



BLACKMOON CRYPTO

WHITEPAPER

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TABLE OF CONTENTS

Disclaimer	3	Technology	20
Executive summary	4	Blackmoon Crypto Platform products	22
Vision	5	Leadership team	23
Value proposition	6	Advisors	24
Advantages for the investors	7	Our partners	26
Market overview	8	Roadmap	27
Our History	12	Crowdfunding	30
The Blackmoon Crypto Platform	14	Use of proceeds	33

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IMPORTANT

You are not eligible and you are not to purchase any BMC tokens if you are a citizen or resident (tax or otherwise) of Singapore, or other Singapore Person. "Singapore Person" is generally defined as a natural person, residing in the Singapore or any entity organized or incorporated under the laws of Singapore.

You are not eligible and you are not to purchase any BMC tokens if you are a citizen or resident (tax or otherwise) of the People's Republic of China ("PRC"), or other PRC Person. "PRC Person" is generally defined as a natural person, residing in the People's Republic of China, or any entity organized or incorporated under the laws of the People's Republic of China.

Furthermore because of current regulatory uncertainty and before additional information is publicly released by the Platform on the matter, green card holders of the United States or citizens or residents (tax or otherwise) of the United States of America, Singapore or China, or other U.S., Singapore Person or PRC Person, are not eligible to register as Continuous Contributors as it's described in the "Blackmoon Crypto Platform" section below. That limits the ability of U.S., Singapore, PRC persons to utilize BMC tokens and participate in the future development of the Platform as well as in the distribution of proceeds.

EXECUTIVE SUMMARY

Blackmoon Crypto is part of the Blackmoon Financial Group, a financial technology company founded in 2014. The Blackmoon team has extensive experience in setting up and managing investment funds, as well as developing automated investment interfaces and asset management tools while effectively working with regulatory authorities.

Blackmoon Crypto offers a vision for a new standard for tokenized investment vehicles that will bridge the gap between the fiat* and crypto universes. The Blackmoon Crypto Platform focuses on all the aspects of tokenized investment vehicles, from technology and infrastructure, to legal compliance and corporate structuring. The Blackmoon Crypto Platform will be the one-stop solution for asset managers to create and manage tokenized funds.

This white paper outlines the value proposition of the Blackmoon Crypto Platform, the company's business model, and the tokens distribution mechanics.

The Blackmoon Crypto token (BMC) will be distributed among public contributors during the Distribution Period starting on September 12, 2017.

- * Fiat money is a currency established as money by government regulation or law. USD, EUR, CNY and other similar currencies are fiat currencies.

https://en.wikipedia.org/wiki/Fiat_money

VISION

Blackmoon Crypto is part of the Blackmoon Financial Group, a financial technology company incorporated in Ireland with a solid track record since 2014. We bring investment transparency, globalization, and decentralization to the next level by implementing blockchain technology – all with a commitment to sustainable continuous development in cooperation with financial regulators.

We combine our ready-to-use technologies with our deep expertise in structuring investment funds both internally and through our partnerships with external investment teams. Working closely with the best investment managers, lawyers, and financial authorities, we are creating a solid bridge between the blockchain universe and the classical investment world by providing a transparent and legally compliant framework for tokenized funds structuring and operation.

We are helping to expand the boundaries of investment possibilities and to encourage regulators to recognize blockchain tools as the new reality in classical financial markets. Ultimately, Blackmoon Crypto aims to be the benchmark for tokenized investment funds and vehicles that invest in traditional investment instruments as well as in emerging distributed economy opportunities.



VALUE PROPOSITION

Blackmoon Crypto addresses the main issues of the current tokenized investment vehicles, such as lack of diversification, non-compliance with existing and foreseen regulation, and lack of standardization. Our goal is to become the industry standard and one-stop solution in setting up tokenized funds, regardless of whether such funds invest in the fiat or crypto world. Blackmoon Crypto will bridge the gap between these two worlds while taking advantage of both.

KEY VALUE PROPOSITIONS

Best of both worlds

Currently the majority of tokenized investment vehicles are either fully crypto-oriented (invested in cryptocurrencies) or pegged to some tradable asset (such as the US dollar or gold). Each of these approaches is siloed, hindering diversification. Access to fiat investment opportunities provides unprecedented diversification in terms of income sources while retaining all the benefits of the crypto universe, including decentralization, transparency, and exchangeability.

Standardized platform

Setting up the proper investment structure is a costly endeavour. Not all tokenized funds set up a proper structure, which leads to greater regulatory risk. Blackmoon Crypto believes that now is the right time to introduce industry standards for setting up tokenized investment vehicles that can attract investments from private individuals and institutional investors of any kind. This will reduce or remove regulatory risk from investors.

Transparency

Tokenization of interests in funds (share in profits) provides auditability and transparency to the investment process as well as to the results. This transparency means the investment funds won't be "black boxes" for the investors, with reporting full of fine print. This much-needed transparency will substantially improve accountability of the investment managers.

Sustainability

Funds' legal structure will be reviewed and approved by our legal advisors to ensure they are compliant with existing laws and regulations. As many current investors in tokenized funds are at best in Terra Incognita, this eye toward legal responsibility dramatically decreases legal risks for the investors. Blackmoon Crypto has vetted the proposed structure with several financial institutions and has received an indicative approval that it will pass internal procedures, enabling funds to be transferred from and into the crypto world. By sorting out these risks from the beginning, Blackmoon Crypto will improve investor confidence and provide necessary sustainability of the investment process.

Scalable fund creation

Using the system put in place by Blackmoon Crypto, the Blackmoon Crypto Platform, any approved investment manager will be able to set up and run a tokenized investment fund without having to go through the pain and effort of creating the necessary IT and legal infrastructure. This will effectively eliminate the barriers for tokenized fund creation, which will be an important milestone toward bringing the fiat and crypto economies into the same realm.

Bringing in new liquidity and users

We believe that the Blackmoon Crypto Platform is a turnkey solution that will lead to further proliferation of the decentralized economy. Investment managers from the fiat world will be able to easily create compliant tokenized investment funds and offer their existing customers all the benefits of the blockchain that has been a buzzword among investment managers for several years.



ADVANTAGES FOR INVESTORS

Tokenized investment funds on the Blackmoon Crypto Platform provide any type of investor with important advantages over existing investment opportunities.



ADVANTAGES FOR CRYPTO INVESTORS

- New opportunities to access assets from the fiat world, without leaving the crypto universe.
- Unparalleled diversification opportunities, thanks to low correlation between fiat and crypto assets.
- Access to a wider range of investment opportunities with a lower risk profile to complement and balance existing speculative exposures.

ADVANTAGES FOR FIAT INVESTORS

- Higher net return, thanks to the cost-efficient structure of tokenized funds. (For comparison, the setup cost of a structured note is at USD 50,000 to 100,000 plus 2% - 5% of the invested assets, which is a substantial drag on the net result to investors.)
- Access to new classes of assets thanks to lower barriers for funds set up and administration on the Blackmoon Crypto Platform.
- Exchangeability and anonymity as the inherent features of the tokenized assets. (KYC process is still required upon deposit and withdrawal of fiat currencies.)

MARKET OVERVIEW

Blockchain has been a buzzword in the financial sector since 2009. It has sparked substantial interest in the industry through its advantages of a distributed ledger, value transfer, and resilience to counterfeiting.

The creation of Ethereum (ETH) introduced smart contracts to a wide range of business users. Application of these smart contracts leads to increasing decentralization and democratization of contractual relationships, effectively leaving no place for interpretation of the fine print in the agreements and introducing dramatic cost advantages. This has resulted in the proliferation of various tokenized investment vehicles, from which we can single out three main types: currency trading, venture capital funds, and tokens pegged to assets (such as gold, the US dollar, etc.).

New entrants to the financial technology market aim to disrupt the highly concentrated and over-regulated financial industry. In this environment, incumbents are taking steps to keep up with the pace of technology and with customers' demands. For example, it was recently unveiled* that Barclays had been in discussion with the British financial regulator Financial Conduct Authority (FCA) about bringing cryptocurrencies into play.

Regulators themselves are also moving to embrace blockchain and cryptocurrencies. For example, Bitcoin is accepted** in Japan, and Swiss tax authorities confirmed*** Bitcoin VAT-free status. Still, there is much that needs to be done to make the tokenization of these investment vehicles a seamless, transparent, and regulatory-compliant process.

We believe that Blackmoon Crypto is the company to bridge the existing gap. Tokenized investment funds are the future of the financial industry, offering compelling advantages such as transparency, tradability, and cost efficiency.

To compare Blackmoon Crypto positioning in the existing ecosystem, we plotted some of the most notable companies on two axes, as shown in the chart in Figure 1 below.

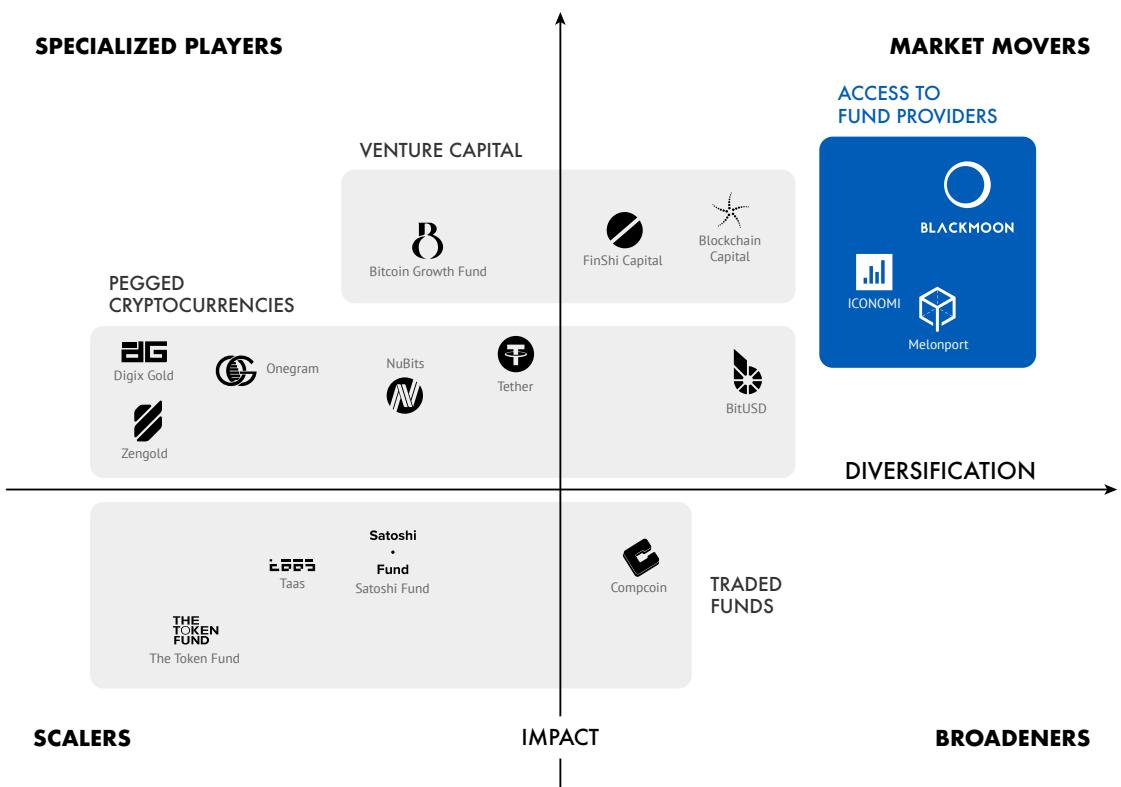
* <http://www.cnbc.com/2017/06/26/barclays-bitcoin-regulators-fca.html>

** <http://www.coindesk.com/japan-bitcoin-law-effect-tomorrow/>

*** <https://bitcoinmagazine.com/articles/swiss-tax-authorities-confirmed-bitcoin-vat-free-switzerland-1434140401/>

FIGURE 1

Blackmoon positioning in the existing ecosystem



The vertical axis ranks the impact on the industry, measured as a magnitude of market size change or other influence on the blockchain universe. The horizontal axis measures the diversification introduced to the crypto world. The more investment options are offered, the more diversity is brought to the ecosystem. New currencies traded, new companies created, and new asset classes used as a source of income increase the diversity of the crypto world and thus efficiency.

Along these axes, the quadrants move from the low-impact, low-diversity Scalers, to the high-impact, high-diversity Market movers.

Specialized players

contribute to the overall development of the crypto ecosystem but tend to offer only one option to the users.

Scalers

exploit existing approaches within already available options inside the crypto ecosystem.

Market movers

combine high impact to crypto ecosystem development with diversified options to the users.

Broadeners

use existing solutions to offer a broad range of opportunities to users.

THIS CHART SHOWS THAT BLACKMOON CRYPTO PROVIDES INDUSTRY IMPACT WHILE DELIVERING THE GREATEST DIVERSITY OF INVESTMENT OPTIONS

— ACCESS TO THE INVESTMENT VEHICLES

Next, we compared the features of Blackmoon Crypto with other providers of access to the investment vehicles, revealing that the approach planned with Blackmoon Crypto will consistently provide the best advantages to its investors

	 BLACKMOON CRYPTO	 ICONOMI	 MELONPORT
Access to fiat funds	○	○	○
Access to crypto funds	○	○	○
Fund diversity	○	○	○
Distribution of fund management income to the token-holders	○	○*	○
Focus on compliance	○	○**	○
Team experience in launching and managing funds	○	○	○***
Reserves for tokens buyout	○	○	○

* ICONOMI introduced token repurchases in 2Q 2017. Still, there is no rule how much money will be allocated each quarter to this program. Thus there is no certainty of cash flows as opposed to Blackmoon Crypto tokens.

** It is stated that “ICONOMI’s management will be provided by an EU legislation compliant and regulated service operator”. Still it is not clear whether investment vehicles themselves will be legally compliant or whether the company has such a goal as opposed to BMC mission to create fully legally compliant tokenized funds ecosystem.

*** Melonport’s CEO has extensive experience in financial institutions and funds. Still Blackmoon team has an advantage of setting up from scratch and successfully running venture capital and alternative fixed-income funds.



Blackmoon Crypto is well positioned to become the industry standard for seamless fund tokenization and management by leveraging existing expertise and technology advances.

**WE BELIEVE INCREASING
DIVERSIFICATION WILL IMPROVE
MARKET STABILITY AND ENHANCE THE
FINANCIAL TECHNOLOGY WORLD,
WHILE THE COMBINATION OF CRYPTO
WORLD RESOURCES WITH FIAT
WORLD OPPORTUNITIES WILL
INCREASE MARKET EFFICIENCY**

OUR HISTORY

Blackmoon Financial Group is a financial technology and investment management company incorporated in Ireland that has been operational since August 2014, having its roots in venture capital investments in financial technology since 2012.

The company is lead by Oleg Seydak*, entrepreneur, financial technology investor, founder of Blackmoon Financial Group, former co-founding partner of Flint Capital; and Ilya Perekopsky**, entrepreneur and IT angel-investor, and former vice president and chief commercial officer of VK.com. Following is a timeline of the company's history, from the initial vision in 2014 to the new opportunities of today. (See the Leadership Team section later in this document for more details.)

2014 VISION

Oleg Seydak has a talent for identifying opportunities for automation among lenders. Through Flint Capital, the venture capital firm that he co-founded, Oleg participated in the pre-IPO buyout investment of LendingClub and the buy-out of Prosper, as well as in investments in a set of alternative lenders in Europe.

Oleg and his friend Ilya Perekopsky, then vice president at VK.com, teamed up to found and make initial investments in Blackmoon Financial Group.

Blackmoon's first alternative debt fund was incorporated to make fixed-income investments in August 2014.

Company profiles

Flint Capital is an international venture capital fund investing across the US, Israel, and Europe. The fund was founded by Oleg Seydak and Dmitry Smirnov, former managing director and former CEO of the FINAM Global Investment Fund, respectively.

VK.com is the largest European online social media and social networking service and is ranked 17 (as of June 2017) in Alexa's global Top 500 Sites.

Lending Club operates an online lending platform that enables borrowers to obtain a loan, and investors to purchase notes backed by payments made on loans. Lending Club is the world's largest peer-to-peer lending platform.

Prosper Marketplace, America's first peer-to-peer lending marketplace, enables borrowers to obtain a loan and investors to purchase notes backed by payments made on loans.

2015 DEVELOPMENT

Work began on technical development of the automation and machine learning algorithms to process and assess loans issued by alternative lenders in the fiat world.

Blackmoon's automated platform for institutional-class investment in alternative lenders was created in May 2015 and testing began.

The Blackmoon Lending Marketplace platform was launched and the first loan was processed in June 2015.

By the end of 2015, Blackmoon had ten full-time employees, four originators, and nine investors on the platform among three different European countries, and had processed \$3M in loans after just six months in production.

* <https://www.linkedin.com/in/olegseydak/>

** <https://www.linkedin.com/in/iliaperekopsky/>

2016 PROOF OF CONCEPT

The Blackmoon Lending Marketplace platform continued to grow in Europe. We expanded our team to 16 full-time employees, and ended the year with eight originators among seven different European countries, 17 investors on the platform, and \$40M in aggregate loan value processed.

We made our US debut with demos and a company presentation at LendIt 2016 in San Francisco.

JAN – JUNE 2017 GROWTH

The Blackmoon Lending Marketplace platform processed its first US-based loans as a proof of concept in the US-based market, entered the Spanish market, and reached \$13M in monthly volumes.

Version 2.0 of the Blackmoon Lending Marketplace platform was unveiled at LendIt 2017 in New York.

Discussions with other technology and service providers in the US solidified Blackmoon Lending Marketplace platform's unique competitive positioning of deal automation, third-party monitoring and verification, and transparency.

Based on market intelligence, development began on an originator-facing interface.

JULY 2017 – TODAY NEW OPPORTUNITY

Blackmoon Financial Group identified an opportunity to leverage internal expertise in setting up investment products for institutional investors and managing dedicated investment funds. Work began on creating the first tokenized asset management platform, Blackmoon Crypto Platform, to set up and operate tokenized investment funds with a wide range of investment mandates.

DELIVERING SOLID RETURNS

Blackmoon Financial Group has a proven track record of delivering solid double-digit returns in EUR to its investors. The chart shown in Figure 2 below shows the historical unaudited performance of the fixed-income fund with a mandate to invest in the alternative lending industry in Europe under Blackmoon management.

FIGURE 2

Blackmoon alternative lending product historical performance

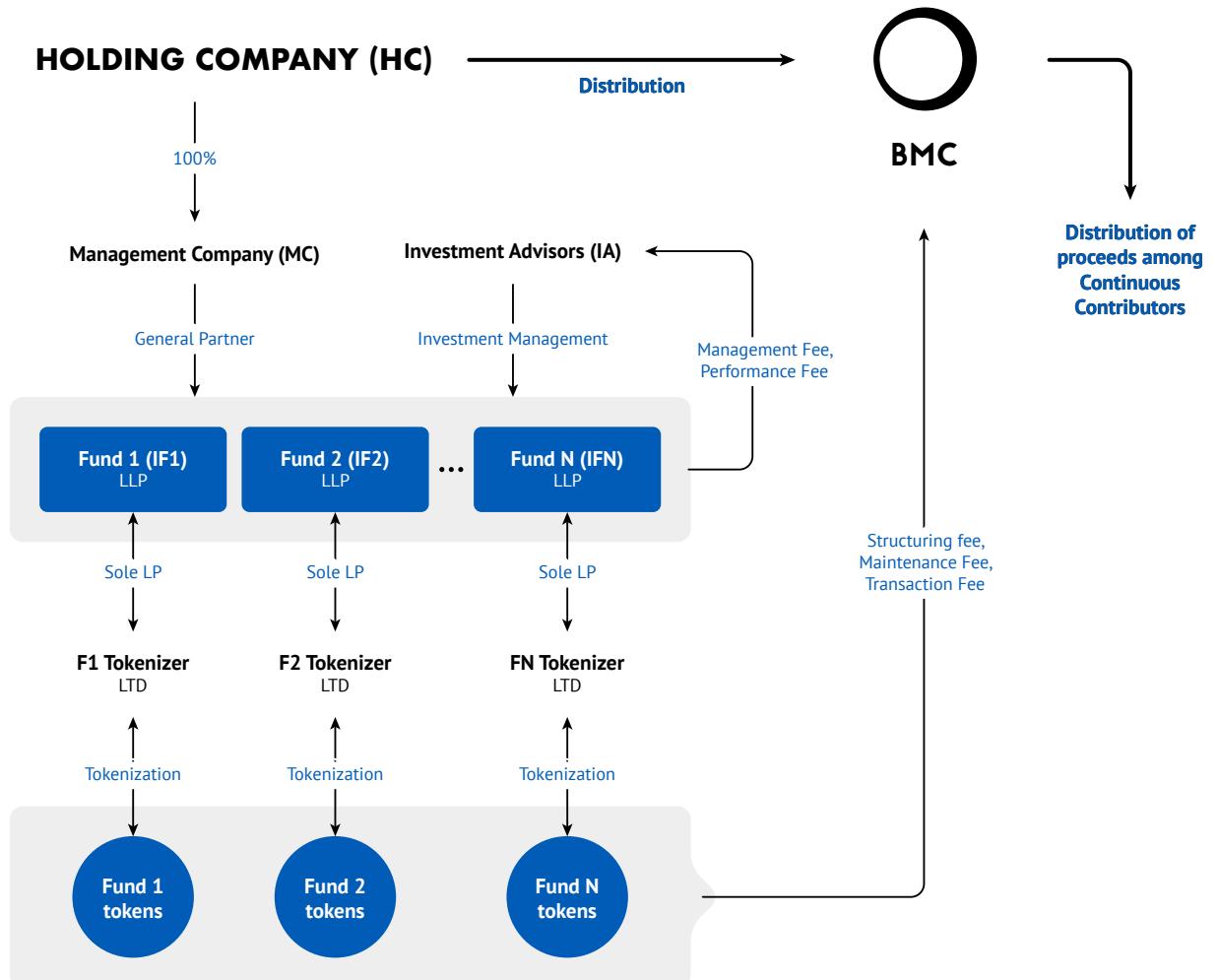


This and other investment strategies will be implemented by the dedicated tokenized funds created on the Blackmoon Crypto Platform.

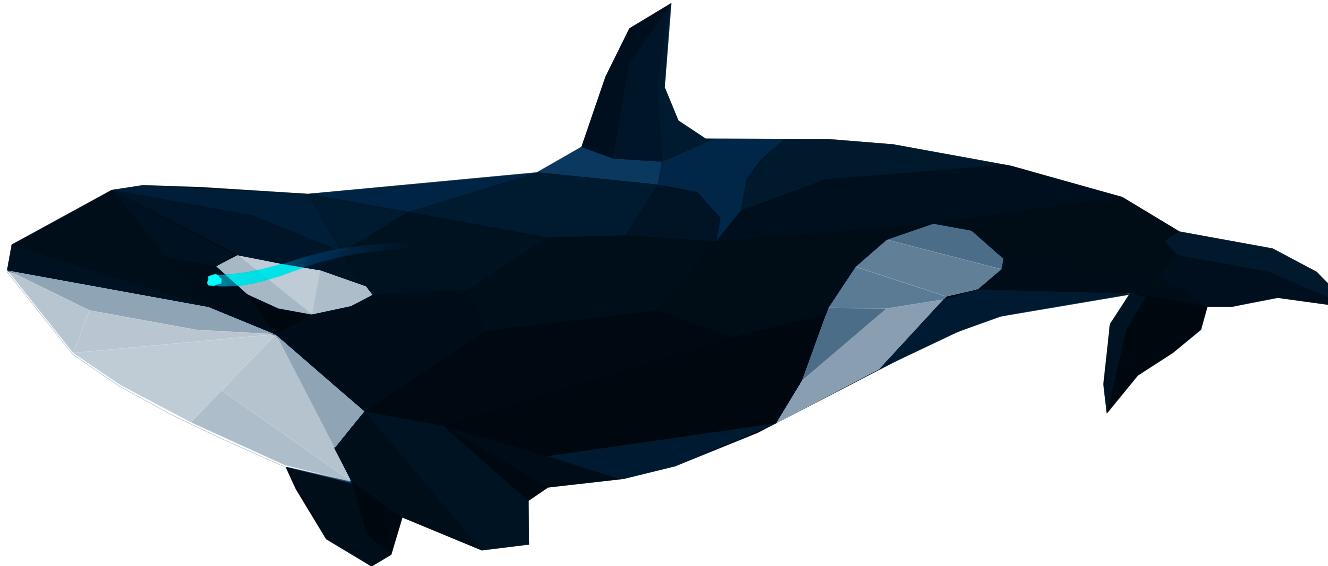
BLACKMOON CRYPTO PLATFORM

Blackmoon Crypto Platform is a set of technologies, techniques, interfaces, know-how, legal frameworks, and partnerships with banks and other licensed players in the financial market. The resulting platform will allow investment advisors to structure, promote, and maintain tokenized investment funds for their clients.

FIGURE 3
Blackmoon Crypto structure and the distribution of BMC tokens



At the base of the structure is the holding company, owned by Blackmoon Financial Group, with a subsidiary management company to manage the funds. The holding company will develop all aspects of the Blackmoon Crypto Platform, as well as work on attracting and evaluating investment advisors, who will establish tokenized funds within the Blackmoon Crypto Platform. These funds are investment vehicles, each of which is dedicated to executing a particular investment strategy under the management of its investment advisor. The management company, and by extension, the holding company, is responsible for compliance, licensing, partnering with banks, and working with legal advisors.



At the moment of Distribution, the holding company will issue Blackmoon Crypto Platform tokens, called BMCs. Holders of BMC tokens will be able to register as Continuous Contributors to the Platform via the Platform's website. Continuous Contributors will be able to deposit BMCs in a depository wallet linked to their account. Each Continuous Contributor will receive a share of Fund tokens that operate on the Platform according to the policies specified by particular Funds (please refer to the "Sources of proceeds for Continuous Contributors" section below).

To register as a Continuous Contributor the holder of BMC tokens shall choose the role that she/he is willing to execute as a contributor to the Platform. The list of available roles will be publicly available on the blackmooncrypto.com website and updated as needed to reflect the current needs of the Platform's continuous development. One of the main roles will be that of an Investment Advisor. Other roles will be Platform promoters, investment analysts, legal advisors, public auditors, GR advisors, etc.

Each role will have specific minimum and maximum amounts of BMCs that can be deposited by a Continuous Contributor while executing such a role. The minimum limit will be mostly applicable to Investment Advisors (please refer to the "Contribution of Investment Advisors" section below). The majority of roles won't have a minimum deposit limit.

Continuous Contributors will have the right to participate in "members-only" discussions regarding the Platform strategy and development plan. At least once a year or as needed, the Platform will initiate a vote among the Continuous Contributors to gather opinions of the contributing community on strategic development matters. The results of such voting won't be binding but will be strongly considered by the operational management.

Continuous Contributors shall from time to time confirm the execution of their roles on the Platform to keep their status and depository wallets active. The process of the status confirmation will be specified for each role.

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IMPORTANT

Because of current regulatory uncertainty and before additional information is publicly released by the Platform on the matter, green card holders of the United States or citizens or residents (tax or otherwise) of the United States of America or Singapore, or other U.S. or Singapore Person, are not eligible to register as Continuous Contributors therefore preventing transfer of their BMC tokens to a depository wallet to receive proceeds from them. At such time, Blackmoon Crypto will evaluate the currently applicable legal framework and take all required steps to ensure compliance.

Continuous Contributors who do not execute their roles or appear to violate the rules applicable for Continuous Contributors (i.e. appear to be a U.S. or Singapore Person) may have their status recalled, depository wallet closed, and their deposited BMCs will be transferred to the holder's personal wallet without accruing any proceeds.

It is important to note that Continuous Contributors will receive a distribution of Funds' tokens from the first Fund created on the Blackmoon Crypto Platform without having to wait for the company to reach breakeven. These proceeds will be in the form of tokens of respective Funds, not crypto or fiat currencies, and conversion of these tokens into other classes of assets, including currencies, will be subject to memorandum of the particular Fund and applicable regulations.

The holding company will hold back some BMCs as a reserve. This reserve is the source of the holding company's income after the initial distribution of BMCs to fund continuous development. (See the Crowdfunding section later in this document for more information.) The holding company will be qualified as a Continuous Contributor and will deposit its BMCs on a depository wallet linked to its holder's account.

SOURCES OF PROCEEDS FOR CONTINUOUS CONTRIBUTORS

The Blackmoon Crypto Tokens, BMCs, provide proceeds to Continuous Contributors who deposited BMCs in depository wallets as follows:

Structuring and promotion fee

0-10% from the amount of the issued fund tokens. On average 2.5%

Maintenance fee

This can differ from one fund to another, but on average it may be equal to 0.5% per annum paid daily in fund tokens via a smart contract.

Transaction fee

This fee occurs upon transferring fund tokens from one wallet to another in the amount of 0.25% from the token amount paid in fund tokens via the smart contract.

Continuous Contributors can hold their BMC tokens in special depository wallets linked to their accounts to receive their share of proceeds in proportion to the amount of BMCs deposited by the Continuous Contributor to the total amount of deposited BMCs. Only BMCs held in such a manner receive the proceeds. This is to discourage transferring of the proceeds to exchanges, holders that do not contribute to the Platform in operational manner, or other unrelated parties. Tokens stored on exchanges or transferred to other wallets cannot receive proceeds. Owners can withdraw BMCs from the depository wallets and sell them to other parties at any time subject to applicable regulations in the jurisdictions of the purchaser and the seller.

SOURCES OF INCOME OF INVESTMENT ADVISORS

Investment advisors working with the Blackmoon Crypto Platform will earn income as follows

Management fee

The management fee may average 2% per annum paid daily.

Performance (or success) fee

The performance fee shall be paid either monthly or quarterly or yearly or upon exit from investment based on the fund distribution policy, and will be on average 20% from the fund's performance. Calculation of the fund's performance shall be audited and published on the Blackmoon Crypto Platform and can not be different from the one that is used for income distribution among holders of the fund's tokens.



CONTRIBUTION OF INVESTMENT ADVISORS

To be qualified as an investment advisor on the Blackmoon Crypto Platform, an asset manager must (a) contribute to the company and (b) hold a specified number of BMC tokens in a depository account. The amounts of the contribution and deposit will be case specific, but generally vary from 10,000 to 1,000,000 BMCs. This increases the level of partnership responsibility for the investment advisor on the Blackmoon Crypto Platform and is the final step of the qualification process. Another benefit of this level of participation and partnership with the investment advisors is that it forms a foundation for future self-regulation of the system.

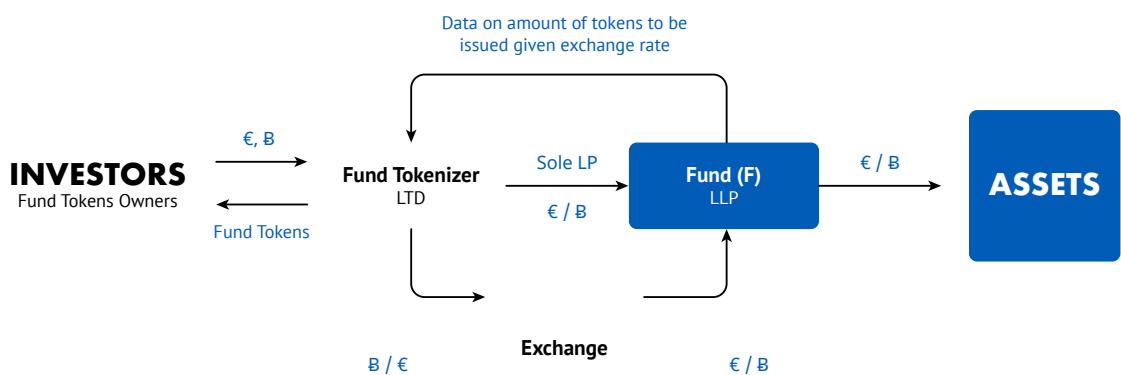
THE FUND STRUCTURE

The fund structure can differ from one case to another. While it will evolve as new data becomes available, it will be overseen by a reputable legal counsel and summaries of such reviews will be published.

Fully compliant with applicable laws, each investment fund will be incorporated as a Limited Partnership or another form as is suitable for the specific case (Limited Partnerships are the most widely used structure for investment vehicles).

The fund tokenizer in Singapore will be the only limited partner of the fund. This tokenizer performs distribution of the fund tokens to attract fiat and/or crypto-currencies, then the proceeds are transferred to the fund to provide capital for future investments. All fund transfers will be transparent and their tokens will be continuously tradable to provide investors with necessary liquidity, subject to any applicable legal restrictions in specific jurisdictions, such as the United States and Singapore. An example of this process is shown in Figure 4 below.

FIGURE 4
Example of the fiat/crypto investment fundraising process



- EXAMPLE DISTRIBUTION OF THE FUNDS' INCOME

Another important function of the Blackmoon Crypto Platform is the regular distribution of fund income to the fund token holders. This process is shown in Figure 5 below and is described as follows:

25%

of the proceeds are reinvested to multiply the return to the investors via compound interest

25%

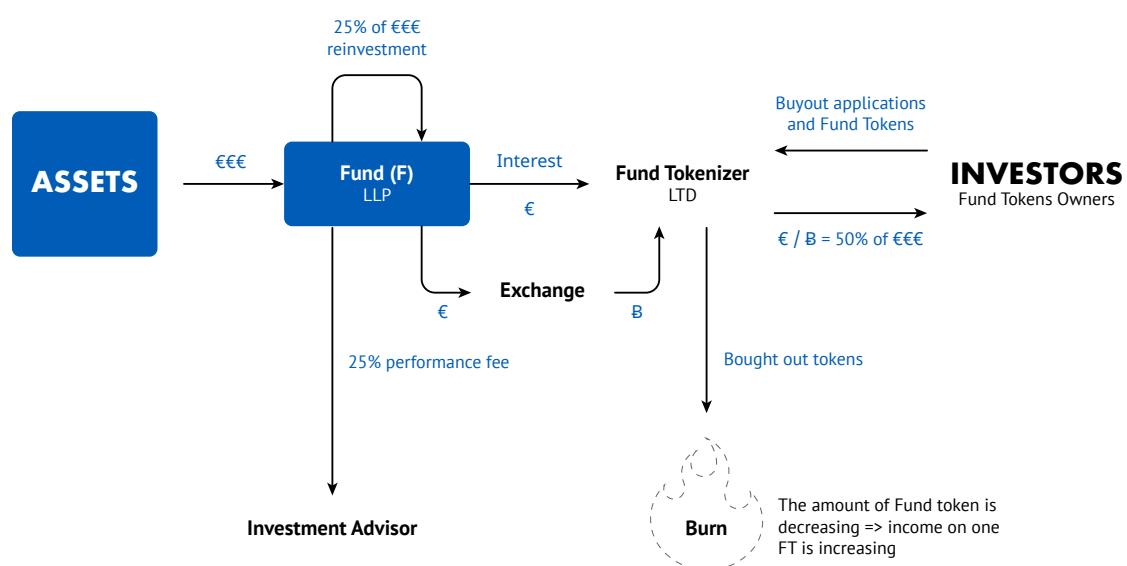
of the proceeds are paid to the investment advisor in form of a performance fee

50%

of the proceeds are distributed among the fund's token holders via a buy-back process. In this way, distribution of income provides liquidity of the fund's tokens. Bought-out tokens are burned so that income will continue to increase for the remaining fund tokens

FIGURE 5

Example of the distribution of the fund's income



I TECHNOLOGY

The Blackmoon Crypto Platform applies blockchain technology to create, manage, and govern tokenized investment vehicles and the platform itself. The platform operates on Ethereum-based smart-contracts.

- OVERVIEW OF THE SMART CONTRACTS

Blackmoon Crypto Platform technology has a two-level infrastructure:

Tokens

- BMC tokens to receive income from Blackmoon Crypto Platform.
- Funds' tokens that relate to the investment activities of the respective funds.

Tools

- Asset Proxy
- Exchange
- Asset Interface
- Others

This combination of tokens and tools allows the investment process to remain flexible to accommodate the wide diversity of the funds with various investment mandates and structures that are available on the Blackmoon Crypto Platform.

The source for the smart contracts will be published at

<https://github.com/blackmoonfg>

BLACKMOON CRYPTO PLATFORM BASE CONTRACT

The Blackmoon Crypto Platform base contract covers base roles (Contract Owner, Team member, Advisor, Holder) and interfaces to Asset Proxies, Exchanges, BMC token and Fund Tokens.

The platform contract holds the deposit wallets' logic based on Asset Proxies. Each Asset Proxy is an ERC20-compatible contract and implements an interface between the depository Platform Wallet with income, and external addresses such as exchanges or ETH wallets.

BMC TOKENS

BMC tokens are implemented as token-as-a-currency instruments and receive proceeds from the Blackmoon Crypto Platform by Continuous Contributors. BMC tokens are connected to the platform via the platform Asset and Asset Proxy interfaces. Blackmoon Crypto will mint BMC tokens as a one-off activity during the Distribution process. No additional issuance is possible.

FUND TOKENS CONTRACT

The Fund Tokens contract is made up of specific contracts that govern the fund structure, fees, and assets. It is implemented as a token-as-a-currency instrument and receives distributions from the corresponding fund's capital appreciation. Each contract connects and interacts with the platform via the asset interface.

Roles

Contract Owner (BMC Owner), holder, advisor

Holder's fees

Structuring fee: once

Promotion fee: once

Maintenance fee: daily based on annual %%

Transaction fee: per each transaction based on the rule applicable to the Fund token

Advisor's income

Management fee: daily based on annual %%

Performance/success fee: monthly/quarterly/yearly based on BMC Platform FT related rule

PLATFORM EXCHANGES

Platform exchanges hold the exchange rates (BMC-ETH, for example) and provide holders with the ability to transfer their BMC tokens from the platform. Platform exchanges support major cryptocurrencies, such as BTC and ETH. Other types of tokens as well as compatibility with fiat currencies will be added.

BLACKMOON CRYPTO PRODUCTS

Blackmoon Crypto will offer two main products, aimed toward two types of users. The Fund Issuer Administrative Tool is designed for investment advisors and asset managers; and the Token Holder's Analytical Interface is designed for fund investors.

TOKEN HOLDER'S ANALYTICAL AND MANAGEMENT INTERFACE

The Blackmoon Investment Interface provides tools for investment portfolio structuring and management as well as a holistic view of the available investment opportunities and the fund's historical and current investment performance. The interface allows the investor to:

- Analyse and pick investment opportunities from the list of options that are available on the Blackmoon Crypto Platform.
- Structure the investment portfolio and allocate capital to desired assets.
- Track the portfolio performance.
- Drill down to get the decomposition and verify the investment results.
- Submit tokens for buyback to participate in the distribution of the fund's income.
- Download reports and export necessary analytical data.

This investment interface will be based on the institutional grade investment interfaces created by Blackmoon Financial Group.

A demonstration of the Blackmoon Investment Interface, which is currently being used by institutional investors, is available here:

<https://www.youtube.com/watch?v=wL7xJK3WWeo&feature=youtu.be>

You can get a more detailed look at this tool in our demo here:

<https://demo-market.blackmoonfg.com> using the following login credentials:

Email: demo@blackmoonfg.com

Password: showmemore

OTHER PRODUCTS

The Fund Issuer Administrative Tool and the Token Holder's Analytical Interface are only the tip of an iceberg visible to end users. Behind the scenes is all the development of the technology and smart contracts, API integrations with the financial institutions, clearing operations, reporting, and intensive work on the legal track. Please refer to the Roadmap section below for more information.

FUND ISSUER ADMINISTRATIVE TOOL

This tool is the comprehensive fund management system that acts as a one-stop solution. It covers all the aspects of running the tokenized investment vehicle and provides the investment advisor or asset manager with access to the Blackmoon Crypto Platform IT and legal infrastructure. This system enables the investment manager to:

- Pick and order the legal structure of the fund, including the incorporation of the investment vehicle, opening up the bank account, and more.
- Determine the structure of the smart contract for the fund's token, including income distribution and redemption methods.
- Perform the distribution of the Fund tokens.
- Track and report investment results.
- Distribute income between the token holders.
- Upload necessary documents, reports, and other related data.

This tool allows investment advisors and asset managers to focus on managing the investment for the benefit of the token holders while Blackmoon Crypto takes care of all the rest.

LEADERSHIP TEAM



OLEG SEYDAK
FOUNDER & CEO

Lead for all operations and key strategic decisions for the company

Co-founder of Flint Capital, a venture capital firm that pioneered alternative lending in Europe. Former Managing Director at FINAM Global venture fund

<https://www.linkedin.com/in/olegseydak/>



ILYA PEREKOPSKY
CO-FOUNDER

Key contributor in corporate partnerships, managing and promoting relationships with investors

Former VP and CCO of VK.com, the largest European social network

<https://www.linkedin.com/in/iliaperekopsky/>



ILYA REMIZOV
CHIEF TECHNOLOGY OFFICER

Lead for all IT development projects and personnel

CTO for 8 years at Nanosemantics, leading AI for speech recognition. Played an instrumental role in open-source development, specifically PHP4/5

<https://www.linkedin.com/in/ilya-remizov/>



ALEXANDER RUGAEV
CHIEF CRYPTO OFFICER

Lead for crypto development

Advisor to a number of crypto projects, the founder and CEO of icopromo.com

<https://www.linkedin.com/in/alexrugev/>



SERGEY VASIN
INVESTMENT DIRECTOR

Lead for managing cooperation with investment targets, finance personnel and bus. dev.

Former Investment Director at Flint Capital with a focus on alternative lending investments. Holds CFA charter

<https://www.linkedin.com/in/svasin/>



FELIPE LEMA VOROBAY
PR&MARKETING DIRECTOR

Leads the Company's marketing and PR efforts

Former Senior Brand Marketing manager for Coca-Cola and Qiwi electronic payments. Former Head of Marketing Department at CarPrice.ru

<https://www.linkedin.com/in/felipelema23/>

ADVISORS



OSKAR HARTMANN

Investor, serial entrepreneur. Member of Board of Directors of Alfa-Bank JSC, Largest Private Commercial Bank in Russia. Founder and President of KupiVip (Leading online Fashion Retailer of Luxury brands) and CarPrice - Second largest C2B online used car marketplace that in 2015 raised 40 Million USD in a series B funding round.



VASYL LATSYNYCH

Vice President of Major Markets at Veon. Board member of Veon - Sixth largest mobile operator in the world, with over 235 million customers worldwide (serves 10% of the world's population). Veon's revenue in 2016 exceeded 8.5 Billion USD. Veon capitalization to this day exceeds 10 Billion USD. Former Vice President of Marketing and Board member of JSC Mobile TeleSystems - Largest mobile operator of Russia and CIS, European Communications CMO of the year 2016.



SASHA IVANOV

Founder & CEO of Waves Platform, one of the most successful crypto companies in the world so far. Waves Platform ICO raised 16 Million USD (30,000 BTC) in June 2016. Before Waves and after the emergence of blockchain technology he launched the first instant cryptocurrency exchange Coinomat.com, the first fiat blockchain token CoinoUSD, and the pioneering tradable cryptocurrency index Coinoindex.com.



NICOLAS TRANTER

Founding director of Bibbsworth Ltd, a company providing advisory services to Institutional asset managers. Executive at Gordian Knot, an FCA regulated asset manager based in London. Nick has been focused on the asset management industry for over 25 years, covering many of the world's largest asset managers, hedge funds, insurance companies and sovereign wealth funds. Nick started his career at JPMorgan, and has held senior roles as Managing Director in sales and coverage at Morgan Stanley, BNP Paribas and HSBC.



JOHN HYMAN

Partner at Ondra Partners, a leading corporate finance advisory boutique. John has 30 years experience in investment banking and asset management. John has spent the bulk of his career at Morgan Stanley, where he held a variety of senior roles, including Global Head of Capital Markets, and was a member of the firmwide management committee. He has also held senior roles as Head of Equities at Cheyne Capital, one of the Europe's most prominent hedge funds, and was also Chairman and CEO of Renaissance Capital, a leading emerging market focused investment bank.



MOE LEVIN

CEO of Keynote, a global technology conference company which has been responsible for over \$250MM of investments into cryptocurrency / blockchain startups. Co-Founded the first accredited Blockchain Academy. Sits on multiple government councils in the UAE, France, Netherlands, and Belgium, and works closely with regulators and banks promoting the use of bitcoin and blockchain technology. Board Member of Unsung, hacking homeless hunger.

**BLACKMOON'S LEADERSHIP TEAM HAS A
PROVEN TRACK RECORD IN
ENTREPRENEURSHIP, FINANCIAL
TECHNOLOGY, PRODUCT DEVELOPMENT,
VENTURE CAPITAL, ASSET MANAGEMENT,
CRYPTOCURRENCIES, AND LEGAL
STRUCTURING**



OUR PARTNERS



Bancor protocol is a standard for a new generation of tokens on smart contract blockchains. "Smart Tokens" offer continuous liquidity and automatic price discovery through the world's first autonomous market makers. The Bancor platform and liquidity network will allow anyone to create, manage and trade Smart Tokens. The project's token generation event broke an industry record raising \$153M in June 2017.



Target Global is an international VC firm with over \$300 million in assets under management and offices in San Francisco, Berlin and Moscow. Target Global focuses primarily on fast-growing digital-enabled B2C and B2 SMB companies in e-Commerce, finTech, travel, software and mobile



Flint Capital is an international venture capital fund investing across US, Israel and Europe.

The fund is focused on Artificial Intelligence/Machine Learning, Enterprise Software, Cyber Security, Mobility (technologies for vehicles and transportation infrastructure), Networks/Marketplaces



A&NN Investments is an investment holding with focus on Russian market, founded in 2002 to pursue friendly acquisitions of businesses with good fundamentals, growth perspectives and apparent exit opportunities. Today, after almost 15 years, A&NN Investments is an investment firm with more than \$2.4 billion of assets under management and 50 thousand people employed by companies comprising the fund's portfolio



WAVES is a decentralized blockchain platform focusing on custom blockchain tokens operations. Waves Platform ICO raised 16 Million USD (30,000 BTC) in June 2016.



Deloitte provides industry-leading audit, consulting, tax, and advisory services to many of the world's most admired brands, including 80 percent of the Fortune 500.



ROADMAP

Development of the Blackmoon Crypto Platform consists of two tracks: technology development and legal and licensing development.

The technology development track is dedicated to create not only the smart contracts for Blackmoon Crypto and its funds, but also all the necessary infrastructure for fund administration, reporting, analysis, and integration with banks and brokers. Thanks to the extensive experience of the Blackmoon team in the development of investment management interfaces and setting up API connections with lending companies, these tasks rest on a solid foundation of expertise.

On the legal and licensing track, Blackmoon legal and executive teams will focus their efforts on setting up a fully transparent, licensed where necessary and auditable investment structure, making sure that the envisioned structure is fully compliant with regulations. To do this, Blackmoon will perform in-house research as well as contract with reputable legal firms. As the US is the biggest financial market, Blackmoon will put emphasis on licensing and structuring for the selling of tokens in the US.

FIGURE 6
Blackmoon Crypto roadmap

JAN. 2018
Token distribution of the first Fund:
High yield fixed fiat

APRIL 2018
Release of the Fund administrative
system

SEP. 2018
Receiving of the Fund managing
and broker-dealer licenses to work
with unaccredited fiat investors

JAN. 2019
Start of the tokens sale in the US

SEP. 2017
Distribution of Blackmoon Crypto
Platform Tokens

MARCH 2018
Token distribution of the second Fund:
Low risk fixed fiat income.
Application for a license in EU

MAY 2018
Application for a license in the US

DEC. 2018
Broker-dealer license in the US

Blackmoon will continuously set up investment funds on the Blackmoon Crypto Platform to serve as a proof of concept. To leverage the existing expertise of Blackmoon Financial Group, the first fund will be a high-yield fixed income fund in alternative lending.

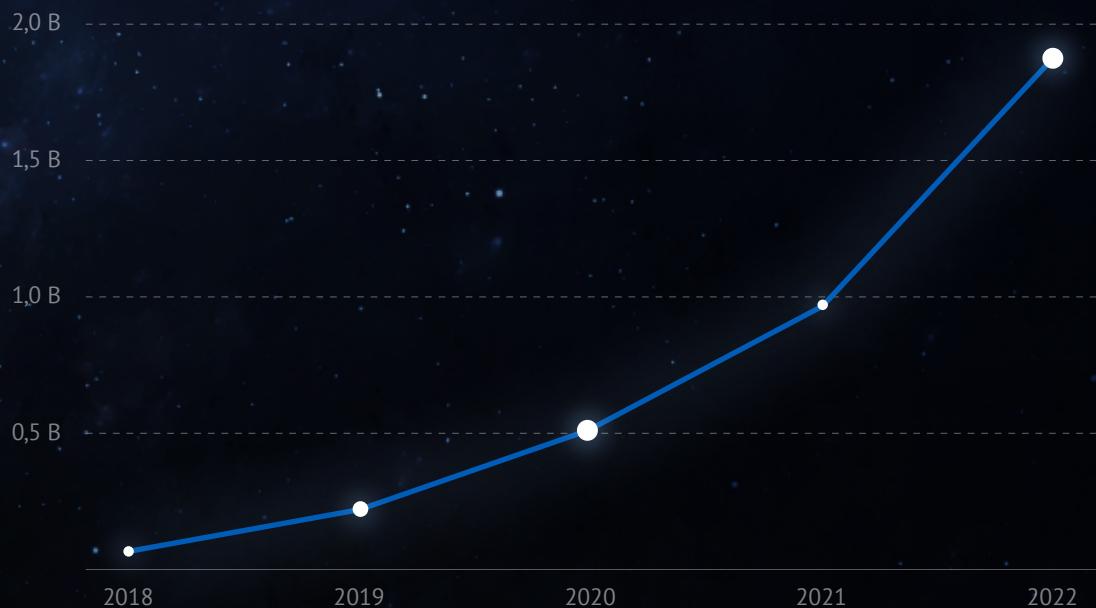
The next fund in the roadmap will be oriented toward a low-risk fixed income to provide more diversification and protection for investors seeking safe-havens.

The third fund will be oriented toward ICO and cryptocurrency investments to serve the needs of those investors who want to have exposure to the broader crypto-currency market.

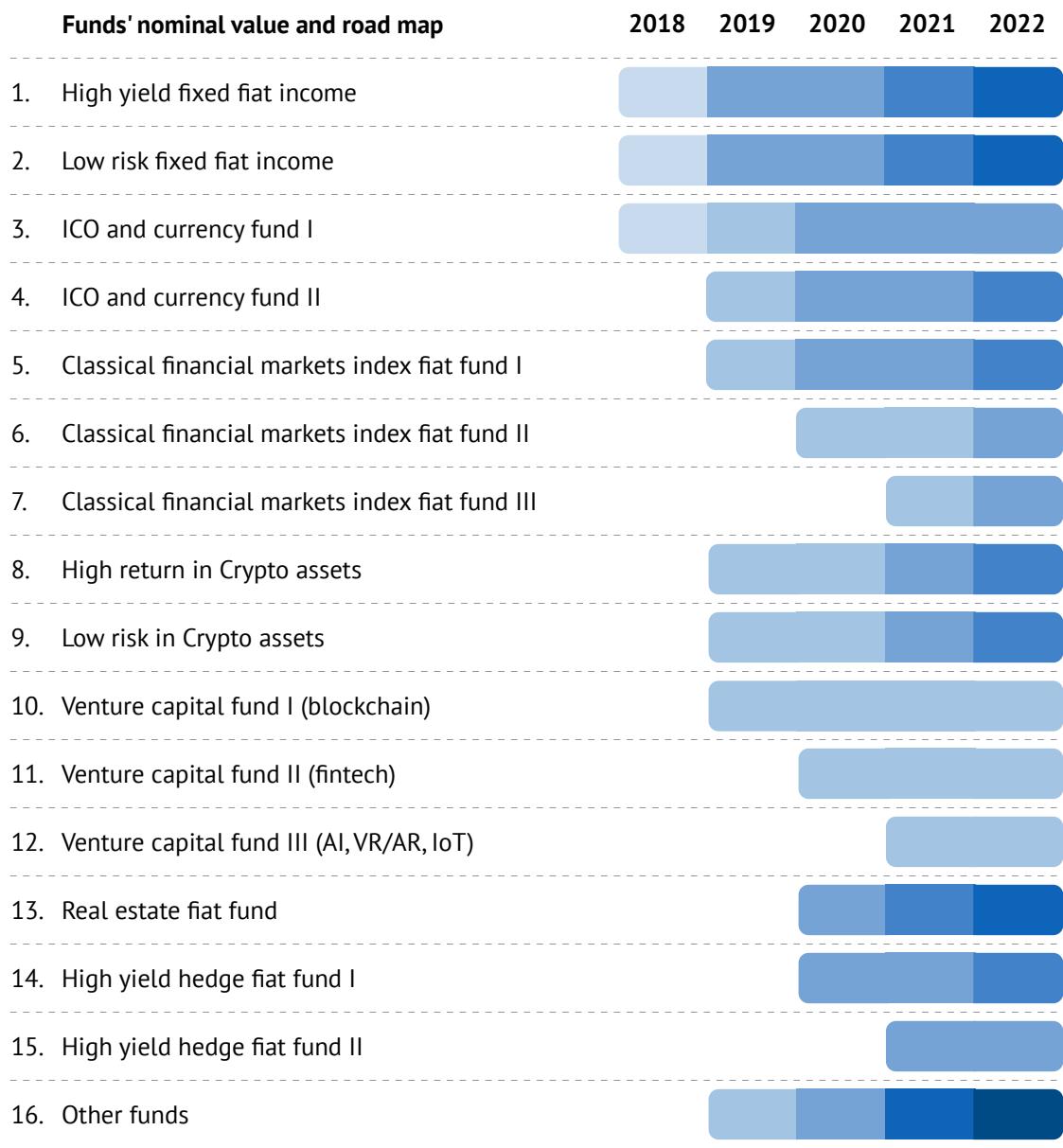
In 2019, Blackmoon Crypto Platform plans to leverage the VC pedigree of the founding team by adding stock market fiat funds, actively managed crypto funds, and venture capital funds.

All of these funds will serve as a proof of concept for third-party asset managers, and we will invite them to join Blackmoon Crypto as external asset managers. Below is the detailed list of funds we are going to set up. As shown in Figure 7 below, we expect that the total value of assets under management will exceed \$1.8 billion by 2022.

FIGURE 7
Forecasted assets on the Blackmoon Crypto Platform (USD)



FUNDS PLANNED FOR BLACKMOON CRYPTO



\$10M

>\$150M

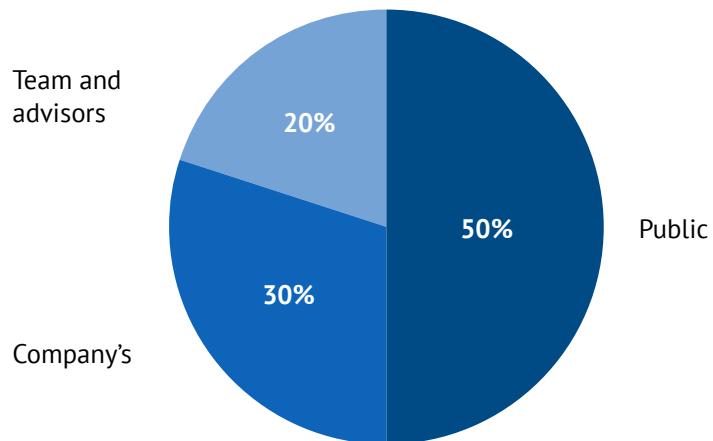
CROWDFUNDING

BMC DISTRIBUTION PROCESS

- The launch of Blackmoon Crypto and the corresponding BMC token creation process are organized around smart contracts running on Ethereum.
- The BMC Distribution process will begin on September 12, 2017 at 01:00 pm UTC (the “Distribution Starting Date”).
- Instructions on how contributors can participate will be made available closer to the Distribution Starting Date.
- Participants willing to contribute to and support the development of the Blackmoon Crypto Platform can do so by sending ETH or other major cryptocurrencies to the designated address.
- Details on participation using fiat currencies will be published shortly. You also can request information on participation using fiat currencies by emailing us at pre-order@blackmooncrypto.com
- By submitting the contribution, participants are requesting to receive BMC tokens at the BMC price (please refer to the section below).
- The Distribution Period will run for a period of 30 days, or until the cap on fundraising will be reached, whatever appears earlier.
- BMCS received by contributors will be transferrable 7 days after the end of the Distribution Period.
- Blackmoon Crypto Pte. LTD, Singapore (the “Company”) controls the contract and the address to which gathered ether will be sent (implemented as a multisig address).
- To ensure participation please contact us at pre-order@blackmooncrypto.com

BMC ALLOCATION

All available BMC will be issued during the Distribution period. This will be a one-time operation and no additional issuance is available for BMC tokens. The total number of BMC to be issued will be calculated at the end of the Distribution Period according to the formula: amount of BMC sold during the Distribution multiplied by 2.



50%

of the BMCs will be allocated to the public contributors who participated in the Distribution process including bonuses provided to contributors during the promo campaign.

30%

of the BMCs will be allocated to the Company reserve and locked for a minimum of 36 months. This reserve is a source of the Company's income after the Distribution Period and can be allocated only partially and only among direct contributors and the core team if necessary, and not earlier than 36 months. This reserve is a necessary foundation for sustainable future development of the Blackmoon Crypto Platform.

20%

of the BMCs will be allocated to the founding Blackmoon Crypto team and advisors, locked in a smart contract with a 24-month vesting period, and six-month cliff. These BMCs won't be immediately tradable and will secure the core team members by ensuring their motivation after the Distribution Period. Some BMCs from this pool (but not more than 5% of all BMCs) will be allocated to non-operational advisors and will be locked with a six-month cliff without vesting. Up to 3% will go to subcontractors and bounty campaign members without vesting.

- BMC PRICE

BMC price is nominated in USD and specified as follows:

- At pre-order and during the first 48 hours of the Distribution Period the price of one BMC token will be \$1.00.
- From 3rd to 7th day (both including) of the Distribution the price of one BMC will be \$1.05.
- After the 7th day of the Distribution until the Distribution End Date the price of one BMC will be \$1.10.

- CAP ON FUNDRAISING

The cap on funds raised at the Distribution will be publicly announced 24 hours before the Distribution Starting Date, however such cap **cannot exceed \$30,000,000** as outlined in clause 4.a. of the Terms of Token Sale.

- DOWNSIDE PROTECTION

30% of the proceeds from BMC Distribution within the Distribution Period will be reserved for a guaranteed buyback of BMC tokens at 80% of the Distribution Rate nominated in USD. The reserve will be stored in the form of a differentiated portfolio of major cryptocurrencies. Information on the structure of the reserve and its status will be publicly available. The facility will last for 24 months. After that, the funds are returned back to the company. All purchased tokens, if any, become the property of the company.

- PRE-ORDERS

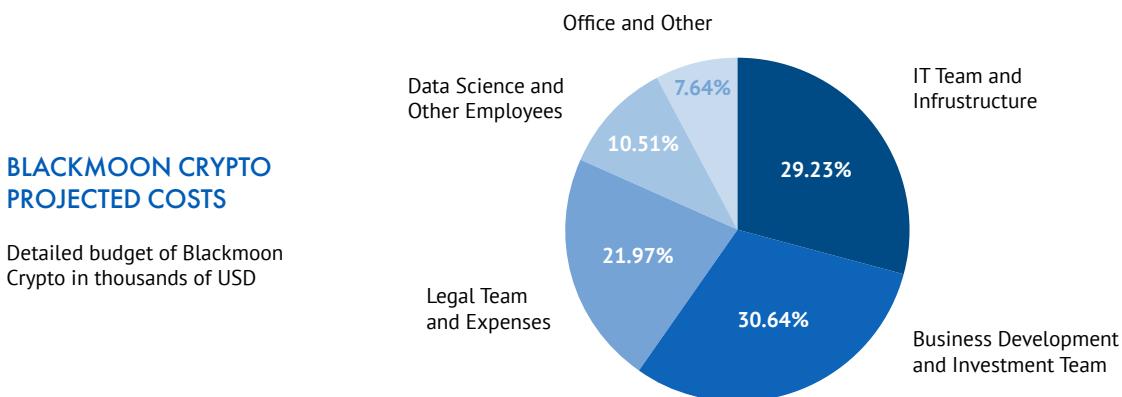
Early contributors to Blackmoon Crypto will be able to place pre-orders for BMCs to secure the right to participate in the token distribution.

To participate in pre-order please write an email to
pre-order@blackmooncrypto.com

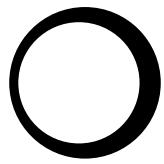
USE OF PROCEEDS

We estimate the total cost for Blackmoon Crypto Platform development to be about USD 33.5M over the next five years. This amount will be covered by the proceeds from the Distribution of BMCs and the income from the retained BMC tokens, since these tokens will receive part of the revenue of the Platform.

The diagram shown below shows the cumulative projected costs of Blackmoon Crypto Platform development.



Yearly Expenses in '\$k	2017	2018	2019	2020	2021	2022	TOTAL
IT team	281	936	1,076	1,238	1,423	1,637	6,590
Investment and Financial Team	95	317	365	420	483	555	2,236
Data Science and Analytical Team	80	266	306	352	404	465	1,872
Legal Team	99	329	378	434	500	575	2,314
Business Development Team	133	443	509	586	674	775	3,119
Other employees	70	234	269	309	356	409	1,648
Licensing and regulatory compliance	450	620	360	414	476	548	2,868
External Legal Services	250	152	175	201	231	266	1,275
Office costs	55	184	212	243	280	322	1,296
PR and Marketing	140	525	604	694	798	918	3,680
Equipment and other capital costs	73	242	278	320	368	423	1,704
Business Trips	31	104	120	138	158	182	732
IT Infrastructure	64	212	244	280	322	371	1,493
Additional HC-related Costs	200	78	90	103	119	136	726
Conferences & Events	21	70	81	93	106	122	493
Corporate Secretary Services	19	64	74	85	97	112	451
Subcontractors	18	60	69	79	91	105	423
Accounting & Audit	11	36	41	48	55	63	254
Banking	8	28	32	37	43	49	197
General business expenses	5	16	18	21	24	28	113
TOTAL	2,102	4,915	5,300	6,095	7,009	8,060	33,481



**BLACKMOON
CRYPTO**

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