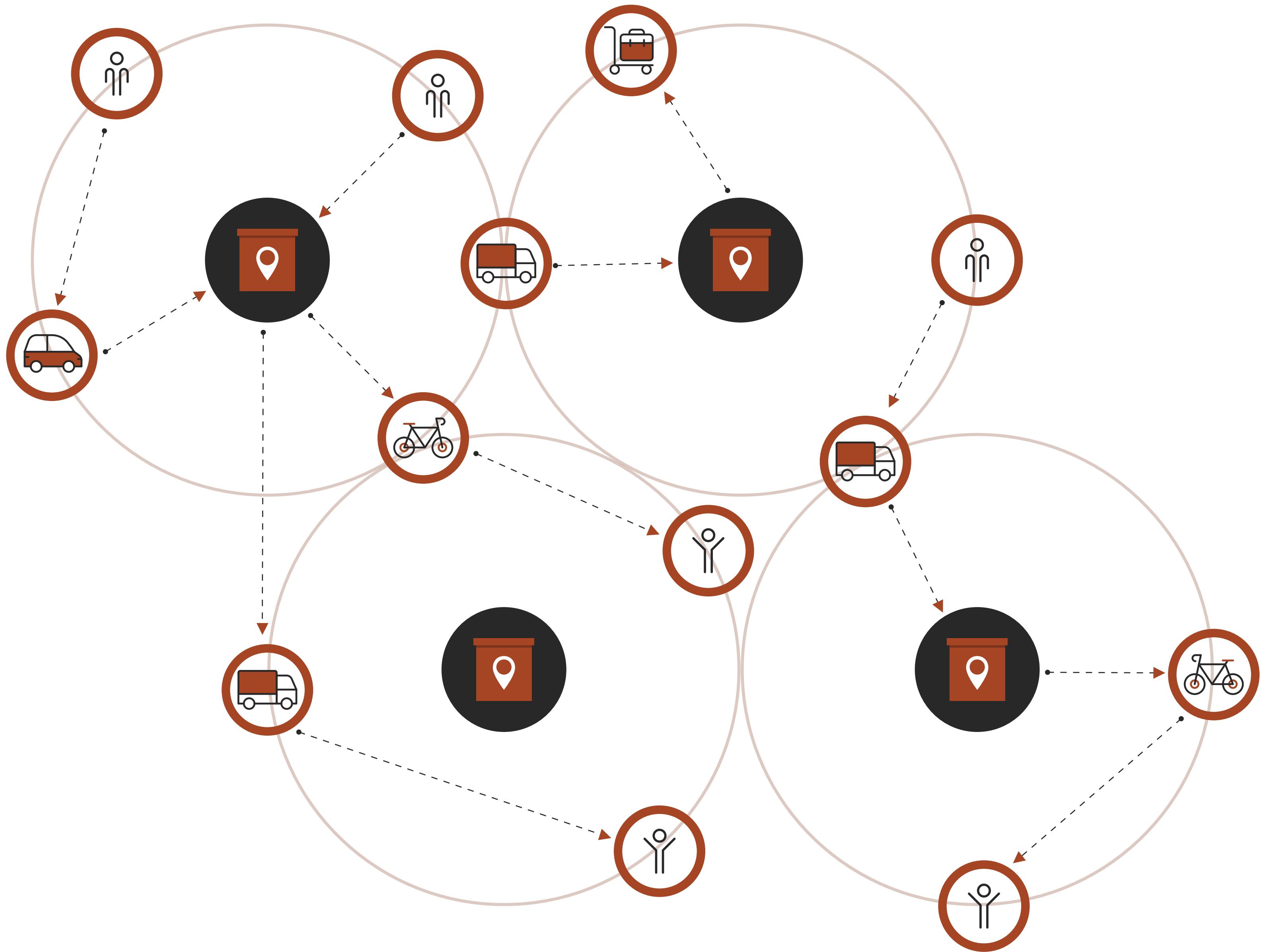




SOCIAL DISTRIBUTION
NETWORK



Any product starts with its customer who has a demand, a need or objective. Before starting to put the whitepaper together we spent 6 months collecting, analyzing and challenging all the data and ideas we had and only after we were secure that the project has its customer base and a strong chance to be successful we decided to make it available to the public.

While working on the project we asked why anyone would use our network, why would it be widely accepted, are there alternatives available and what the key advantages are. We realized that if we are able to equip our user with trusted ecosystem, independence of choice and value we will achieve the right balance of factors that make the network attractive and highly usable.

CONSOLO stands for several key objectives we are following. One is **CONTROL** we want our users to have over their shipments and budgets, another is a possibility of making **CONSOLIDATED** deliveries which in many cases are the best option. We introduce **SOCIAL** constituent that today is underutilized in logistics industry by making network equally available for business and private users willing to initiate or even execute transportation and associated services. We devote special attention to **LOGISTICS** as the network is not only a transportation tool but is also a platform for cross-docking operators and independent arbitrators.



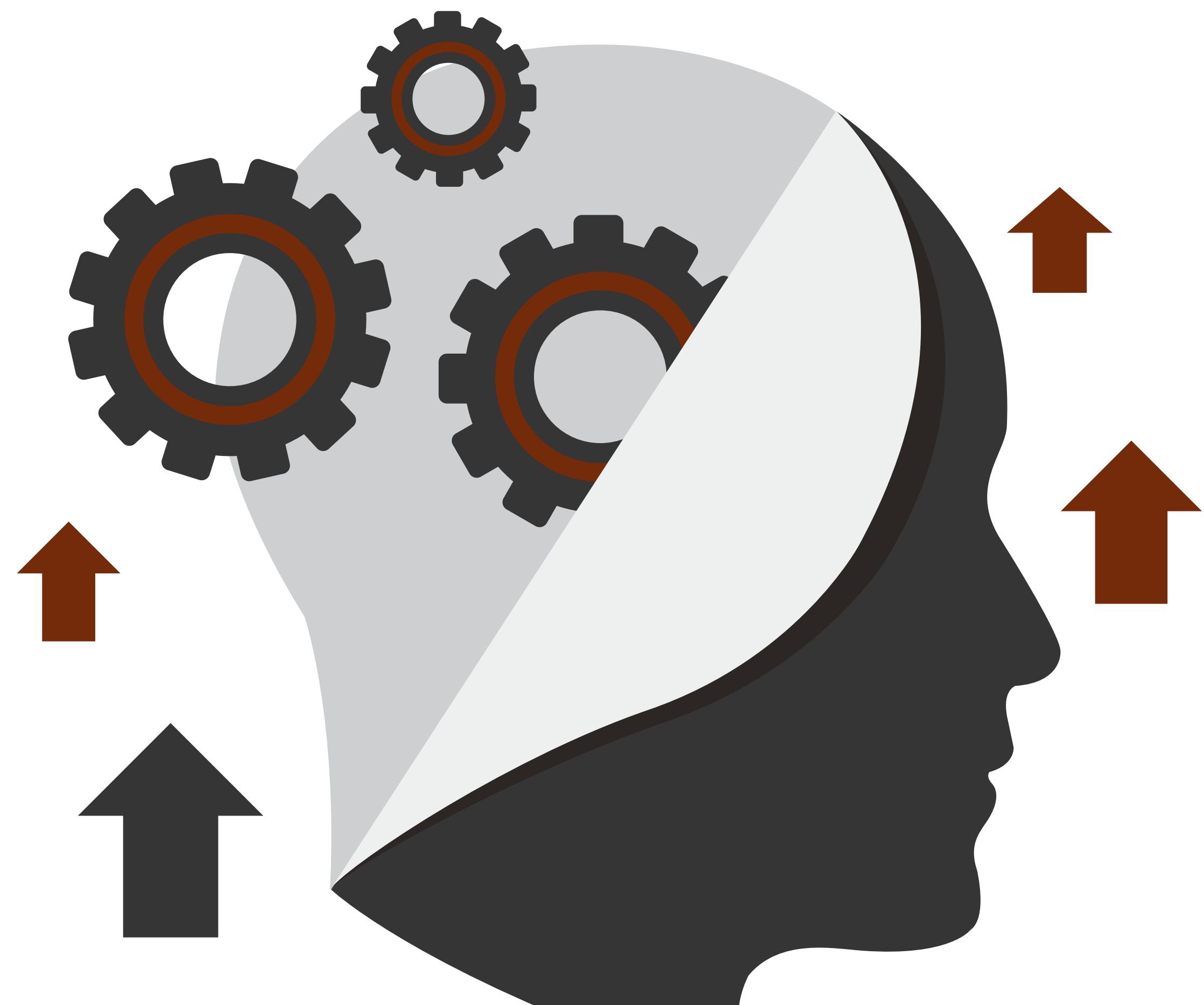
IDEA BEHIND THE PROJECT

Transport logistics is one of the most essential and at the same time one of the most complex services often involving numbers of parties in a single process. Most users of transportation services are lacking information about available alternatives and are addressing same service providers to deliver their products to majority locations not considering that less expensive and faster options may exist. On the other side, many transportation service providers are lacking loads and are forced to charge higher rates to compensate for empty runs. Moreover, many parties like individual entrepreneurs able to provide last mile delivery and cross-docking services are not part of logistics processes as no single platform or marketplace

exist to make such cooperation between all users and providers equally attractive. Finally, majority of local logistics suppliers are not able to compete with global players like DHL only because they don't possess the comparable network.

Driven by the idea that product delivery services should be readily available, simple to use, and open to any party to participate we introduce CONSOLO – a first Social Distribution Network with high flexibility and adaptability where any user starting from end customer up to international retailer and any type of transport and warehouse provider ranging from local to multinational operator can become part of the network.

Project idea is built on core Blockchain principles and benefits allowing extensive development of highly efficient and self-regulated network.



NETWORK DESIGN

CONSOLO is designed to suit virtually any inland transportation requirement. Delivery can be as short as one block and as long as a cross-border shipment. Major network attributes defining core principles include:



UNIVERSALITY

Any shipper and warehouse operator including local and global players can become part of the network thanks to its design.



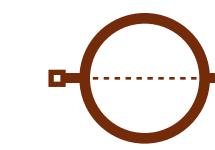
FLEXIBILITY

Multiple shipping and cross-docking options are executable and can easily change according to specific requirements..



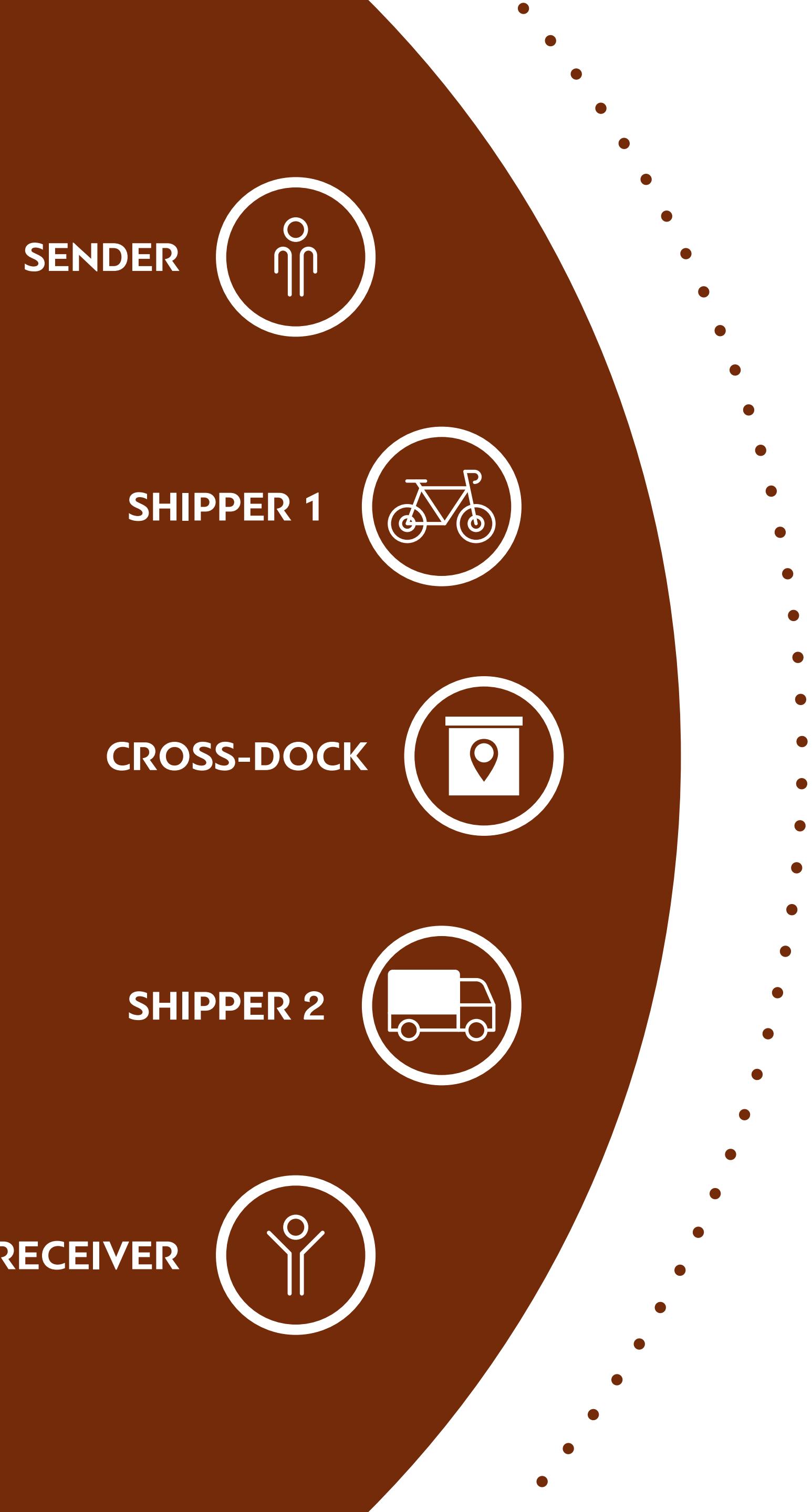
ADAPTABILITY

The network can be used for as little as in-city parcel delivery and for as big as cross-border product distribution. These attributes make network equally attractive for local supplier-client deliveries and for global users like Amazon aiming to organize or optimize last-mile distribution. Adaptability is also associated with the speed the network can adapt to changing demands and market conditions.



SCALABILITY

Chart below illustrates abstract network ‘cell’. All cells are scalable and interchangeable and can be area/city/state/country/region based. Network is designed to evolution naturally until the moment it becomes optimal for all participants.



OPTION 1



OPTION 2



OPTION 3



OPTION 4



OPTION 5



OPTION 6



BIG PICTURE

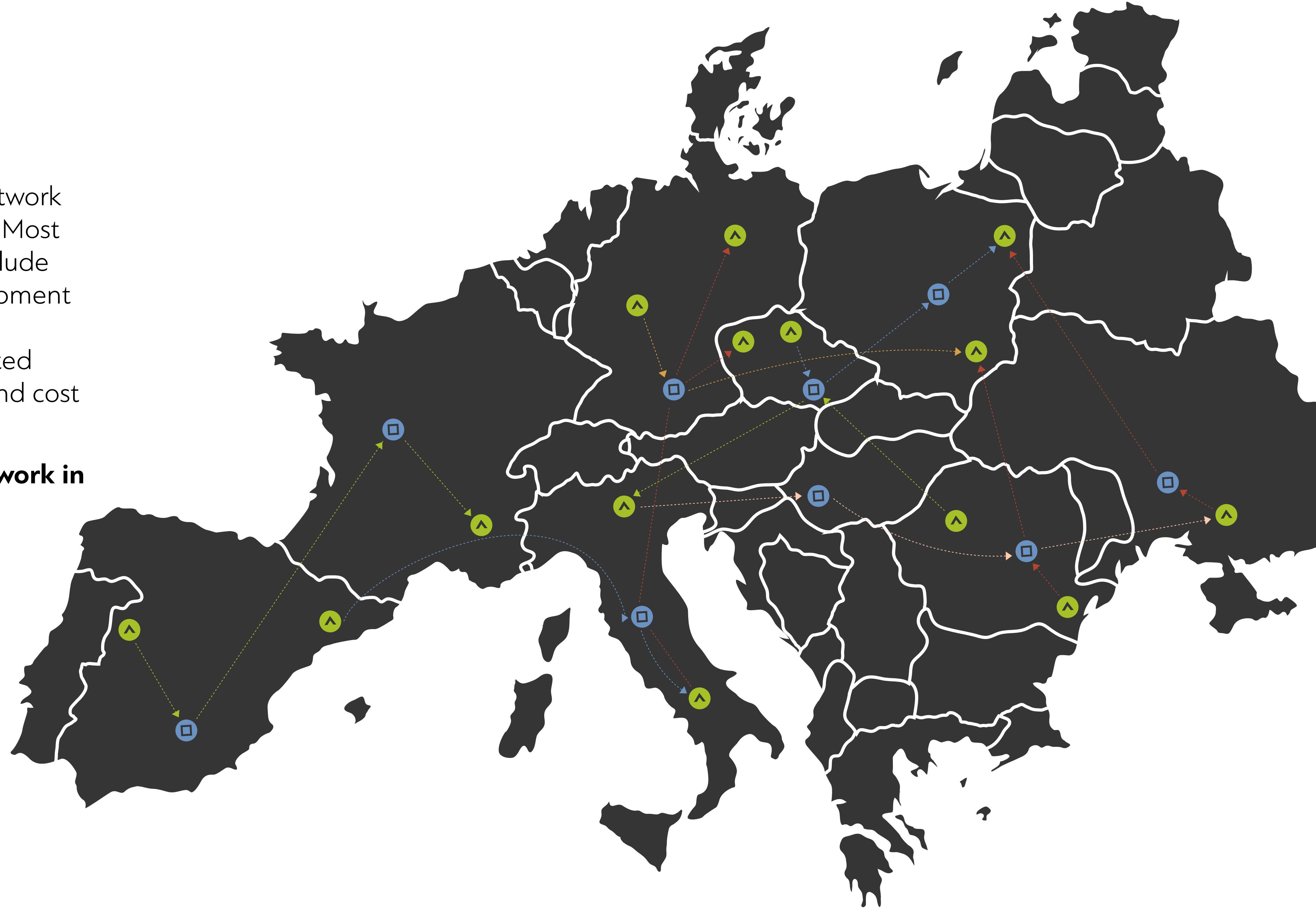
One of the key attributes is the network evolution driven by its community. Most important network advantages include open competition, transparent shipment flow, no entry barriers for potential participants of any size, single trusted eco-system, process automation and cost control.

Depicted here is a simplified network in Europe used as an example:

▲ Sender/receiver

□ Cross-docking operator

→ Shipper

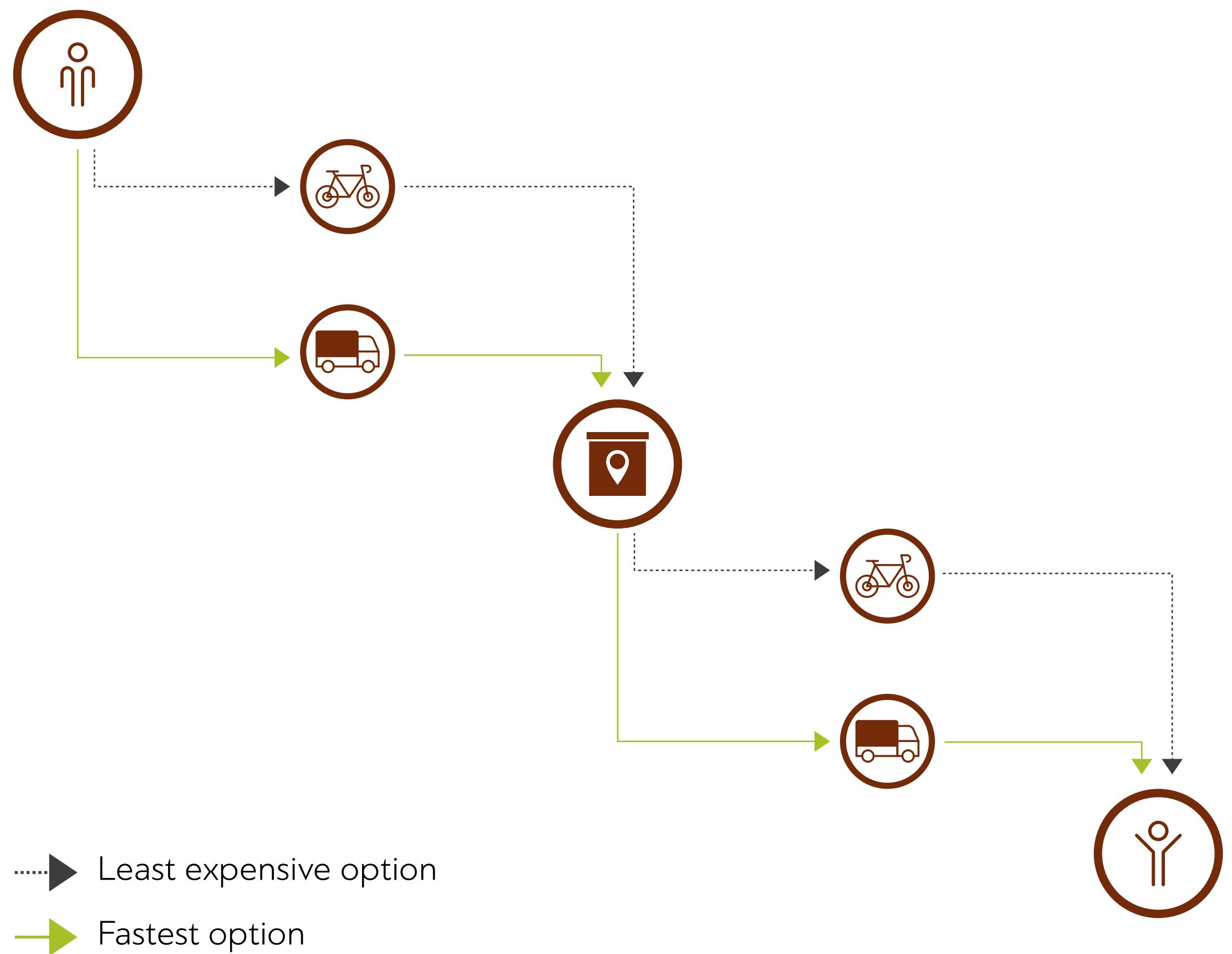


PROCESS FLOW

CONSOLO will receive, calculate and propose to either sender or receiver or both number of shipping options to select from. Primary two options will be offered by default: fastest delivery and delivery at minimum fee. Additional 'Most Secure Delivery'option will be added to the option list shortly after initial start-up. 'Most Secure Delivery'will consider network participants' ratings built on following factors:

- ON TIME ORDER EXECUTION
- CUSTOMER FEEDBACK
- TIME ON NETWORK

DELIVERY FLOWCHART EXAMPLE



MARKET

Initial project geography is European Union and United Kingdom. Network launch is planned in 5 countries including Germany, France, Spain, Italy and United Kingdom. Major aspects influencing the decision are listed below.



DEMOGRAPHICAL ASPECT

- Population accounting for 438million of inhabitants (383.75 in EU, and 54.37 in the UK)
- Population density accounting for 120 inhabitants per km² in EU and 271 inhabitants per km² in UK
- High urbanization (75% in EU and 83% in UK)
- High motorization ratio of 469 vehicles per 1000 inhabitants (second highest after US globally)
- Small fraction of 3 million people employed in road freight/air transport and cargo handling/storage sectors
- Less than 9% of workers in logistics sector representing part-time employees

GEOGRAPHICAL ASPECT

- Compact territory (EU)
- Established trade links inside EU and with UK
- Delivery locations density
- Developed road network of 4.2 million km (road density of almost 1km per 1km²)
- 5 key countries of initial launch handling approximately 60% of all cargo transportation

MARKET ASPECT

- Market size exceeding EUR 1000 billion (including road/sea/rail/air transportation of goods as well as warehousing/cross-docking services and excluding inland waterways, pipelines and passenger transports)
- Annual national cargo turnover of 16 billion tons shipped by road out of which 3.5 billion tones are end-customer products.
- Largest quantities of goods transported nationally by road with Germany, Spain, Italy, France and United Kingdom being major economies accounting for a little less than 11 billion tons annually (or 66%)
- Constantly increasing demand for door-to-door and just-in-time services
- Stable cargo volume growth of approx. 3% annually

INFRASTRUCTURAL ASPECT

- High ratio of road (46%) compared to all other types of transportation
- Over 1 900 billion ton/km of cargo traveling by road annually (longest compared to US, Japan, China and Russia)
- Average end-customer products' travel distance by road slightly exceedig 200km
- Vehicle density (more than 33mln. trucks on the road, out of which 60% are in 5 countries of initial launch)
- Annual cargo vehicle renewal ratio (new vehicle registration) equaling 8%
- Sea transport playing critical role only in imports to (69%) and exports from (72%) Europe
- Over 1 million enterprises (out of which 58% are small and medium enterprises) reporting transport services as their main activity; 84% are directly involved in road transport
- Complete GPS coverage

Markets of launch following European Union and United Kingdom are United States and Japan. Proven model will be quickly scaled to abovementioned markets with developed infrastructures able to adopt the proven concept of the network.

Rest of the world. After being developed and recognized in Europe, United States and Japan the network will be extended to other markets.

China market is not considered to the moment due to uncertain regulations and requirements despite projects' good applicability potential.

NETWORK PARTICIPANTS

Listed here are key users and their roles on the network. Actual roles of network participants may become broader; some roles may interchange or unite in bigger roles.



AUTHORIZATION

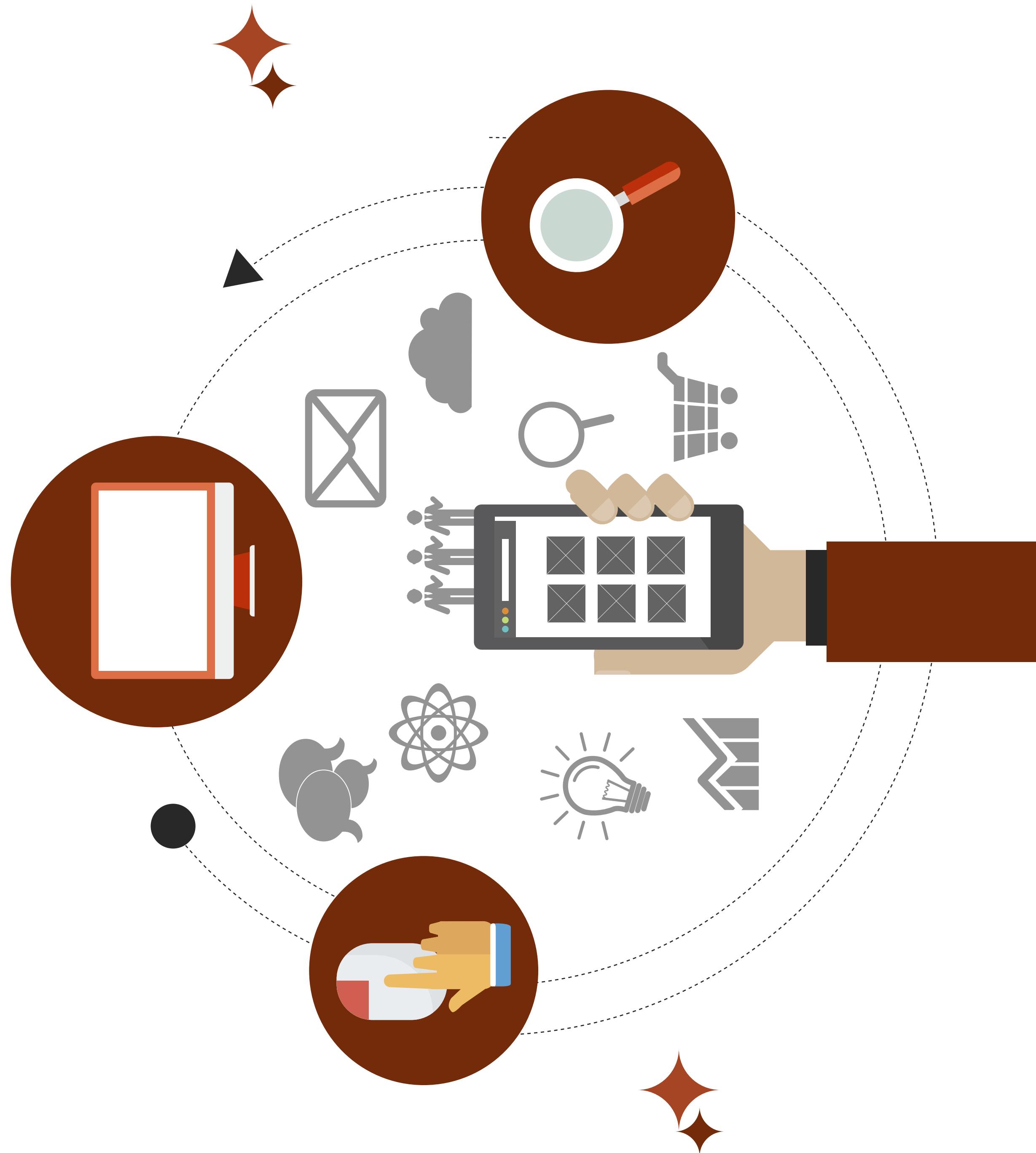
Network participants will be requested to participate in due diligence process to ensure their credibility. Authorization process will be automated yet confidential to ensure limited personal and entity information is available publicly. Even better credibility will be achieved by participants with high ratings generated on the network.

MARKETING

Team plans to spend substantial part of project budget on marketing CONSOLO in order to achieve required scale. Key marketing activities will be concentrated in market research and advertising through following channels:

-  SEO
-  PAID SEARCH ADVERTISING
-  ADS IN SOCIAL NETWORKS AND GOOGLE
-  ARTICLES IN INDUSTRY MAGAZINES
-  BILLBOARDS
-  COLLABORATION WITH PROFESSIONAL VINERS AND BLOGGERS

Initial marketing activities are targeted at attracting audience and gaining market share during start-up period of the project. One of the major marketing channels is complex SEO promotion utilizing unique ICO bounty program with tens of thousands of existing transportation and logistics search queries.





Complex marketing activities will take advantage of omnichannel communication to attract as many as possible network participants including large clients, medium and small clients, transport vehicle owners, warehouse operators and private individuals. Each group will be attracted through customized promotional funnels using specific triggers significant for 5 major categories of participants:

LARGE CLIENTS

Key triggers influencing this part of audience are ability to use transparent and fully controlled distribution network for company's products as well as to automate substantial part of routine paperwork with the help of CONSOLO platform.

MEDIUM AND SMALL CLIENTS

Major triggers include effortless organization of controlled delivery in few clicks, possibility to organize worry-free and safe delivery utilizing collective insurance, all at low service fees and competitive costs.

TRANSPORT VEHICLE OWNERS

Main advantages for vehicle owners include constant and intensive customer inquiries, cost optimization through empty runs' reduction, instantaneous payments for performed services.

WAREHOUSE OPERATORS

Key advantages include free space utilization possibility, whether it is an industrial warehouse or a small garage, stable cash flow from cross-docking operations, instantaneous payments for performed services.

PRIVATE INDIVIDUALS

Any person in search of additional source of income becomes a potential participant of CONSOLO platform. Being it a student able to deliver parcels within city limits, an unemployed car owner or a housewife looking for work at home and able to participate in insurance arbitration, all are good examples of how the platform is turning to a part-time or full-time profit opportunity for many.

PROJECT STAGES

Services listed in this section will be available to all network participants. With the evolution of the network new services will be added subject to three major stages.

STAGE 1

Smart shipping contract. The contract between involved parties regulating sender-shipper relationships.

Smart cross-docking contract. The contract between involved parties regulating sender-cross-dock, receiver-cross-dock relationships.

Automated shipping documentation. Technical solution allowing creating, keeping, updating and exchanging shipping documentation between involved parties.

Payment for services. The contract between involved parties automating payments for executed services.

Shipment tracking and alerts. Technical solution allowing tracking and receiving alerts about any current shipments.

Contacts management. Technical solution allowing contacts management on the network.

Rating system. Technical solution allowing assigning, calculating, keeping and updating individual user ratings based on user inputs.

STAGE 2

Product and shipment statistics. Technical solution allowing collecting, keeping, processing and analyzing shipment statistics.

Collective insurance. The collective contract designed to accumulate, keep and distribute insurance fund on the network.

Optimization proposals to network participants based on historical data. Technical solution allowing accumulation, analysis and processing of historical shipment data to form predictions based on supply-demand, product and service trends.

STAGE 3

Smart storage contract (medium to long term). The contract between involved parties regulating tenant-client relationships.

Payment for products delivered. Technical solution and contract allowing network users to utilize payment-on delivery (POD) option for products shipped and delivered.

Automated tax accrual and payment. Technical solution allowing integration between payment receivers and applicable tax authorities to automatically calculate, process, realize and accept obligatory tax payments.

Customs documentation. Technical solution allowing creating and processing customs declarations by shipment senders, receivers and applicable customs authorities.

UNITS OF MEASURE (UoM)

Types of services initially supported by the network will include combined shipments (LTL) and full loads (FTL).

Combined shipments will additionally have door-to-door delivery option available as well as the delivery to the nearest cross-docking warehouse where shipment can be dropped off by the sender or picked up by the receiver or carrier.

In order to function and be widely adopted network requires single clear units of measure (or UoM) used by all participants.

Balanced UoM for LTL is Payable Weight calculated in the following manner:

Physical weight (or actual gross weight) of the shipment compared to the volumetric

weight of the shipment

Volumetric weight is calculated based on the following formula:

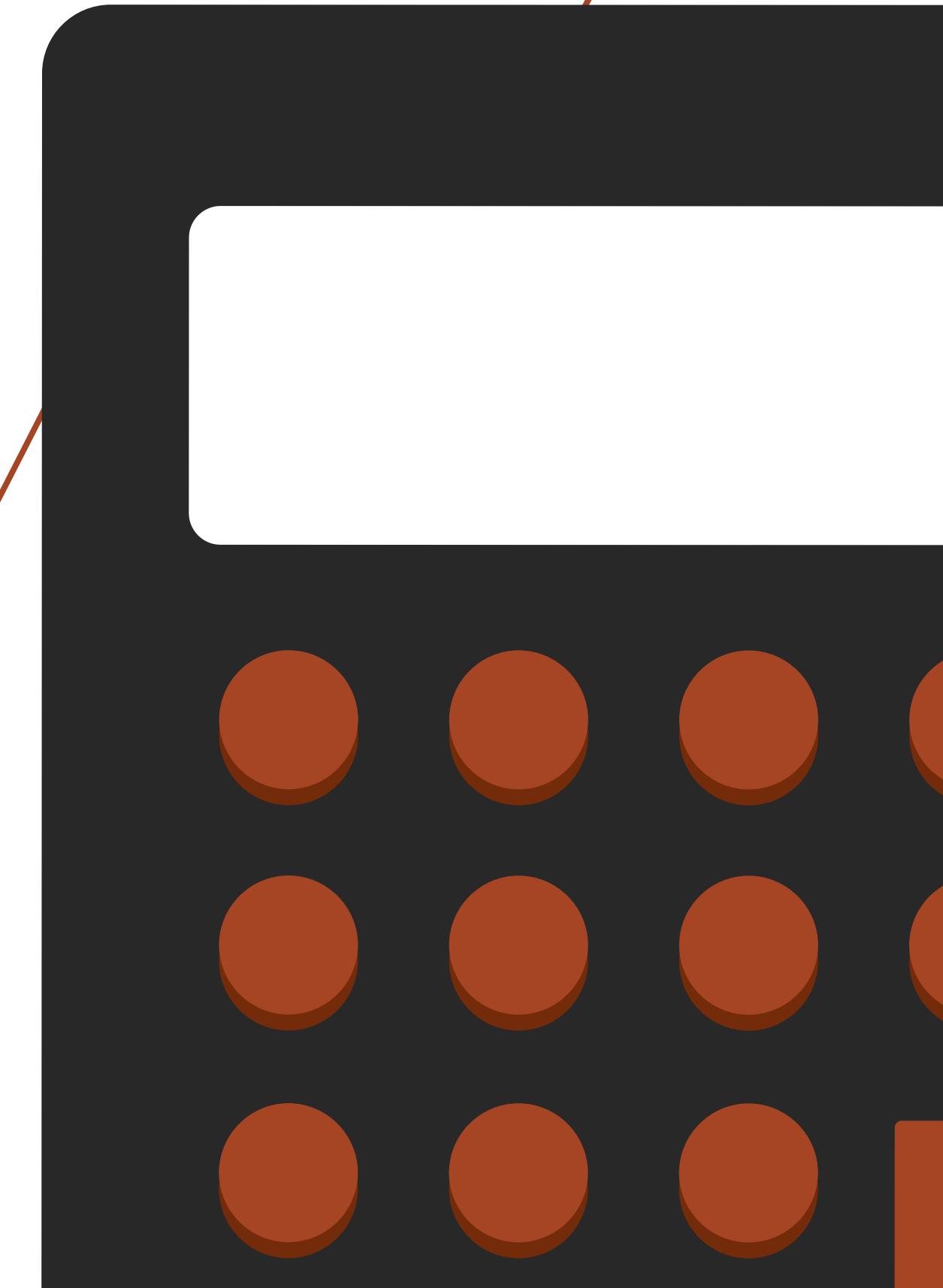
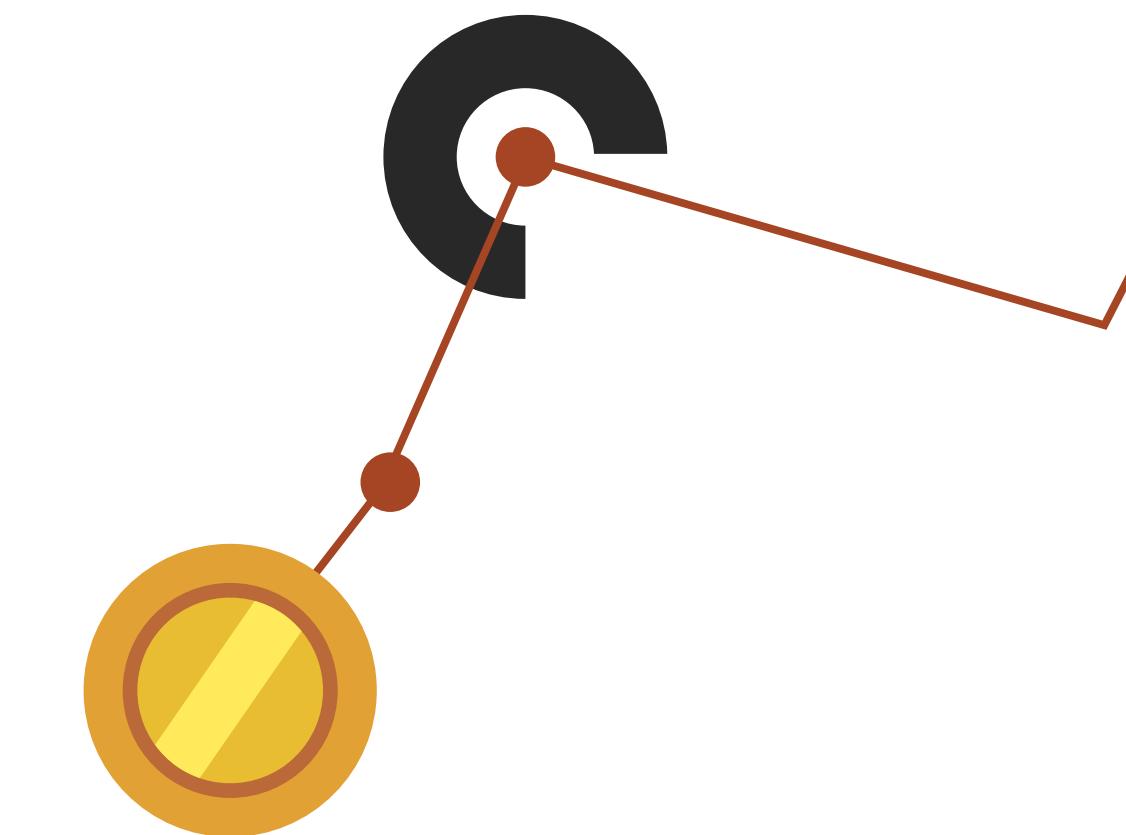
$(\text{Length} \times \text{Width} \times \text{Height}) / 6000$
(considers volume that shipment occupies in a transport mode volume-wise; some users are more familiar with cubic meter or CBM parameter which is a core input determining volumetric weight).

Additional important parameter is the possibility to stack the cargo one on another. If the shipment cannot be stacked the LDM parameter is used to calculate the space/payable weight of the shipment. LDM represents the floor space the shipment occupies in the transport mode. LDM calculation formula for standard

20t truck is as follows:

Length x Width / 2,4 / 13,6 = % occupied in the transport mode

FTL requires less complicated formula to determine correct transportation mode. Gross weight and CBM (cubic meters, or Length x Width x Height together) form the exact understanding of a type of transport mode required to realize the shipment.



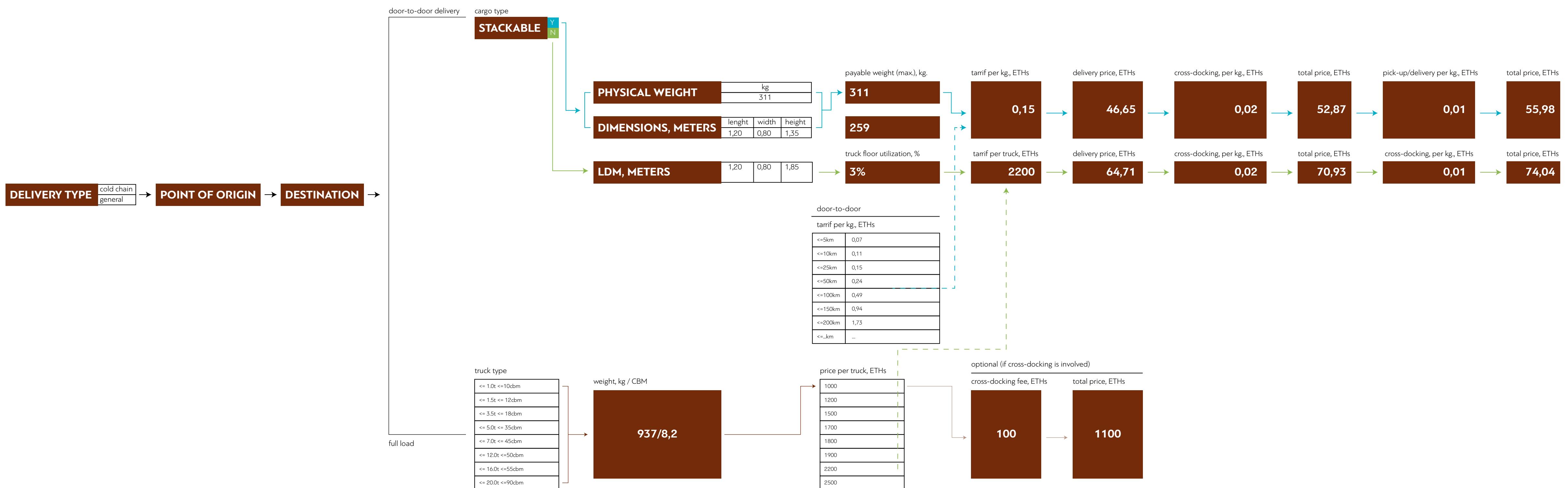
IN SIMPLE TERMS CALCULATION PROCESS FUNCTIONS WHEN:

- Sender (or receiver) knows length, width, height and gross weight of the shipment

- Shipper can provide its tariffs for a kg. of a payable weight and/or full truck depending on a distance

- Cross-docking operator can provide its tariffs for processing a kg. of a payable weight and/or full truck

An example of calculation logic is presented here. It shall be well noted that only few of possible shipping options are considered in the example.



DAILY OPERATIONS

CONSOLO requires daily management to ensure uptime and smooth operations. Network back office operations will include:

- SYSTEM UPTIME ADMINISTRATION AND SUPPORT
- ONGOING PRODUCT DEVELOPMENT
- PARTICIPANTS' REGISTRATION AND DUE DILIGENCE
- 24/7 SUPPORT AND CLAIMS HANDLING
- FINANCE &LEGAL
- STRATEGY AND GENERAL MANAGEMENT

PRICING AND FEES

Pricing will be driven by networks' supply and demand factors and will naturally find its equilibrium value based on market/competition. Prices for LTL will be formed based on kg, LxWxH and distance parameters. Prices for FTL will be formed based on vehicle type/size and distance parameters.

Rating system will ensure that network participants conform to general standards and are constantly seeking to increase their quality of operations. Higher rating will allow participants to charge higher rates in the future.

Operational fees incurred by sender or receiver will range from

3% to 5% of each completed delivery and will be used to finance daily operations and further service development.

ADDITIONAL SERVICES

SHIPMENT STATISTICS

CONSOLO will accumulate large sets of data including shipping and product statistics, key destinations and supply/demand data of high precision. These statistics will become one of the most valuable by-products of the network and will be offered to both network participants and external parties at additional fees.

COLLECTIVE INSURANCE

Insurance reserve will be accumulated by participants who will transfer part of their service payments to the reserve fund thus becoming eligible to use collective insurance option when required. Network will charge its commission in all cases insurance call/ticket is created on the network regardless of being accepted or declined by the community/participants involved in arbitration process.

BLOCKCHAIN

Blockchain technology provides an opportunity to implement this project in a dynamic and cost-effective manner. Putting aside all basic advantages associated with Blockchain key attributes utilized in CONSOLO include:

- Technology allowing to store large sets of participants' information and their shipment documentation
- Smart contracts allowing to lock and automate shipping/cross docking/distribution agreement details
- Unique payment mechanisms associated with technology utilization

The network will utilize Ethereum - one of the most well-known and practical Blockchain platforms allowing to create different types and configurations of Smart Contracts with Turing-complete Solidity programming language. Ethereum acts as a platform for variety of products and services and its ecosystem is constantly developing stimulating more and more developers to enter and contribute.

TOKENS

CONSOLO or CSL token is a proof-of-membership instrument which will be utilized by shipping and cross-docking participants to enter and operate on CONSOLO platform. It shall be well noted that this token is not a payment instrument or a digital currency of any type. End users, including senders and receivers, will have free access to CONSOLO platform, subject to registration.

Project milestones include pre-ICO, ICO and New Markets. Token emissions will be executed in stages according to declared milestones initiating during pre-sale stage with a soft cap of 40000 tokens released, followed by ICO phase with 1 million tokens distributed and continued by additional emissions subject to New Markets development accompanied by separate token emission notifications.

If the project does not reach a soft cap of 40000 tokens during pre-sale all funds will be returned to investors guaranteed by separate smart contract. All token sales will be effected in ETH at current USD/ETH rate.



MORE TOKEN DETAILS ARE LISTED HERE:

TOKEN NAME: CSL token

SYMBOL: CSL

TOKEN TYPE: Proof of membership

TOKEN SUPPLY: unlimited

PRE-ICO PRICE: USD15/token

DISTRIBUTION OF TOKENS IN PRE-SALE: 40 000 soft cap

ICO PRICE: USD20/token

ICO TOKEN DISTRIBUTION: 1 000 000

EMISSION RATE AND SCHEDULE: according to roadmap

BLOCKCHAIN: Ethereum (ERC20)



TEAM

Today our team consists of two Blockchain and business enthusiasts aiming to rally a company of professionals to execute CONSOLO project.



SERGEY SIDIROV

26 years old

Graduate of Tomsk State University of Control Systems and Radio-electronics with Bachelor degree in Business Automation and Digital Marketing. Sergey is a fan of programming, a winner of prizes in various school and student competitions. Sergey's professional experience varies from administering Unix servers to complex online marketing, including cross-cutting analytics systems integration. Sergey's recent experience includes Solidity development and smart contracts with Ethereum.



ARTYOM SHASHIN

33 years old

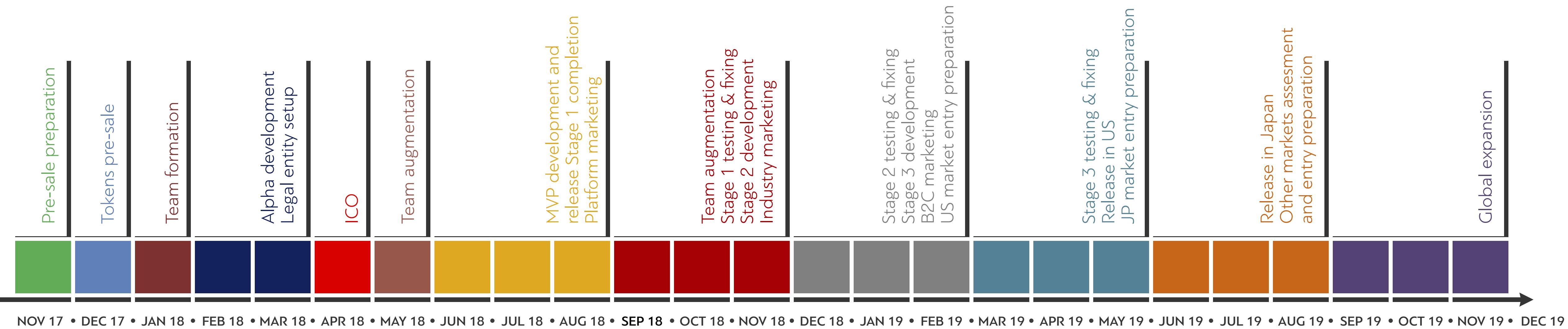
Graduate of Kazakhstan Institute of Management, Economics and Strategic Research holding bachelor degree in Operations Management and MBA in General Management. Being the youngest student to start his education at the age of 15 Artyom received his bachelor degree at the age of 18 and MBA at the age of 19 accomplishing 4-years bachelor program in three years and 2-years postgraduate program in one year.

Artyom has professional experience in both corporate and

entrepreneurial areas. His 6- year corporate career was in one of the leading global FMCG companies in logistics and purchasing areas. Artyom's entrepreneurial experience is in 3PL warehousing, custom packaging services and transportation. Today Artyom is the owner and CEO in one of the top 3 parcel delivery companies in Kazakhstan with 2000 clients placing more than 60000 orders annually.

CONSOLO ROADMAP

Current illustration summarizes key project milestones and provides the overview of 26-months plan. While the first 10 months of the plan are detailed in whitepaper successive plans are not detailed and are divided in major blocks subject to soft changes.



PRE-SALE

Pre-ICO objective is fundraising aimed at preparing for a large scale ICO. All expenditures in case of successful pre-ICO round will be concentrated in 5 pools

PRODUCT DEVELOPMENT

Budget: USD150M –USD250M

Allocated funds will be spent on development of Alpha version of the product including main platform sections, front-end and back-end programming of basic functions, UX design and prototyping of future Blockchain architecture. Two key approaches will be used to achieve maximum speed and quality of development:

1. Hiring a team of specialist with broad background and considerable experience in developing similar platforms.
2. Attracting less experienced young talents and grant-winners with fresh view, judgment and energy to find new non-standard solutions.



LEGAL AND FINANCE

Budget: USD200M – USD300M

This budget is reserved by the team to select and pay for the services of project legal and finance consultant who will be assigned from the short list of well-known and credible entities able to ensure two major objectives:

Transparency. Financial consultant will ensure transparent and controlled spending of funds initially collected for prototype development. Project financing is planned to be executed in stages each under strict control of financial consultant with approval of next-stage financing only after success criteria are achieved in the earlier stage. Systematic audits will be put in place to maintain whole team's (including financial consultant's) transparency and credibility.

Compliance. Legal consultant will ensure project compliance with applicable laws in all markets where platform will be initially launched. Additional responsibility of legal consultant is to ensure entity registration and setup in most suitable jurisdiction under appropriate legal entity type. Apart from general legal issues consultant will be in charge of preparing sufficient and complete project's legal base (including consultancy in the area of required shipping and supporting documentation used in CONSOLO platform) for coming ICO.

MARKETING

Budget: USD150M – USD225M

Reserved funds will be spent on promoting upcoming initial coin offering, using below mentioned marketing channels in accordance with ICO marketing standards:

- **Search advertising**
- **SMM, including Facebook, Instagram and Twitter promotions**
- **Display advertising, including but not limited to Google Display Network**
- **Press Releases in Cointelegraph, Forbes and others**
- **Publications in industry magazines like Industryeurope.net and Logisticsbusiness.com**

In addition to online marketing team will organize face-to-face meetings with potential investors in countries with growing Blockchain industry, including Singapore, the Netherlands, United Kingdom and Japan.

Along with marketing activities and meetings project will be presented to largest investment funds, including Blockchain Capital, Panthera Capital, RRE Venture, Digital Currenty Group and others.

BUSINESS TRAVEL EXPENSES

Budget: USD50M – USD100M

The team reserves a budget ranging from USD50M to USD100M for business travel expenses associated with project development, required business and investor meetings and professional events. All expenditures are subject to proof and are limited to few major goals:

- Meeting new team members to discuss and agree project objectives, timelines and remuneration
- Gathering a complete team to kick-start the project
- Meeting existing and potential investors to promote the project and ensure their participation in coming ICO
- Attending professional events for networking and project promotion in professional community

RESERVE FUND

Budget: USD50M – USD100M

The reserve fund is a provision for expenditures that cannot be foreseen or planned in advance and is raised to cover any unplanned spending for additional project-related purposes or overspending in major categories.

TOTAL BUDGET

The team estimates total pre-ICO to ICO period spending ranging from USD 600K to USD 975K. As already stated all expenditures are subject to proof and are planned to be released in stages subject to successful completion of key milestones assigned to each funding stage. Proof of funding is assigned to financial consultant to ensure maximum transparency, credibility and impartiality.