



SPOTCOIN WHITEPAPER

v1.2

March 23, 2018





Contents

Legal	3
Abstract.....	6
Executive Summary.....	8
White Paper Analysis.....	10
About Spotcoin.....	12
Spotcoin History.....	12
Why NEO?	12
Spotcoin Today.....	12
Spotcoin Tomorrow.....	13
Meet Our Team	14
OTC Marketplace.....	16
Large Volume Trade Matching.....	16
Trust Paradigm	17
Next Business Day Settlement	17
Spotcoin Ambassadors	17
Digital Exchange	19
Regional Exchange Solution	19
Simple Trading	20
Quarterly Audit	20
Spotpay	22
Enabling Retail Payments	22
API and Payment Widgets.....	22
Transparent Fees.....	23
Mining	25
Georgian Hydropower	25
Georgia Incentivizes Mining	26
Experienced Community	26
Black Sea Blockchain Institute.....	28
The BSBI: Education of the Future	28
The Innovation Lab: Institutional Research.....	29
The Innovation Fund: Spotcoin Sponsored Innovation	29
Initial Coin Offering.....	31
Spotcoin ICO Timeline	33



Legal

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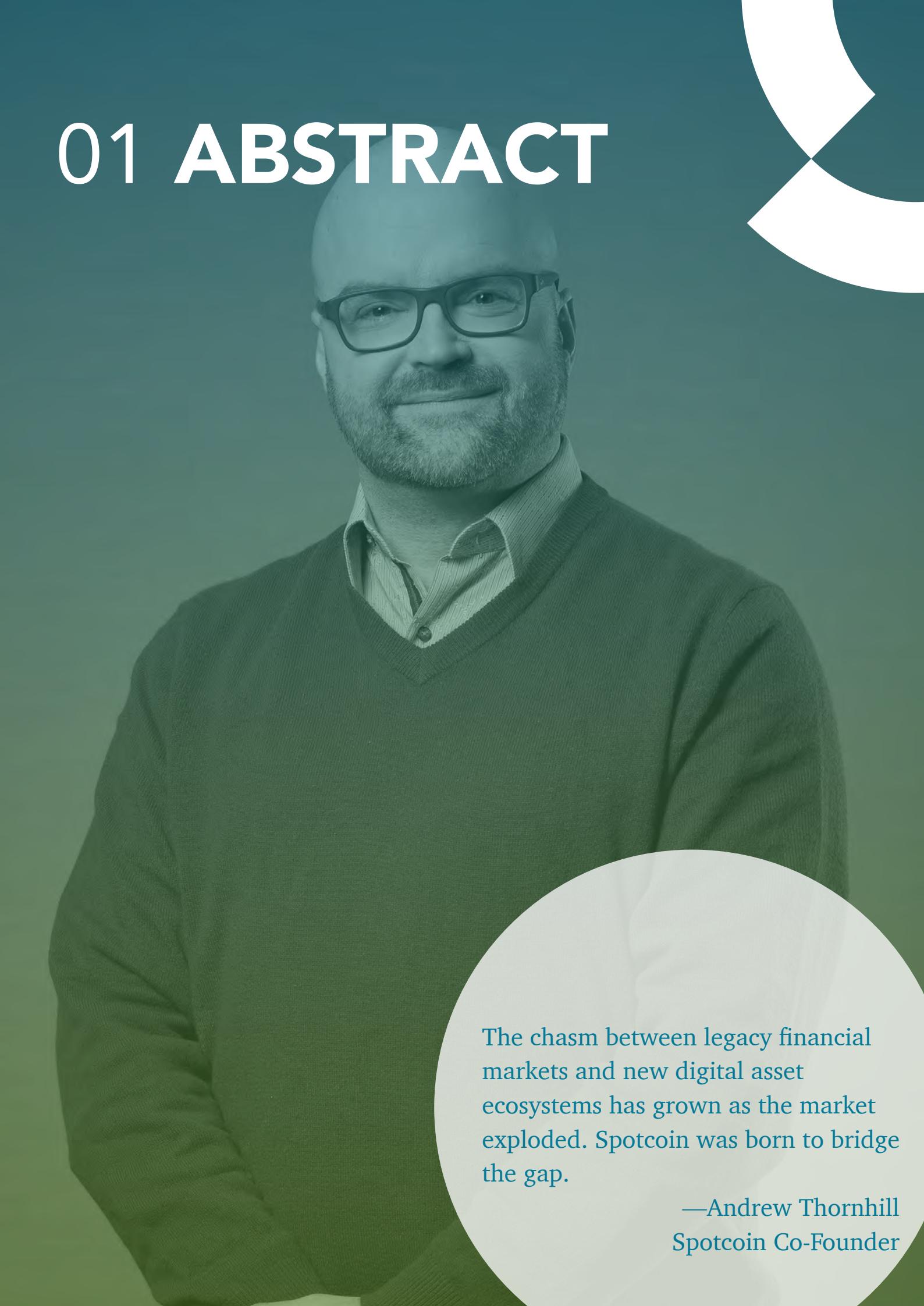
THE SPOT TOKEN IS NOT CURRENTLY KNOWN TO BE RECOGNIZED AS A SECURITY BY ANY JURISDICTIONS. UNITED STATES PERSONS WILL ONLY BE ALLOWED TO PURCHASE SPOT TOKENS AFTER VERIFYING THEIR STATUS AS ACCREDITED INVESTORS. FOR UNITED STATES PERSONS, WE FOLLOW RULE 506 OF REGULATION D, SECTION 4A OF THE US SECURITIES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

1. The purpose of this document is to introduce the Spotcoin Project (the "Project") and SPOT tokens ("SPOT Token" or "SPOT Tokens") to potential token-holders.
2. The information set forth in this document cannot be exhaustive and does not imply any contractual obligations. The sole purpose of this document is to provide relevant and up-to-date information about the Project and the team behind the Project to potential token-holders to assist in determining whether or not further due diligence may be required.
3. Although this document aims to provide the most relevant and accurate information, the information set forth in this document is only intended to provide general and preliminary information to potential token-holders and should not be construed to be the basis of any investment decision or strategy. This document in no way constitutes legal, financial or other professional advice.
4. Nothing in this document can be considered as or construed to be forming part of a prospectus of any kind. The information provided in this document has no relation to a securities offering of any kind in any jurisdiction.
5. This document was not written in accordance with the laws or regulations of any legal jurisdiction. This document is intended for informational purposes only and is not subject to any of the laws or regulations designed to protect investors.
6. The SPOT Token is not intended for sale or use in any jurisdiction where the sale or the use of digital tokens is prohibited. For more information on jurisdictions that are excluded from the token sale, please refer to the Spotcoin Token Sale Agreement. Please read the Spotcoin Token Sale Agreement carefully before considering purchasing SPOT Tokens.
7. The SPOT Token does not provide and should not be construed to provide any financial, legal or other rights in any form apart from the rights expressly defined in the Token Sale Agreement. In case of inconsistencies between this document and the Token Sale Agreement, the Token Sale Agreement shall prevail.



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8. Investing in tokens is a high risk activity considering the unstable regulatory frameworks and market volatility. Only investors with a sound understanding of digital assets and those that have read the Token Sale Agreement risk warning should purchase SPOT tokens.
 9. This document includes forward-looking statements which reflect the Company's and/or the Directors' current views with respect to financial performance, business strategy and future plans, both with respect to the ICO and the sectors and industries within which the Company will operate. Statements which include the words "expects", "intends", "plans", "believes", "projects", "anticipates", "will", "targets", "aims", "may", "would", "could", "continue", "continuing" as well as other similar terms are of a future or forward-looking nature. Such forward-looking statements include known and unknown risks and uncertainties, which can lead to the case where events or results may materially differ from those predicted or implied by the forward-looking statements contained in this document.
 10. All forward-looking statements address matters that involve risks and uncertainties. Accordingly, there are or will be important factors that could cause the Company's actual results to differ materially from those indicated in these statements. These factors include but are not limited to those factors described in risk warnings section of the Token Sale Agreement, which should be read in conjunction with the cautionary statements in the Token Sale Agreement. Any forward-looking statements in this document reflect the Company's current views with respect to future events and are subject to these and other risks, uncertainties and assumptions relating to the Company's operations, results of operations and growth strategy.
 11. These forward-looking statements speak only as of the date of publishing appearing on the first page of this document in English. Spotcoin LLC undertakes no obligation to publicly update or review any forward-looking statement, whether as a result of new information, future developments or otherwise. All subsequent written and oral forward-looking statements attributable to the Company or to individuals acting on behalf of the Company are expressly qualified in their entirety by this paragraph. Prospective token-holders should specifically consider the factors identified in the Token Sale Agreement which could cause actual results to differ from expected results before making an a decision to purchase SPOT Tokens.
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 14. If you have any specific questions about legal, financial, tax or other issues related to this document or the Token Sale Agreement, you should consult an appropriately qualified professional advisor.
 15. The English version of this document is the official version of this document and is the primary source of information about the Project.
 16. Information contained in this document may, from time to time, be translated into other languages, used in writing, or used verbally to communicate with existing or potential token-holders, partners, or any other parties. In case there is a conflict or inconsistency between the translated versions and the official English version, the English version shall prevail.
 17. Spotcoin LLC will not be liable for losses, including, but without limitation to, loss of or damage to profits, income, revenue, use, production, anticipated savings, business, contracts, commercial opportunities or goodwill that may arise directly or indirectly from the information contained in this document.

01 ABSTRACT



The chasm between legacy financial markets and new digital asset ecosystems has grown as the market exploded. Spotcoin was born to bridge the gap.

—Andrew Thornhill
Spotcoin Co-Founder



Abstract

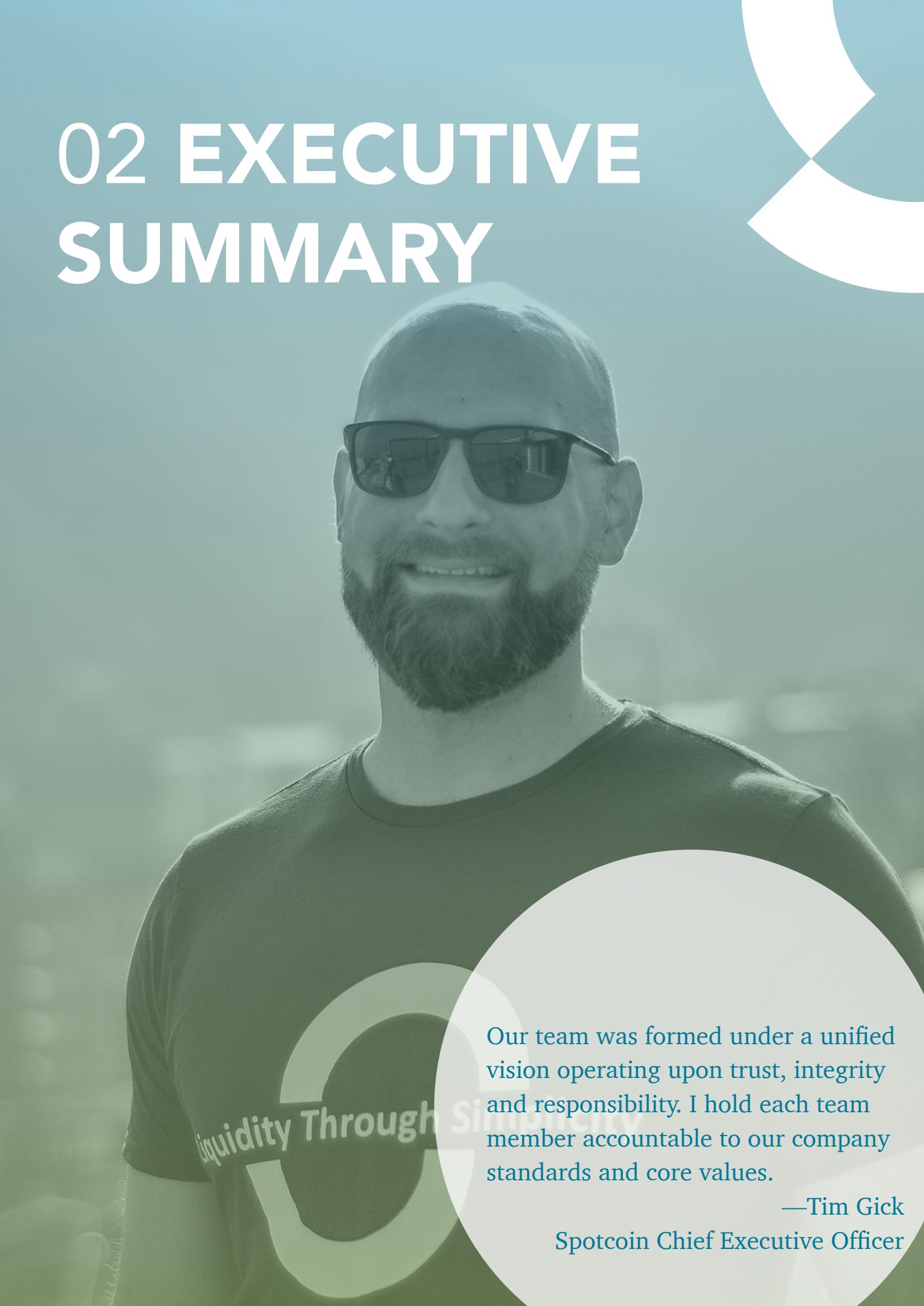
Spotcoin is an economic platform designed to bridge the gap between legacy financial markets and emerging digital asset ecosystems. Spotcoin adds trust to the fragmented landscape of new digital assets by quickly and transparently handling complex transactions while matching orders and removing market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

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

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

Spotcoin is cultivating strong working relationships with regional governments, positioning the company to launch its Blockchain Institute. The Black Sea Blockchain Institute will offer blockchain training, research, and an accelerator to advance entrepreneurship in distributed ledger technologies.

02 EXECUTIVE SUMMARY



Our team was formed under a unified vision operating upon trust, integrity and responsibility. I hold each team member accountable to our company standards and core values.

—Tim Gick
Spotcoin Chief Executive Officer



Executive Summary

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



Spotcoin is raising \$30M through our token sale and will begin distributing Spotcoin tokens (SPOT) by July 15, 2018. The total supply of SPOT is ninety-nine million tokens (99,000,000). All SPOT holders are entitled to dividends based upon transparent, equitable and audited results.

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

Over the Counter Marketplace (OTC)

Spotcoin's OTC marketplace was established in November 2016 to provide digital to fiat currency trading services for clients worldwide. The fragmented global OTC marketplace for digital currency trading is estimated to be greater than \$10B per year. Spotcoin intends to become a market leader for trusted OTC trades in all major digital currencies. Spotcoin is developing an automated marketplace and will obtain all necessary licenses to increase our global trading capabilities.

Exchange

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



Mining

Spotcoin has designed and initiated an environmentally friendly \$3.25M facility utilizing hydroelectric power scalable up to 25MW. Our new facility will house 4,500 GPU miners with additional capacity to host 4,500 units on behalf of clients.

Spotpay

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

Black Sea Blockchain Institute

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

Whitepaper Analysis

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

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



White Paper Analysis

RATING 5 Excellent 4 Good 3 Average 2 Poor 1 Failing

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

Matrix based on City of Zion (CoZ) "Guidelines for Responsible Token Sales"

03 ABOUT SPOTCOIN



RESPONSIBILITY | INTEGRITY | TRUST



About Spotcoin

Spotcoin History

History

Timeline

Q4 2016
Spotcoin was co-founded by: Andrew Thornhill Giorgi Abuladze Guram Rukhadze Natalia Khizanishvili
Q1 2017
Completed \$1.5M in transactions
Q2 2017
Trading exceeded \$5M with profit surpassing \$10,000 on a single trade
Q3 2017
Appointed CEO and received \$500,000 in initial seed funding
Q4 2017
Moved into new offices and hired 20 new staff members
Q1 2018
Pre-ICO phase Received \$500,000 second round funding

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

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

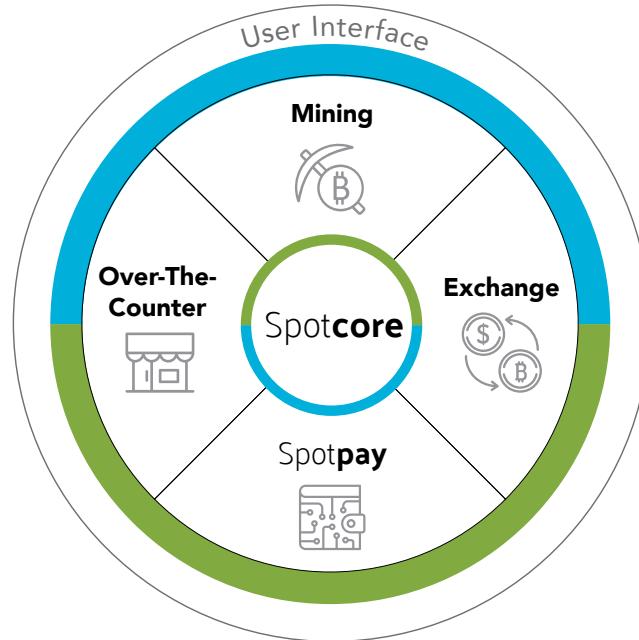
Why NEO?

NEO is an open source, non-profit, community-backed blockchain token platform that aims to create a distributed network "Smart Economy." NEO is ideally suited to provide the platform that will best support Spotcoin's vision for the future. NEO was specifically designed to address legal and regulatory requirements for both fungible and non-fungible digital assets. NEO also incorporates digital identities which makes its network, and any tokens built upon it, ideally suited for satisfying know your customer (KYC) and anti-money laundering (AML) requirements. NEO's founders intend to work within existing legal and regulatory frameworks to bring real world assets to the blockchain. Spotcoin is excited about NEO's vision and is directly allocating company resources to support NEO's goal of 100,000 Transactions Per Second by 2020.



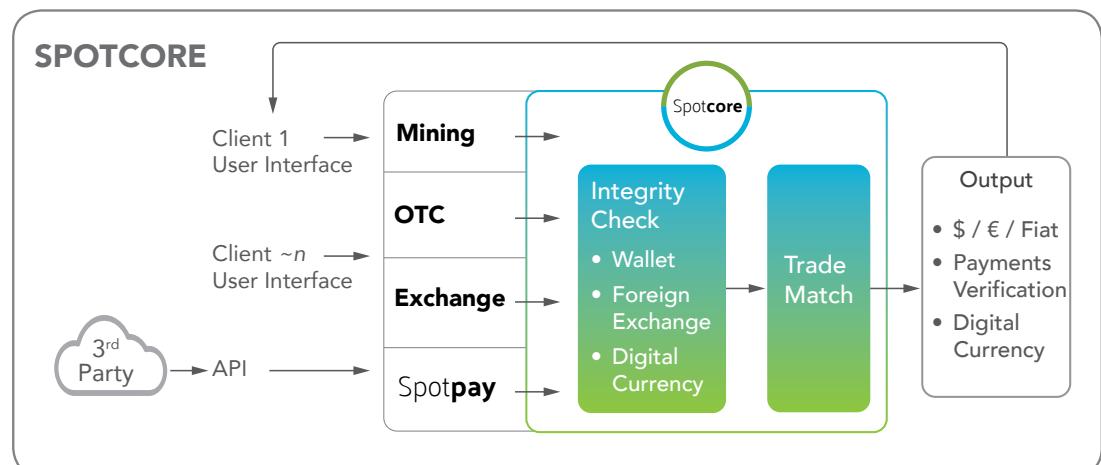
Spotcoin Today

Spotcoin has designed and initiated an environmentally friendly \$3.25M facility utilizing hydroelectric power scalable up to 25MW. Our new facility will house 4,500 GPU miners with additional capacity to host 4,500 units on behalf of clients.



Spotcoin Tomorrow

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



Meet Our Team



Founders

Andrew Thornhill, Co-Founder

Guram Rukhadze, Co-Founder

Giorgi Abuladze, Co-Founder

Natalia Khizanishvili, Co-Founder



Executive Management Team

Tim Gick, Chief Executive Officer

Sean Mulcahey, Chief Strategy Officer



Management Team

Nelly Gvadzabia, Director of Administration

Ketevan Popkhadze, Marketing Manager

Nikoloz Gugulashvili, IT Manager

Zaza Sharmanashvili, Chief Accountant



ICO TEAM

Byron Yoshida, ICO Program Manager

Tamar Nozadze, ICO Program Coordinator

Anait Ambartsumyan, Armenia County Manager

Archil Kublashvili, Netherlands Country Manager



Advisors

Nikoloz Enukidze, Senior Independent Director at TBC Bank

Zurab Tsikhistavi, Former Founder & Chairman of Basis Bank

Vakhtang Gogokhia, CEO Golden Fleece

John Wurdeman, Co-Founder Pheasant Tears

John Okro, Senior Mobile Internetworking Expert

Fred Kortmann, CFO, The Perfect Processor

Aram Shumavon, CEO Kevala Analytics

Michael Cowgill, President & Co-Founder, GAU

Zachary Newmark, Founder, Netherland Times

Brian Hankey, Co-Founder, Cranial Ink

04 OTC



Hello from Borjomi, Georgia!



OTC Marketplace

Timeline

Q2 2018	Trading Logic Integration & Matching Engine
Q3 2018	Advanced UI & notification system Admin panel & customer support tools
Q4 2018	Functional testing, security audit completed & launch
Q1 2019	Launch

PROBLEM

Fiat exchange limitations

Lack of proven brokers

Limited means to connect large traders of digital assets

Non-responsive customer service

SPOT SOLUTION

Large volume trade matching

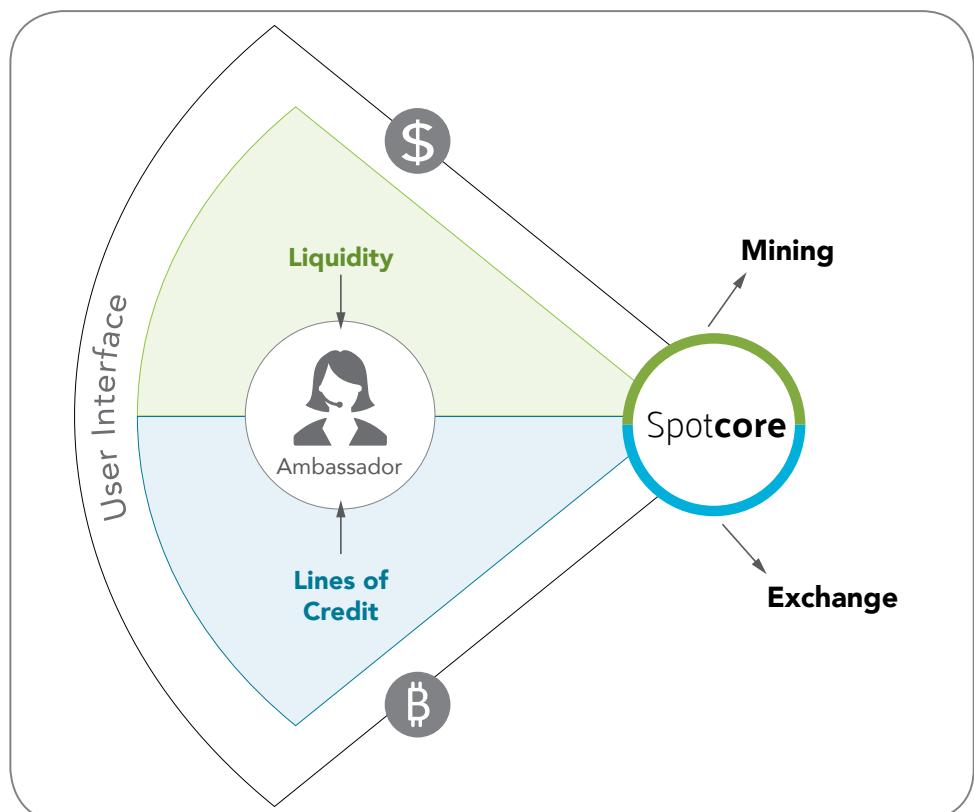
Providing trusted intermediary services

Efficient marketplace with one business day settlement

Spotcoin Ambassadors

Large Volume Trade Matching

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





Trust Paradigm

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

Next Business Day Settlement

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

Spotcoin Ambassadors

All of our services meet or exceed the exacting standards required by our clients. Any OTC client that trades in excess of \$1M per month is assigned a Spotcoin Ambassador that will provide personalized service for each and every trade.

05 Digital Exchange



Spotcoin is making the smart economy accessible to everyone, allowing for easy, frictionless exchange between fiat currencies and digital assets, with competitive fees and a wide range of payment options.

—Giorgi Abuladze,
Spotcoin Co-Founder



Digital Exchange

Timeline

Q1 2019	Wallet integrations Trading engine functional
Q2 2019	Buy / Sell Logic Advanced UI support Spotcore development
Q3 2019	Security audit completed & functional testing System Live

PROBLEM

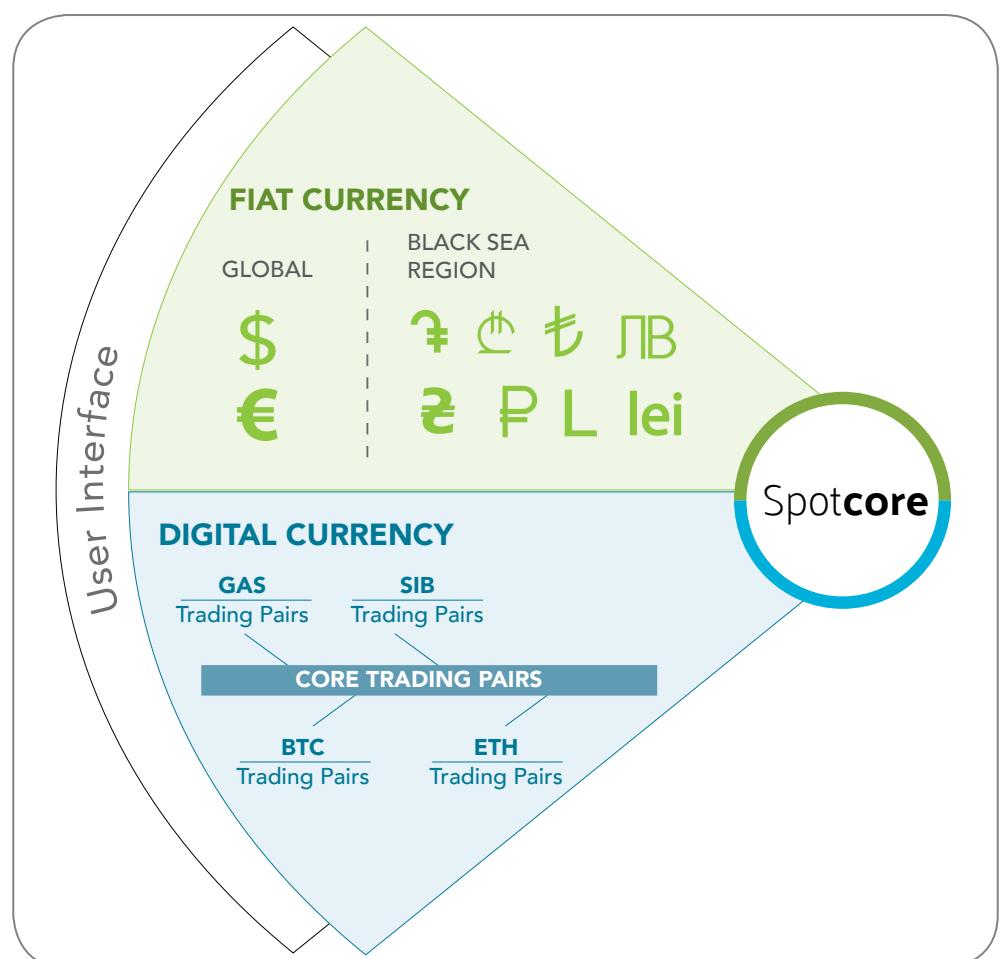
- Limited fiat liquidity
- Complicated
- Lack of transparency

SPOT SOLUTION

- Exchange supporting regional fiat currencies
- Simple user-interface
- Quarterly audits

Regional Exchange Solution

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





Simple Trading

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



Quarterly Audit

Spotcoin will engage a Big 4 accounting firm to conduct quarterly audits, the results of which will be published on our website when completed. As NEO scales to 100,000 transactions per second (TPS), Spotcoin plans to provide on chain transaction data for **both** fiat and digital asset trades by 2020.

06 Spotpay

A professional portrait of Natalia Khizanishvili, co-founder of Spotcoin. She is a woman with short brown hair, wearing a dark green blazer over a white t-shirt. She is looking directly at the camera with a slight smile. The background is a plain, light color.

The traders we work with always say how happy they are with our speed, security and reliability. This is a part of our DNA.

—Natalia Khizanishvili,
Spotcoin Co-Founder



Spotpay

Timeline

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

PROBLEM

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

SPOT SOLUTION

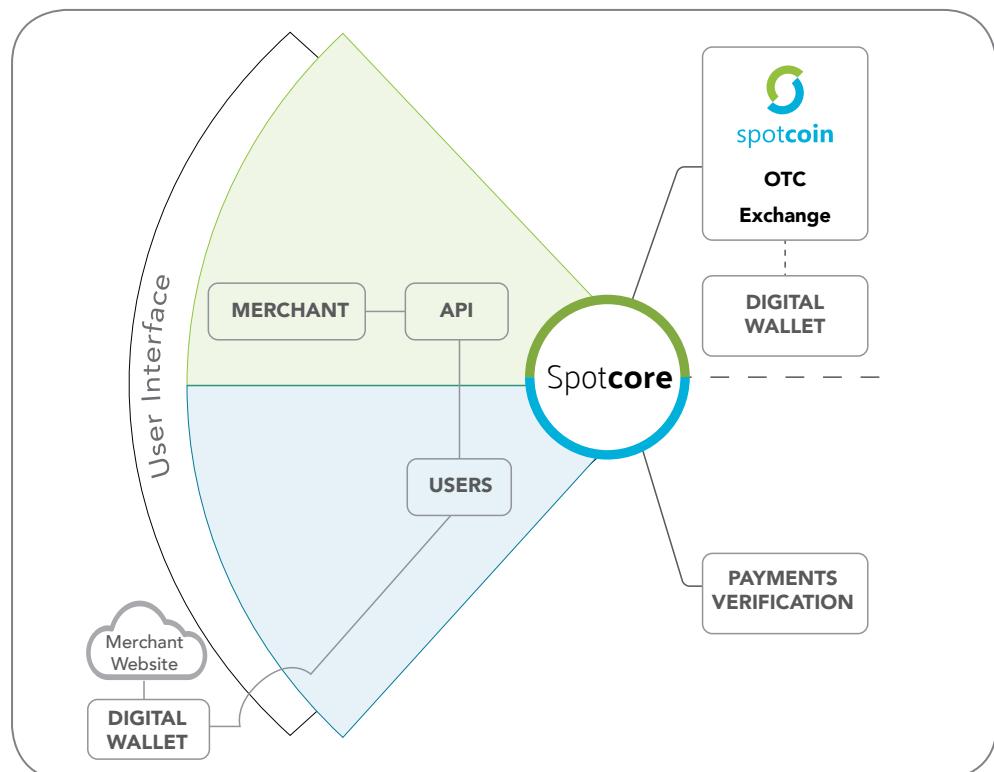
- Enabling in-store digital currency use
- Well documented, consistent API with supporting libraries
- Simple drop-in components and plugin support for all major shopping carts

Enabling Retail Payments

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

API and Payment Widgets

Spotpay will provide a digital asset payment API that is simple, yet powerful, consistent and well documented. In addition, customizable pre-build UI components will be available to enable drop-in integration with existing websites.





Spotpay will also develop plugins for all major shopping cart platforms, allowing merchants to enable Spotpay checkout with the click of a button. Support will be provided in the form of open source API libraries in the following languages: PHP, Ruby, Python, Java, .NET, and NodeJS.

Transparent Fees

All fees will be clearly displayed to the buyer and the seller; no unpleasant surprises. Transaction fees will be priced competitively according to the current market at launch.

07 Mining



An important part of the digital asset ecosystem is mining. We chose Georgia as home to our mining operation because it offers low-cost, environmentally friendly hydropower.

—Guram Rukhadze,
Spotcoin Co-Founder



Mining

PROBLEM

- Access to low-cost electricity
- Government regulations
- Shortage of technical support

SPOT SOLUTION

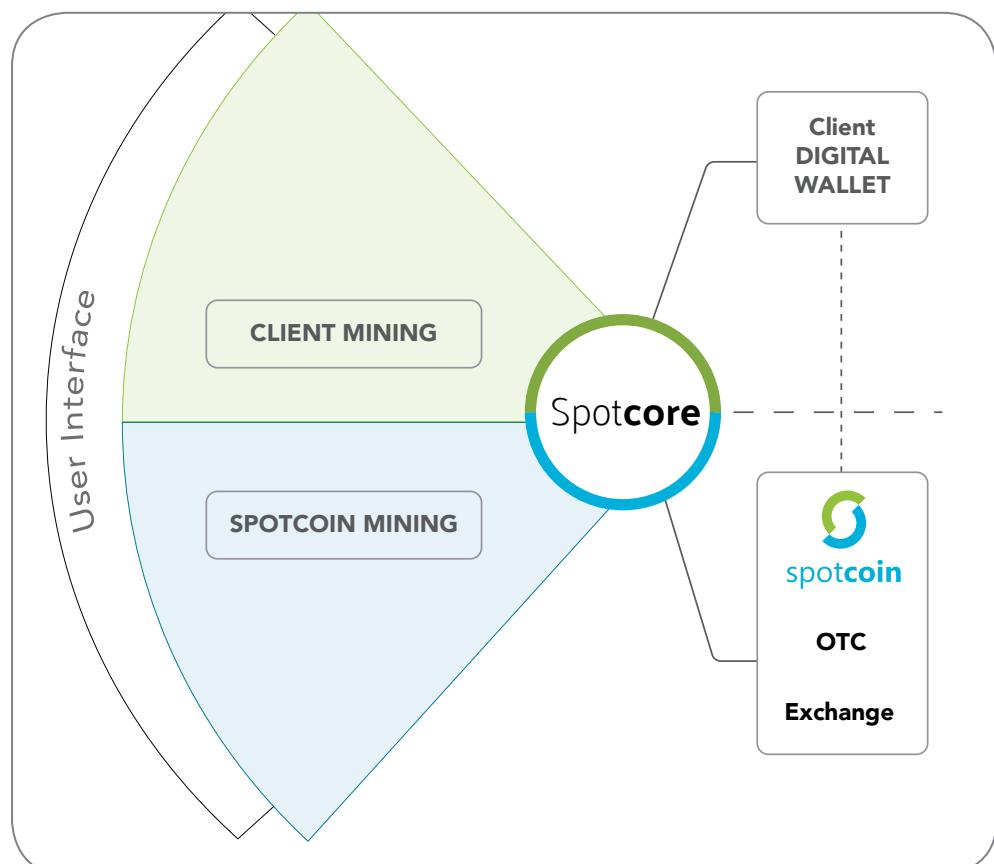
- Georgian hydropower
- Positive regulatory environment
- Experienced community



- Ranked #9 among 190 countries in Ease of Doing Business by the World Bank
- Ranked #16 among 180 countries in Economic Freedom Index by the Heritage Foundation
- Sustainable: More than 75% of Georgia's electricity is produced by hydropower plants

Georgian Hydropower

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





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

—Valery Vavilov,
BitFury Founder, when
asked about Georgia.

Georgia Incentivizes Mining

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

Experienced Community

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

SPOTCOIN MINING FACILITY

25MW capacity

Established partnerships with Georgia Mining Company & Golden Fleece

Tax relief for local hiring

FEB 2018

Final design approval & permits

MAR 2018

Land excavation

MAY 2018

Construction starts

AUG 2018

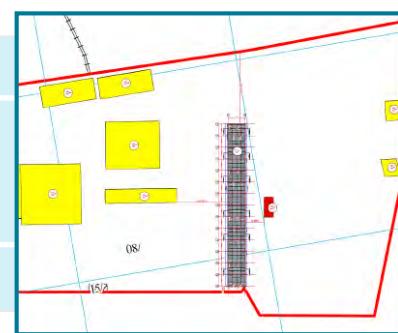
Interior construction & electricity lines installation

SEP 2018

Final building inspection

OCT 2018

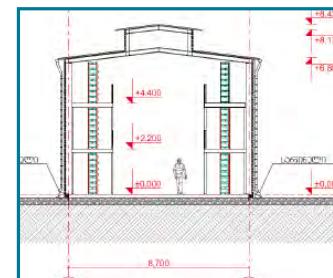
Building commissioning



spotcoin Headquarters,
Tbilisi, Georgia

Mining Facility

Tbilisi Reservoir



- 84m x 9m (756 m²)
- 4,500 GPU Miners

- Redundant power supply via Energo Georgia & GWP
- Access to natural cold water used by our proprietary system



GEORGIAN MINING
COMPANY AGREEMENT

08 Black Sea Blockchain Institute



As Sun Tzu said, “In the midst of chaos, there is also opportunity.” Spotcoin has seized the opportunity to leverage education and innovation through the Black Sea Blockchain Institute, the future of education in the digital smart economy.

—Sean Mulcahey,
Spotcoin Chief Strategy Officer

Black Sea Blockchain Institute



This map indicating venues accepting bitcoin as of March 2018 (Coinmap.org), illustrates the need for blockchain education throughout Black Sea region to achieve benefits of smart economy.

FACTS

- The number of blockchain jobs posted on LinkedIn tripled in 2017.
- Georgia will transform into a regional hub of science, research and education.
–Prime Minister
Giorgi Kvirkashvili
- U.S. blockchain developers now earn a median salary of \$130,000 per year.

Vision

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

Mission

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

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

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

The BSBI: Education of the Future

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

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

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

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

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

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

The BSBI will continually expand its course offerings and ensure compliance with accreditation requirements.



Implementation Timeline

Q1 2018	Registered as Legal Entity in Georgia
Q1 2018	Facility Partnership Established
Q2 2018	Incubation Partnership Established
Q3 2018	Implementation Ramp-up (Hire Staff, Move in to Facility)
Q4 2018	Grand Opening
Q4 2018	Formal courses and training programs begin
Q2 2019	Accreditation by Ministry of Education and Science

The Innovation Lab: Institutional Research

Spotcoin established the Black Sea Blockchain Institute to unite industry leaders, market makers, educators, government representatives and tech entrepreneurs with a focus on research opportunities and gap analyses through our Innovation Lab.

The Innovation Lab is the incubator of opportunity. Key areas targeted for growth include:

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

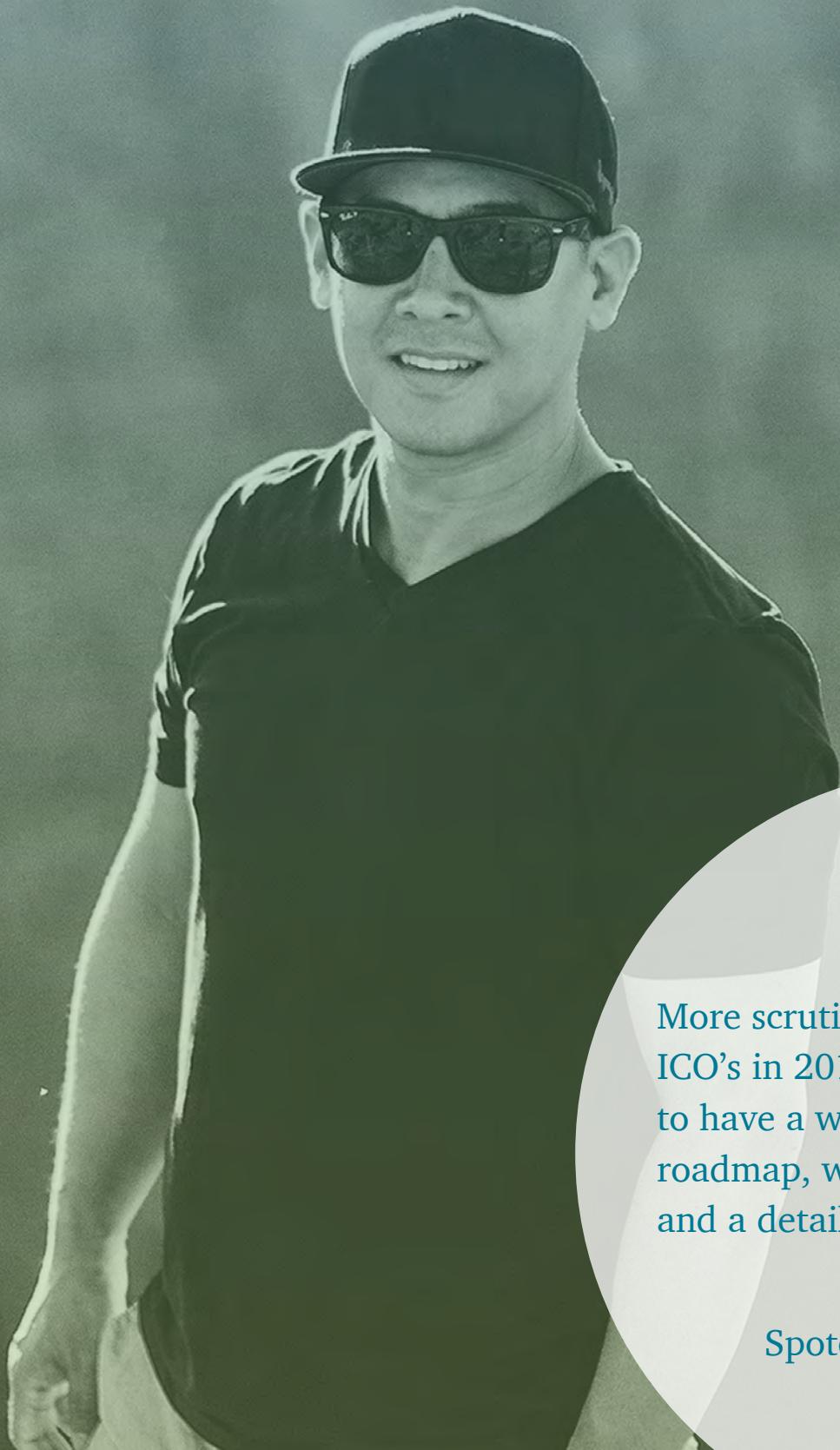
Research results will be presented to the public at conferences and published in peer reviewed journals. The premier event for research development, discussion, and results will be the **Annual Black Sea Blockchain Summit**. Each and every spring students, innovators, entrepreneurs, educators, and government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

The Innovation Fund: Spotcoin Sponsored Innovation

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

The Fund will provide seed funding, foundational support, and project execution through The Innovation Lab. In addition, the Fund will support strategic community partnerships with matching contributions through the Innovation Program Committee. To ensure comprehensive oversight, standards, and uniform evaluation criteria, the Program Committee will publish guidelines and criteria for project consideration, evaluate and select promising projects for funding, match funding with partners, and conduct status updates and evaluations.

09 Initial Coin Offering



More scrutiny will be given to ICO's in 2018. ICO's will need to have a working product, roadmap, well-grounded team, and a detailed business plan.

—Byron Yoshida,
Spotcoin ICO Program Manager



Initial Coin Offering

Spotcoin ICO Timeline

MARCH 18 – 28	Token development
MARCH 28 – APRIL 1	Smart contract review
APRIL 10 – 15	Open source review
APRIL 16 – 20	In-house review
MAY 1	Public sale starts
JUNE 1	Public sale end
JUNE 2 – JULY 14	Smart contract audit
JULY 15 (Estimated)	Spotcoin will distribute tokens before this date if the audit is completed earlier

Spotcoin will hold a Private Placement (PP) and Initial Coin Offering (ICO) to raise capital for the expansion of its business. Our NEO smart contract will be available for public review by April 10, 2018, prior to the Public Sale start date on May 1, 2018. There will be a maximum of 99,000,000 SPOT tokens, of which 66.7% (66,000,000 tokens) will be available for sale, and 33.3% (33,000,000 tokens) which will be reserved for the team and for Spotcoin's treasury. This 2:1 ratio will be maintained in the event that the hard cap is not reached.

SPOT tokens will be priced at \$0.50 USD per token. For digital currency contributions, we will use the market price of the digital currency at the time of sale to determine the number of tokens to be reserved. Upon completion of the ICO, unsold tokens will be burned. If the soft cap is not reached, all contributions will be refunded (less transaction fees). The token distribution is expected to occur on July 15, 2018 after our Big 4 accounting audit is completed. If the audit is completed prior to July 15, 2018, SPOT tokens will be distributed upon audit completion.

Eligibility – Spotcoin LLC is incorporated under the laws of Georgia, with its registered office located in Tbilisi, Georgia. Investors must adhere to all KYC / AML compliance requirements. Currently, there are no regulations for initial coin offerings in Georgia. Spotcoin's ICO Public Sale is not open to investors in the China, the Korea, or the United States of America; however, US accredited investors, as well as residents and citizens of China and Korea may participate in the Private Sale via a Simple Agreement for Future Tokens (SAFT).

TOKEN NAME	SPOT
Maximum token supply	99,000,000 SPOT
Standard	NEO NEP-5 Token
Minimum purchase	50 SPOT
Maximum purchase	1,000,000 SPOT
Public Sale Offering Price per token	\$0.50
Accepted forms of payment	GAS / NEO / BTC / ETH / SIB USD / EUR VISA / MASTERCARD
Private placement sale begins	April 10, 2018 18:00 GMT+4
Public sale begins	May 1, 2018 18:00 GMT+4
Private placement & public sale ends	June 1, 2018 18:00 GMT+4
Token use	Dividend Token
Unsold tokens	Burned

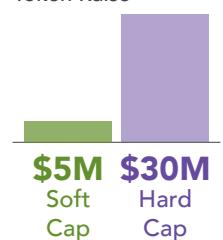
Total Token Supply
(max) 99,000,000



8% Spotcoin Team

6% Marketing

Token Raise



Token Distribution – Spotcoin will use [Coinfirm's](#) trusted third-party token distribution service. Coinfirm will not release the tokens until our third-party, Big 4 audit is completed.

Refund – Tokens that are not sold during the Private Placement or ICO will be burned. The quantity of tokens to be burned, if any, will be published along with the details of our audit on or before July 15, 2018. ICO funds will be returned (less transaction fees) one month after the third-party audit is completed if the soft cap is not achieved.

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

Private Placements – Private Placement investors may submit their KYC / AML applications beginning on March 30, 2018 (US investors will also be required to demonstrate proof of accredited investor status). Spotcoin's Private Placement will begin on April 10, 2018 and will conclude on June 1, 2018 or once the hard cap is reached, whichever comes first.

Public Sale – Public Sale investors may submit their KYC / AML applications beginning on April 10, 2018 on [Spotcoin's website](#). The Public Sale will begin on May 1, 2018 and conclude on June 1, 2018, or when the hard cap is reached, whichever comes first.

Treasury – Tokens held in the treasury will be used for creating exchange listing liquidity and expanding our business over the next 5 years. Spotcoin will sell a maximum of 20% of its initial treasury token balance as of July 15, 2018 for each of the next 5 years to fund business expansion.

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

Bounty Program – Spotcoin will have two bounty programs as part of its ICO marketing campaign; the investor bounty and the marketing bounty. Both programs were established to reward our community during the ICO. For more information on our bounty program please visit our [website](#).



Spotcoin ICO Timeline

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

2019

Q1 2019	Our innovation lab and fund will accelerate breakthrough technology and applications for the smart economy and promote good governance
Q2 2019	Black Sea Blockchain Summit 2019 Increase our mining operations to 10MW capacity
Q3 2019	Full-service on-ramp for businesses to move quickly and smoothly into the smart economy
Q4 2019	Innovation lab test-bed for government partners to safely test and experiment with new technologies

2020

Q1 2020	Launch Spotpay widget, API and POS system
Q2 2020	Black Sea Blockchain Summit 2020 Fiat exchange processing \$15M per day in transactions
Q3 2020	New model for the financial institution of the future with a broad network of global partners that is legally compliant and meets the evolving needs of the smart economy
Q4 2020	Combined support of the Smart Economy ecosystem allowing for 100,000 trades per second

2021

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



spotcoin

Please visit our website
for more details
spotcoin.com

info@spotcoin.com

