’s rating.
    - ii. The buyer is not satisfied with some details before the deal (the merchandise condition, specifications etc.).
      1. If the seller agrees to the cancellation, the further process is as described in clause 3.b.
      2. The seller does not agree with the buyer’s arguments and does not want to cancel the deal. In this case, the deal goes to arbitration.
      3. The buyer is dissatisfied within one day after the deal. In this case the buyer has the right to go arbitration. The money can be reimbursed to the buyer only with the seller’s agreement. If the arbitration results in the arbiter’s taking the buyer’s side, it leads to lowering the seller’s rating.

If the parties agree that the deal is to be closed, the seller hands over the merchandise to the buyer, the buyer scans the QR code on the seller’s phone (the QR code is generated for the merchandise when the ad is placed on the platform) and thus confirms the money transfer to the seller’s account. The money is withdrawn from the buyer’s account and transferred to the benefit of the seller. The transaction is considered closed.



## **Dispute Arbitration Procedures**

Smart contract requires both parties to sign off on settlement of the transaction. The platform holds buyer's funds in escrow while goods are in transit. Once received, if the goods are not of described quality or condition, the buyer's funds are not released to the seller. If parties fail to settle amicably on their own, then the platform provides a two-tier dispute arbitration service.

First tier of arbitration consists of two selected Ubcoin users with high enough rating and relevant to the geography, product, type of sale that is in dispute. If the dispute parties are not satisfied with the user arbitration, it goes to the second-tier – a Ubcoin arbiter who is a support staff member of Ubcoin. Funds/goods are released to the party found wronged by non-performance of the other party. Guilty party's rating on the platform is decreased. Repeat offenders are suspended for a limited time. Worst offenders are banned from the platform.

User of the platform are motivated to act as arbiters by a small fee reward and increased profile/user rating for quality arbitration. High user ratings qualify the user for preferential platform fee schedule and access to more premium features of the marketplace.

## **Integration with third parties and delivery services**

The existing Ubank app, which Ubcoin Marketplace will become a part of once developed, is a fintech business that relies on close integration with many third-party providers of products and services offered in the Ubank financial marketplace. Users can apply for credit and debit cards from several banks, source loans from over two dozen financial institutions, purchase insurance from leading insurers, pay to over 4000 different service providers. We have also integrated with many payment providers, processors, offline and online businesses that drive value for the marketplace users. Finally, we are already integrated with a number of delivery companies that allow for app-to-door service. A plastic card ordered through Ubank is typically delivered to the customer within 1-3 days, and that's quite a feat in a country that spans 11 timezones and stretches for over 9000 kilometers wide. Over the years we have built great expertise in integration with delivery services and other third-party providers.



# Token Details

- Token Parameters

|                           |                                                                                |
|---------------------------|--------------------------------------------------------------------------------|
| Role of token             | Utility token for settlement of smart contracts and fees on Ubcoin Marketplace |
| Token abbreviation        | UBC                                                                            |
| Token name                | UBCoin                                                                         |
| Emission rate             | No new tokens will ever be created after token sale end                        |
| Maximum supply (Hard Cap) | 650 000 000 UBC                                                                |
| Token network             | Ethereum (ERC20 extended)                                                      |

- Token Supply Distribution

The maximum supply of tokens will be distributed as follows:

| Distribution of Hard Cap | Per cent of Maximum Supply | Max Quantity of tokens |
|--------------------------|----------------------------|------------------------|
| Limited Private Pre-Sale | 5%                         | 32 500 000             |
| Public Placement (ITO)   | 45%                        | 292 500 000            |
| Team Allocation*         | 12%                        | 78 000 000             |
| Bounty & Advisors*       | 4%                         | 26 000 000             |
| Community Rewards*       | 3%                         | 19 500 000             |
| Reserve Pool*            | 31%                        | 201 500 000            |
| <b>Total Supply</b>      | <b>100%</b>                | <b>650 000 000</b>     |

\* Non-public distributions will be pro-rated according to the share of tokens sold at the limited private pre-sale and public placement combined. No dilution of public token purchasers will occur. Hard Cap will be reduced accordingly.



- Limited Private Pre-Sale

The limited private token pre-sale is exclusive to contributors wanting to contribute 5 ETH or more. To be a part of the private sale you must email [hello@ubcoin.io](mailto:hello@ubcoin.io) with your full name, contribution amount in ETH and your email address. We will respond with a few simple auditing questions. Once verified, we will then add your address to the whitelist within the smart contract so that your contribution is accepted.

The private pre-sale has an exclusive token sale rate. Allocation is done on a first-come-first-served basis for a total maximum lot of 32 500 000 tokens.

|                               |                                                                     |
|-------------------------------|---------------------------------------------------------------------|
| Begins                        | 10 March 2018 00:00:00 GMT                                          |
| Ends                          | 31 March 2018 23:59:59 GMT, or earlier upon reaching stage Hard Cap |
| Hard Cap for Private Pre-Sale | 2 900 ETH                                                           |
| Placement Price               | 1 UBC = 0.0000535705 ETH (or 1 ETH = 18 667 UBC)                    |
| Discount to Token Sale Price  | 57%                                                                 |

Contact us at [hello@ubcoin.io](mailto:hello@ubcoin.io) for more details, or join us on Telegram and direct message one of the team members for more information.



- Public Token Sale Details

Tokens will be offered to the public in three stages within general terms of UBC token sale. Each stage differs only in terms of placement price per token.

General terms of UBC token sale (estimated dates, may be subject to change):

|                            |                                                                           |
|----------------------------|---------------------------------------------------------------------------|
| Begins                     | 2 April 2018 00:00:01 GMT                                                 |
| Ends                       | 27 August 2018 23:59:59 GMT, or earlier upon reaching stage Hard Cap      |
| Hard Cap (Maximum Supply)  | 26 100 ETH                                                                |
| Minimum Transaction Amount | 0.01 ETH                                                                  |
| Token Price                | Price schedule for each stage below                                       |
| Distribution               | Smart contract is used to generate and transfer tokens upon receiving ETH |

Stage 1 of Token Sale:

|                              |                                                  |
|------------------------------|--------------------------------------------------|
| Begins                       | 2 April 2018 00:00:01 GMT                        |
| Ends                         | 21 April 2018 23:59:59 GMT                       |
| Placement Price              | 1 UBC = 0.0000892857 ETH (or 1 ETH = 11 200 UBC) |
| Discount to Token Sale Price | 29%                                              |



#### Stage 2 of Token Sale:

|                              |                                                  |
|------------------------------|--------------------------------------------------|
| Begins                       | 22 April 2018 00:00:00 GMT                       |
| Ends                         | 11 May 2018 23:59:59 GMT                         |
| Placement Price              | 1 UBC = 0.0001000000 ETH (or 1 ETH = 10 000 UBC) |
| Discount to Token Sale Price | 20%                                              |

#### Stage 3 of Token Sale:

|                              |                                                 |
|------------------------------|-------------------------------------------------|
| Begins                       | 12 May 2018 00:00:00 GMT                        |
| Ends                         | 31 May 2018 23:59:59 GMT                        |
| Placement Price              | 1 UBC = 0.0001041667 ETH (or 1 ETH = 9 600 UBC) |
| Discount to Token Sale Price | 17%                                             |

#### Stage 4 of Token Sale:

|                              |                                                 |
|------------------------------|-------------------------------------------------|
| Begins                       | 1 June 2018 00:00:00 GMT                        |
| Ends                         | 20 June 2018 23:59:59 GMT                       |
| Placement Price              | 1 UBC = 0.0001086957 ETH (or 1 ETH = 9 200 UBC) |
| Discount to Token Sale Price | 13%                                             |

#### Stage 5 of Token Sale:

|                              |                                                 |
|------------------------------|-------------------------------------------------|
| Begins                       | 21 June 2018 00:00:00 GMT                       |
| Ends                         | 10 July 2018 23:59:59 GMT                       |
| Placement Price              | 1 UBC = 0.0001116071 ETH (or 1 ETH = 8 960 UBC) |
| Discount to Token Sale Price | 11%                                             |



Stage 6 of Token Sale:

|                              |                                                 |
|------------------------------|-------------------------------------------------|
| Begins                       | 11 July 2018 00:00:00 GMT                       |
| Ends                         | 30 July 2018 23:59:59 GMT                       |
| Placement Price              | 1 UBC = 0.0001136363 ETH (or 1 ETH = 8 800 UBC) |
| Discount to Token Sale Price | 9%                                              |

Stage 7 of Token Sale:

|                              |                                                 |
|------------------------------|-------------------------------------------------|
| Begins                       | 31 July 2018 00:00:00 GMT                       |
| Ends                         | 19 August 2018 23:59:59 GMT                     |
| Placement Price              | 1 UBC = 0.0001157407 ETH (or 1 ETH = 8 640 UBC) |
| Discount to Token Sale Price | 7%                                              |

Stage 8 of Token Sale:

|                 |                                                 |
|-----------------|-------------------------------------------------|
| Begins          | 20 August 2018 00:00:00 GMT                     |
| Ends            | 27 August 2018 23:59:59 GMT                     |
| Placement Price | 1 UBC = 0.0001250000 ETH (or 1 ETH = 8 000 UBC) |



- Unsold Tokens

Tokens are minted only upon payment with ETH, thus no unsold tokens will be created at the close of token-generation event.

- Token Payment Methods

We accept only ETH from ERC-20 token standard wallets, sending ETH from exchanges may result in a loss of your funds.

- Team Vesting, Anti-Dumping Measures

Ubcoin team allotment of UBC is intended to be locked for the first six months after the date of distribution, and will be vested over a period of 12 months following the end of lock-up period, at 25% each quarter.

- Reserve Pool

During the initial stage of Ubcoin Marketplace development, at least 31% of the entire supply will be retained by Ubcoin Reserve Pool to protect the nascent utility token from speculative trading and to maintain flexibility at the early stages of the evolution of the system. The Ubcoin Reserve Pool may be released in limited allotments by decision of the Board of Directors to ensure the long-term returns and liquidity for UBC community.



The Ubcoin Reserve Pool tokens will be priced according to the following formula:

$$\text{Price}_n = \text{Stage 3 Placement Price} \times (1 + 1/250\,000\,000)^n$$

The price of each successive token will be higher than the previous one by one two hundred fifty millionth. As a result, the additional supply coming from the Ubcoin Reserve Pool will always be more expensive than the price paid by any of the existing buyers during Token Sale.

- Token Sale Registration & Whitelisting

Our token sale requires users investing over 50 ETH to pass our KYC (Know Your Customer) checks. Our registration form only requires very basic details. We request that you send one piece of ID (e.g. passport, drivers license), current residence address, telephone number, and email to [info@ubcoin.io](mailto:info@ubcoin.io) with subject line: KYC for investment. We will review this information and if everything checks out, your ETH contribution address will be whitelisted and your address will be allowed to make contributions during the token sale period. If there are any issues with your registration data, we will be sure to reach out to make sure things are amended as soon as possible.

Registration opens as early as March for participants wanting to whitelist their addresses as soon as possible.

- Exchange Listing

We are undergoing the listing process on five major exchanges. These undertakings will be completed within reasonable timeframe of the finalization of ITO.



# Why contribute to Ubcoin?

Ubcoin cuts through the hype with a sound application utilizing new revolutionary technology to bridge the gap between crypto and the real world. Contributors are not betting on an unknown invention or just an idea. The value stems from an experienced team and a transparent business model solving a real problem and capturing a tangible opportunity that no one knows better than the crypto Contributors. Ubcoin Marketplace seizes the following opportunities :

- How to use digital tokens for real world purchases?
- How to obtain digital tokens for a newbie mass consumer?

## Summary of Project Credentials

- Mature existing company, since 2009;
- Current product, Ubank, has over 16 million installations worldwide;
- 50+ developers and top management and advisor talent;
- Ubcoin will enhance and reinvent existing product value proposition;
- Samsung and Fly pre-install current product on all smartphones, sold in CIS, including the Samsung's flagship Galaxy 9.

## Summary of Preferences for Early contributors

| Contribution Stage       | Discount to Stage 8 of Token Sale Placement Price |
|--------------------------|---------------------------------------------------|
| Limited Private Pre-Sale | 57%                                               |
| Stage 1 of Token Sale    | 29%                                               |
| Stage 2 of Token Sale    | 20%                                               |
| Stage 3 of Token Sale    | 17%                                               |
| Stage 4 of Token Sale    | 13%                                               |
| Stage 5 of Token Sale    | 11%                                               |
| Stage 6 of Token Sale    | 9%                                                |
| Stage 7 of Token Sale    | 7%                                                |



## Summary of Long-Term Value Enhancing Measures

Ubcoin token is native to the peer-to-peer marketplace ecosystem. Smart contracts will not accept any other cryptocurrency for facilitating transactions in the marketplace. As volume of sales and purchases on the marketplace grows, demand for Ubcoin token will organically increase.

Long term value for those tokens starts at utility and their price also relies on supply and demand. In order to manage supply, help reduce volatility and enable persons who need UBC to obtain them, Ubcoin has created a five-pronged approach:

- 1) The creation of a Reserve Pool, as described in previous section, ensuring that no new tokens may enter into circulation at prices lower than those paid during Token Sale.
- 2) We intend that holders of Ubcoin tokens will be offered discounts on fees based on their overall UBC holdings. The more UBC they own, the higher the discount will be. This will likely incentivize clients to buy and hold UBC, further reducing the available supply.
- 3) Reasonable vesting and anti-dumping prevention mechanisms, as set in previous section.
- 4) The creation of a Token Buyback Program, funded with up to 10% of Ubcoins's net operating profits annually.
- 5) The creation of Burn Program, which will methodically reduce supply the more successful the business becomes.

The details of items 4 and 5 are outline as follows below:

- Token Buyback Program

The UBC Buyback Program, funded with up to 10% of Ubcoins's net operating profits annually, will be created. Ubcoin intends to use the UBC Buyback Program to support the stability of UBC on the exchanges as needed. To facilitate liquidity on both buy and sell sides, UBC bought back by Ubcoin will be sold onto the exchange as needed depending on the underlying demand. A key feature of the buyback program is that the buyback offer price is: the larger of (a) token purchase price during private limited pre-sale or public token sale, or (b) current market price, (c) and the larger value multiplied by a factor of 1.1.



IMPORTANT: Net Operating Profit here refers to net operating profits once Ubcoin is fully operational and does not in any way relate to the sums collected by way of the scheduled Pre-Sale or Token Sale. Purchasers have no rights in respect of the Token Buyback Reserve and the use of the profits is at Ubcoin's discretion and control. It is also subject to applicable legal and regulatory requirements. Gauging the possible size of this reserve is difficult at the outset of the initial Token Sale. Projections may generally be based on market size and capitalization, as well as speculation based on published data from competitors and general market research.

- Burn Program

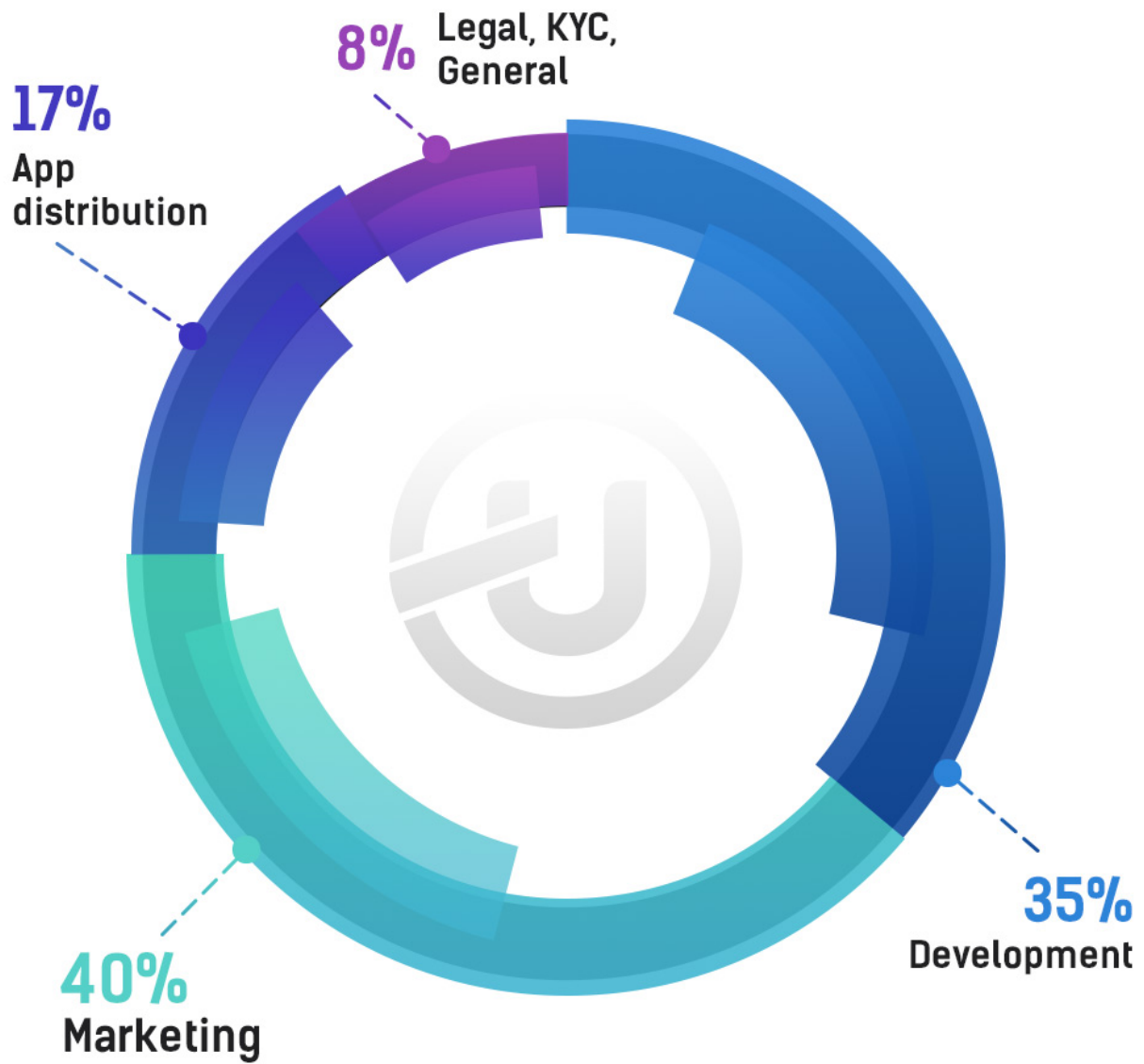
We expect that demand for UBC will rise with usage of Ubcoin's marketplace. Rising demand may result in higher prices over time. Each time a fee is paid, an equivalent of 5% amount of UBC fee amount will be burned. As usage of the platform accelerates, the availability of the UBC token will diminish, thus decreasing supply and helping to maintain a competitive economic model for UBC.

However, there is no guarantee as to the price of UBC following the sale, nor that Ubcoin's secondary market will be available at that time. Any UBC price will depend on a number of factors. Prospective purchasers should not buy UBC for speculative purposes.



# Funds Allocation

Current use of funds is envisioned as set out below:





# Roadmap

|                   | Target                                                                                                                                                                                                                                                             |
|-------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| March - July 2018 | <ul style="list-style-type: none"><li>• Conduct Limited Private Pre-Sale and Token Sale</li></ul>                                                                                                                                                                  |
| June 2018         | <ul style="list-style-type: none"><li>• Beta Ubcoin Marketplace developed for existing Ubank app</li></ul>                                                                                                                                                         |
| Aug 2018          | <ul style="list-style-type: none"><li>• Larger development team is formed</li><li>• Beta smart-contract platform developed</li><li>• Support &amp; verification team formed</li><li>• UBC token is listed on major exchanges</li></ul>                             |
| Sept 2018         | <ul style="list-style-type: none"><li>• Beta-testing of MVP through existing app distribution channels with leading smartphone manufacturers</li></ul>                                                                                                             |
| 4 Q 2018          | <ul style="list-style-type: none"><li>• Marketplace launched in Southeast Asia</li><li>• Basic KYC framework developed</li></ul>                                                                                                                                   |
| 1 Q 2019          | <ul style="list-style-type: none"><li>• Marketplace launched in Eastern Europe</li><li>• App distribution agreements extended to additional regions</li><li>• Beta Open API developed</li></ul>                                                                    |
| 2 Q 2019          | <ul style="list-style-type: none"><li>• Launch in Middle East and South Korea</li><li>• Beta AI-screening developed</li><li>• In-app support for UBC conversions to/from ETH and BTC</li></ul>                                                                     |
| 3 Q 2019          | <ul style="list-style-type: none"><li>• Launch in South Asia and Western Europe</li><li>• Open API made available to developers</li></ul>                                                                                                                          |
| 4 Q 2019          | <ul style="list-style-type: none"><li>• Launch in Latin America</li><li>• Full AI-screening tool rolled out</li></ul>                                                                                                                                              |
| 2020              | <ul style="list-style-type: none"><li>• Marketplace launched in North America</li></ul>                                                                                                                                                                            |
| 2020 - 2022       | <ul style="list-style-type: none"><li>• Organic growth of the platform</li><li>• Strategic partnerships with non-crypto online marketplaces to enrich customer experience</li><li>• Ongoing improvements of technology to enhance marketplace experience</li></ul> |

# Advisors

## Yama Bassam

Adviser

An American entrepreneur and angel investor with over a decade of national and international finance and banking executive experience. Yama is a member of the United States Financial Industry Regulatory Authority (FINRA) since 2003. He has acted as the subject matter expert in regulatory policy development for central banks and has guided national and international banks in corresponding policies, procedures, assessments and remediation plans to ensure compliance with the regulators. He is currently advising several ICOs in Europe and in the Middle East.



## Maxim Filin

Adviser

Sr. Executive product division at Motorola mobility (Russia and CIS products) – company known as manufacturer of the only success modular phone in the world. Having huge experience in mobile devices, networks, technologies and years of experience in top industry companies. In the past was responsible for the technical part for Huawei devices in Russia, taking part in Yandex.Kit project and Cyanogen expansion in Russia under young new brand Wileyfox.



## Evgeniy Pavlov

Adviser

Evgeniy Pavlov is leading Bitfury sales and business development in Russia, CIS and E.Europe. Before, Evgeniy leads innovation products and services launch for HTC (smartphones and virtual reality systems vendor) Fly (mobile phone vendor), i-Free (contactless NFC payments and e-commerce), Mobifinans (mobile financial services). Evgeniy's total experience in sales and new products market launch is more than 13 years.





## Oleg Bud

Adviser

Samsung smartphone portfolio management for emerging markets. Innovative mobile products and services development for Samsung mobile. Toatal 15 years experience working with innovative mobile devices and services. 10 years of experience in product portfolio management. 5 year of experience of of VAS and Ecosystem development for CIS markets.



More advisors coming soon. Watch for updates to the White Paper on our website.



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This Whitepaper does not constitute a prospectus or offering document and is not an offer to sell, nor the solicitation of an offer to buy any investment or financial instrument in any jurisdiction. UBC Tokens should not be acquired for speculative or investment purposes with the expectation of making an investment return. No regulatory authority has examined or approved any of the information set out in this Whitepaper. 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 this Whitepaper does not imply that applicable laws, regulatory requirements or rules have been complied with. UBC Tokens could be impacted by regulatory action, including potential restrictions on the ownership, use, or possession of such tokens. Regulators or other competent authorities may demand that Ubcoin revises the mechanics and functionality of UBC Tokens to comply with regulatory requirements or other governmental or business obligations. Nevertheless, Ubcoin believe they have taken commercially reasonable steps to ensure that its planned mechanics are proper and in compliance with currently considered regulations.

Ubcoin is in the process of undertaking further legal and regulatory analysis of the intended functionality and mechanics of UBC Tokens. Following the conclusion of this analysis, we may be required to amend the intended functionality of UBC Tokens in order to ensure compliance with any legal or regulatory obligations that apply to Ubcoin. Ubcoin shall update this Whitepaper and publish a notice on Ubcoin website in the event that any changes are made to the UBC Token functionality.



Token generation events are used by issuers before / in the early stages of a project, to acquire tokens. Thus, the success of the Tokens themselves is hard to judge at the time of acquisition, and if the project fails, the contributor could risk losing all they have invested. UBC Tokens are not legal currency like US dollars, British pounds, Euros, or Japanese yens. And in most of the cases, the Tokens themselves do not hold any guaranteed value. Tokens may also carry the risk of programming bugs. There is a risk of individuals having their account details stolen and having their Tokens transferred without their permissions. When acquiring Tokens, there is a possibility of a third-party to impersonate the Token issuer and to provide a fake address to steal Tokens from the acquirer.

Due to the nature of blockchain and the need to verify and authorise exchanges, a certain amount of time may be needed before Token exchanges are completed. While the verification is taking place, there is a possibility of the exchange not being reflected at the individual's address, or the trade itself could be cancelled. As Tokens are recorded electronically and they are transferred over networks, there is a risk of Tokens vanishing away during exchanges.

Currently, laws and taxes regarding token generation events are not established completely. And in the near future, we can expect governments to make a decision whether to ban, limit or tax token generation events. This could lead to restrictions in Token possession and trading and could affect adversely on individuals in ways we can not predict.

Cryptographic Tokens are a new and untested technology. In addition to the risks discussed in this documentation, there are risks that the Ubcoin cannot foresee. Further risks may arise as unexpected combinations or variations of the described above risks and new risks not described in the document.