

FLUZCOIN

The Intelligent Retail Currency

WHITTE PAPER

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INTRODUCTION

// **“Everyone can create money; the problem is to get it accepted” - Hyman Minsky**

Fluzcoin solution

Fluzcoin, as an independent retail coin structured in computer-aided governance, **solves the problems** of speed, cost, compliance and excess volatility; ushering in a true retail coin ready for mass adoption.

Fluzcoin’s Artificial Intelligence (AI) algorithm, EUNOMIA, overcomes crypto-economic volatility with real-time, computer-aided market corrections to the Fluzcoin supply and demand.

The value generated by minting new Fluzcoins is maximized by Fluzcoin holders in the form of proof of stake; meaning the accumulation of Fluzcoin, results in an appreciation path similar to traditional cryptocurrencies even though the value of an individual Fluzcoin may never skyrocket.

Fluzcoin’s computer-governed economy results in a transparent and predictable fluctuation path, compared to FIAT and crypto-currencies. Fluzcoin’s clever, patent-pending (United States patent application pending 62/648,206) coin minting rationale creates additional value without the need for energy intensive crypto-mining infrastructure.

The appeal of Fluzcoin

Fluzcoin holders enjoy effortless minting of new coins by simply holding the coin; making Fluzcoin the most rewarding retail currency available.

Retail prices in Fluzcoin are also likely to be lower than FIAT values, as merchants are able to pass transaction cost-savings to customers. Lower prices combined with strong commercial discounts, partially paid from the Fluzcoin Initial Coin Offering (ICO) raise, and an easy to use mobile app environment, incentivizes consumer adaptation.

Merchants benefit from Fluzcoin as it allows for **cost and default-risk free transactions** with **collected funds available in real time**, which are immediately convertible to FIAT currencies.

All Fluzcoin retail participants will have cleared Know-Your-Customer (KYC) making it a compliant coin for the accepting merchant who gains exposure to a new generation of **digital and mobile consumers**.

Data Economy and Data Network Effects

Data is the new oil - as the Economist eloquently describes on its cover in May last year. And data is what merchants in the non-ecom sphere struggle to harvest.

Fluzcoin enables merchants to glean data-driven insights that drive profitable decision-making. Aggregating over individual shoppers the Fluzcoin Consumer Insights API enables merchants to dock on and retrieve information and insights about the behaviour, interests and intents of their shoppers.

Wondering what to restock, how to handle a big promotion period coming up, how much to invest stock and visibility to a new brand, OEM or celebrity that onboards the offer? Just ask the Consumer Insights API for data-driven insights that inform the decision-making of brands--allowing analyses only in the carefully guarded aggregate, safeguards the privacy of Fluzcoin users by maintaining full anonymity.

Fluzcoin's ability to create massive data-sets gives rise to data network effects. The broader Fluzcoin adoption; the better the consumer insights merchants can draw from implementing and incentivising Fluzcoin - strengthening the depths and breadths of consumer insights.

The Retail Adoption Process

Fluzcoin is well positioned with the **global trend towards mobile payments**. A fine tuned system of a) careful choice of limited initial geographic scope, b) focus on specific customer and merchant target group, c) aggressive commercial incentives d) heavy brand building efforts leading to share of mind as well as e) seamless crypto-fiat conversion at retail POS are set to yield gradually to mass adoption. Examples like Paypal or WeChat Payment show the way.

The original promise of cryptocurrencies was to replace fiat money as a medium of exchange, and to become widely used currencies in people's wallets and in people's minds - thus freeing them from the vagaries of politicians, central bankers, the moral hazard of surplus inflation, and the debasement of their money.

Deficiencies of cryptocurrencies

The mission of cryptocurrencies still is to replace an antiquated and at least partially rigged and inefficient monetary system, with an elegant decentralised currency system fit for daily use - and in particular for retail - of clean, practical, structured and intelligent code that will independently maintain its integrity and functionality.

The promise of daily use of cryptocurrencies as a payment means has so far not been realised. On the retail merchant side, transaction speeds have turned out to be too slow for widespread adoption, and the price of running a business in terms of transaction costs has skyrocketed as transaction volume and size have increased; compliance with the law has also been questioned as illicit dealings have harmed the original good faith purpose of cryptocurrencies.

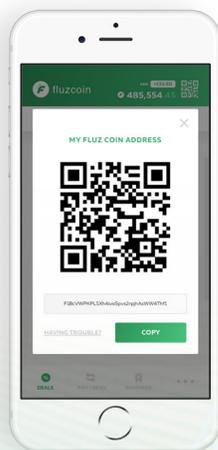
Perhaps most significantly, for both merchants and consumers, the volatility of cryptocurrency values has been and is at levels far beyond what most users and observers expected.

For widespread adoption of cryptocurrencies as true (retail) currencies, four primary issues need to be fixed: transaction speed, transaction costs, compliance, and excess volatility. And while cryptocurrencies have come a long way since 2009, now offering viable answers to the first two issues in the form of low latency transactions with low fees at very high horizontal scalability, and with solutions to compliance on the horizon, a tangible solution to excess volatility has so far proven elusive.

So-called stablecoins try to solve these issues by pegging to fiat currencies - which of course is self-defeating as the solution is circular - such coins do not only solve the issues presented, but are further weighed down by the problems of the current FIAT currencies the coins were meant to replace.

The technology

Fluzcoin is deliberately configured as technology-agnostic. For the start it has chosen JP Morgan Quorum forked from Ethereum, in a version customized for institutional needs. The adoption of a validated solution, **JP Morgan Quorum last generation permission based blockchain**, enables high throughput as well as data privacy.



Fluzcoin will also provide its own wallet to store, sell, buy and pay with Fluzcoin at retail through practical QR code scanning. Corporate Fluzcoin wallets will provide merchants with the necessary accounting input to reconcile Fluzcoin payments.

The ICO

In order to establish Fluzcoin, Fluzcoin Global Inc will undertake a compliant ICO. **The proceeds of the ICO will be used to configure the technology and to engage in significant marketing efforts.** Even though the coin and concept might be clear and value promoting, it is crucial to market the coin and to accumulate additional consumer trust through brand building and the creation of a monetary model backed by liquid reserves that will pride for the stability of the coin and the mitigation of potential volatility. While the initial targets will be in focused markets, the vision is to **create an independent global currency.**

Retailers are invited to participate in the ICO and are incentivized for early commitment. Post-ICO retailers will join based on current market conditions.

Fluzcoin Governance

The governance of the coin will not be done through Fluzcoin Global Inc as a private entity but through a newly established and fully independent **EUNOMIA Foundation.** EUNOMIA foundation human councillors have limited decision making power over the AI based coin management protocol, and will ultimately be elected by the majority of Fluzcoin holders further along.



Relation to Fluz Fluz

Fluz Fluz, the name-giving consumer cash-back network awarding everyday household consumption will for its US operations be one of the early adopters of Fluzcoin, issuing Fluzcoins as cash back reward coins to utilize in the Fluz Fluz cash-back network.

Fluz Fluz and Fluzcoin exist as separate companies and value propositions and are governed independently.

Outlook Retail platform coin

Fluzcoin Global management has its eyes firmly set on making Fluzcoin a mass market phenomenon. Establishing a true retail cryptocurrency offers in itself the promise of launching an ecosystem beyond this coin by turning Fluzcoin into a platform and spawning new currencies and applications.

Much like what Ethereum represents for the token industry and Ripple potentially for the banking world, we envisage as a stage two to open the Fluzcoin infrastructure to developers of retailers and other merchants to build retail cryptocurrencies of their own. Merchants can create and launch their own loyalty coins pegged to Fluzcoin and fully convertible to Fluzcoin. The fact that Fluzcoin is transaction cost free eliminates the deficiency that any kind of loyalty token solution based on Ethereum possesses.

From a consumer point of view they would be as easy to use, as easily convertible and as easily spendable as Fluzcoin. The added twist next to branding are special data collection agreements for personalisation as well as loyalty incentives.

The future has merchants build their business models on interaction modes with their loyal customer base in novel and intimate ways through the technological power of the blockchain - all without them having to worry about the technological and economic fundamentals because it is going to be built off Fluzcoin - and thus unleashing the era of true customer centricity and customer familiarity.

Merchants signed up for Fluzcoin through Fluz Fluz App



Consumer Finance in Fluzcoin

What percentage of private cars in the street has been purchased outright? How many furniture shops do not offer financing on bigger ticket items? As any reasonable guess to questions such as these shows consumer finance is a big part of how merchants do merchandising in their line of business.

Fortunately, Fluzcoin makes this kind of merchandising easy, secure and attractive for the consumer. So, how does it work? While an instant payment means the consumer's wallet authorises the immediate transfer of the invoice amount in Fluzcoin to the merchant's wallet in the case of invoicing, installment payment, or financing with interest the consumer's wallet authorizes future transfers - including authorisations of payment ranges.

The latter is important in the case for instance of ecommerce transactions with high return rates of items; invoicing in this case means authorizing up to the total of the ordered items leaving the merchant the option to then later initiate a lower value transfer only which takes into account returns that have happened in meantime.

With the technical foundations to (a) authorize transfers in the future and to (b) adapt the total to be transferred within a set range in the future envisage Fluzcoin to serve as a platform for a multitude of consumer finance service providers (some of which may be started and grow big exclusively on the Fluzcoin platform).

MECHANICS

A **Technical fundamentals**

In this section we explore blockchain as a technology underpinning affordances necessary to fulfill the goals of a coin powering retail transactions.

First of all, let us summarise the outcomes that the technology needs to support:

1. Zero-fee transactions for consumers
2. Privacy for consumers - consumers do not want others to see what they are buying
3. Independence for merchants
4. KYC enablement - consumer wallets need to be upgradeable by KYC to facilitate regulatory concerns of banks and servicing merchants
5. Trust in the records of the distributed ledger for consumers and merchants
6. Tradeability - the coin should be easily exchangeable into crypto assets on exchanges
7. High transaction speed
8. High throughput - retail is operating under load compared to conventional blockchain transactions. The transactions per second (TPS) threshold should be comfortably running at at least 250 TPS in the 1st project phase.

9. Scalability in terms of a large blockchain file and its indexing. Blockchains do not store “balances” of coins, but calculate incoming and outgoing transactions on the fly, so in addition to the main ledger file there is also an “index” maintained to facilitate fast operations. Under the scenario of a successful coin roll out, the file might easily grow to Terabytes and such growth needs to be accommodated without a degradation in performance.

In our technological exploration phase we considered and tested a host of the latest generation blockchain technologies, included but not limited to:

- Hyperledger (in the implementations of Sawtooth, donated by Intel, BFT, modular,
- consensus based on Proof of Elapsed Time; Fabric, donated by IBM, BFT, with CouchDB as database; Corda, donated by R3, BFT or Raft
- only permissioned; Burrow, (ex Monax, ex Eris), BFT); Chain.com; MultiChain; BlockApps; JPMorgan Quorum (EVM).

Eventually JPMorgan Quorum forked from Ethereum was chosen, in a version customised for institutional needs and with high throughput and with privacy enabled.

We now review the solution attributes including technical performance:

1 Zero-fee transactions for consumers

Merchants will be the node operators, and these are the only nodes that will be allowed to add new head-blocks to the blockchain file (so-called “maker status” in the Quorum). Their authorisation will not only be managed centrally by EUNOMIA Foundation, but will also be subject to voting and propagation through the decentralised network to avoid a single point of failure from a central interface. Merchants will bear negligible costs for electricity as there is no need for wasteful PoW consensus.

2 Privacy for consumers

Quorum is one of the few blockchains that has adopted the Zcash algorithm, which hashes transactions with Zsnarks providing a base layer of anonymity. For a transaction with an even higher requirement for privacy, the blockchain also has a “private flag” option, which will only disclose the transaction data to specific trusted nodes, who will in turn run the code through EVM and update the state of the data layer.

3 Independence for merchants

Merchants will not need to rely on a 3rd party to process transactions and store the ledger. Instead, they will play a pivotal role in the validating of transactions, and will maintain their own fully synced ledger containing all the records.

4 KYC compliance for merchants

A permissioned blockchain will allow Fluzcoin to assign and activate a public key to a user, only after certain conditions have been met e.g. valid passport, utility bill and other KYC procedure documents.

5 Trusting the records of a distributed ledger for consumers and merchants -

Quorum has consensus voting rules that mitigate the risk of an attack. Additionally, the fact that permissioned blockchains only allow trusted parties to add new head-blocks ensures that all participants validating the ledger are non-malevolent entities. Note also that merchants running a node would be the first to see any discrepancies.

6 Tradeable -

The coin should be easily exchangeable into a wide variety of existing crypto assets on conventional exchanges. The Fluzcoin permissioned blockchain can also be traded on by opening an account to hold a balance of Fluzcoin. The blockchain will have an API to facilitate exchange operations.

7 Transaction speed

New blocks get added to the ledger by participating nodes setting voluntary timeouts until the next block is generated. So far we have successfully tested transactions being confirmed and included in the blocks within 1.78 seconds to 6.45 seconds. The speed may vary depending on:

- The number of simultaneous transactions being carried out
- The number of merchant nodes
- The blockchain file size. Specifically, with each transaction requiring approximately 100 Bytes to store, the Fluzcoin blockchain file will grow much faster and larger than any of the public blockchains currently in existence, as its high speed and volume will exceed anything the market.
- The number of users in the blockchain file and respective indexing and look up costs

8 High throughput

The Fluzcoin setup has been successfully operating at TPS values between 26 TPS to 128 TPS which are sufficient for the initial release and successful scaling up of customers base to the first tens of millions of users. The results vary depending on processing power (CPU), blockchain file size and number of nodes along with number of consumers. There are also different results taking different consensus algorithms.

9 Tolerance to a large blockchain file and its indexing

The file sizes being tested were from 100 GB to 1 TB, what is equivalent to 5 billion of transactions each taking approximately 100B + the index file of approximately the same size.

It is important to note that this intro to the Fluzcoin Technology describes the starting point of the technology. It is going to evolve and strengthen as the Fluzcoin Ecosystem gathers strength and as the blockchain technology landscape develops. The further development and infrastructure upgrades are overseen by EUNOMIA Foundation.

Fluzcoin is thus not tied to a certain state of the blockchain technology landscape; its underlying infrastructure is not going to be technically obsolete (as is already the case with first generation cryptocurrencies such as Bitcoin) in a few years' time – instead, it is going to evolve and develop its strength and capabilities basically in lockstep with blockchain as a technology.

10 Fluz Coin usage in online Commerce, web and mobile payments.

There are several approaches how Fluz Coin can become a preferred method of settling online payments.

Fluz Coin team will provide integration framework and ready-made extensions to be integrated with popular eCommerce platforms such as Magento, Hybris, Salesforce Commerce Cloud (ex-DemandWare), Shopify, BigCommerce, PrestaShop and WuCommerce.

There can be two types of integrations owing to blockchain nature of the coin - first, traditional, centralised like a PayPal or other crypto currency extensions, which centrally store merchants funds after receiving them from consumers and then can move or exchange them into other assets on merchant's request.

Such solutions are contradicting to the security blockchains and encryption provide and are vulnerable to 3rd party attacks. Thus, Fluz Coin will also provide online merchants with a solution that gives them full control and security.

Fluz Coin will use technology of an extended private key or master key that will allow a merchant to create a pool of unique addresses that can be provided to a consumer planning to make a transaction. The incoming funds to the address will be monitored till certain expiry and it will be matched with a particular order ID and expected amount of Fluz Coins to be received.

Once a web hook triggers notification of payment sent, the merchant can update its order processing software advancing purchase status from “payment pending” to “payment completed”. In contrast to a closed payment systems, in blockchain we can easily monitor incoming funds on the merchant accounts, while leaving control of the funds fully at the hands of the merchant.

B Minting of new coins

Fluzcoin coins are created at the ICO and on a continuous basis after that through issuance to the holders of Fluzcoin.

This issuance takes two distinct ways or tranches:

1. Holders of Fluzcoin receive v stake which means they get new Fluzcoin automatically issued into their wallets in proportion to their holdings. The level of proof of stake reflects the value creation of Fluzcoin, the higher the market cap of Fluzcoin becomes, the more proof of stake holders of Fluzcoin receive. Proof of stake are paid at frequent intervals (more frequent than monthly) and the level of proof of stake is set by the EUNOMIA Foundation.
2. The EUNOMIA Foundation also issues new Fluzcoin to the market in exchange for other currencies; the purpose of this second channel is to enable the Foundation to cover the running costs of operations of the Fluzcoin systems as well as to maintain and grow the Fluzcoin Reserve. This issuance is subject to a strict and transparent ruleset outlined below along with more details on the Foundation and the Reserve.

The effect of automatically issuing new Fluzcoin is similar to printing of new money in fiat currencies, it creates an inflationary pressure on prices. But with a crucial difference: the gains from creating new Fluzcoin are handed directly to the holders of Fluzcoin and therefore there is no erosion of purchasing power for holders of Fluzcoin due to this sort of inflation. To the contrary: holders of Fluzcoin participate in the value created through the adoption of Fluzcoin as a retail currency.

By setting up this issuance, the Fluzcoin system can regulate the development of prices of goods and services as expressed in Fluzcoin. And this in turn allows the Fluzcoin system to steer its exchange rate vis-a-vis other currencies.

And splitting the issuance into these two tranches enables EUNOMIA Foundation to both share out the gains of higher demand for Fluzcoin to the holders of Fluzcoin (the first tranche) and to generate proceeds with which to pay for its expenses and to build up its reserve. The Fluzcoin Reserve is created at the conclusion of the ICO by part of the proceeds, and it is further built up - as well as replenished after open market interventions - by the subsequent coin offering (SCO) of Fluzcoin on the open market (second tranche).

The non-Fluzcoin currency that this yields to EUNOMIA Foundation is used for:

1. The running of the operational systems of the Fluzcoin system, mainly the server cost, which makes holding and transaction Fluzcoin transaction cost free for all users
2. The running of the foundation and affiliated costs
3. The remainder is fully directed to the foreign currency reserves of the EUNOMIA Foundation

The Reserve initially targets an eventual reserve to outstanding Fluzcoin value ratio of 25%. This means that as long as the reserve ratio is below this threshold the weight of the second tranche in all issuance will on average be larger than the threshold value and will be lower in the reverse case. In the steady state this means that about 75% of new Fluzcoin issuance goes directly to holders of Fluzcoin in the form of the first tranche. The weight of the second tranche is restricted to not surpass 50% so that at least half of the new Fluzcoin issuance is proof of stake payments to Fluzcoin holders.

In order to prevent bad faith actors taking advantage of the sharing of gains, these gains are not shared immediately with holders of Fluzcoin but shared in backloaded instalments over a time period of about six months. On a technical level therefore new Fluzcoin is thus initially always issued through the second channel while the share out proportion of the associated inflows of foreign currency are subsequently, over the course of about half a year, used to buy back Fluzcoin and concurrent redistribution of the bought-back Fluzcoin to Fluzcoin holders.

It is important to note that attacks on the exchange rate of Fluzcoin are self-defeating. Fluzcoin does not maintain a fixed peg with other currencies, it manages the volatility down to acceptable levels (vis-a-vis currencies like BTC and ETH our models suggest a level of daily USD volatility that is 90-95% lower); and this means that high volume sudden purchases slightly and temporarily push up the Fluzcoin price and vice versa. This means speculators that quickly move in and out in large quantities buy high and sell low.

ACTORS

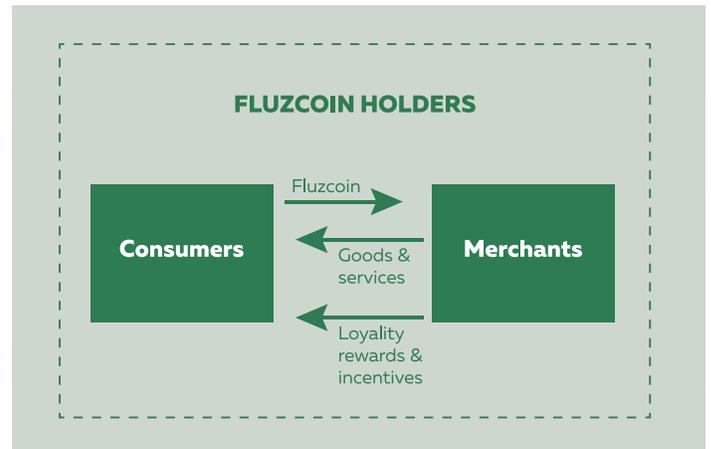
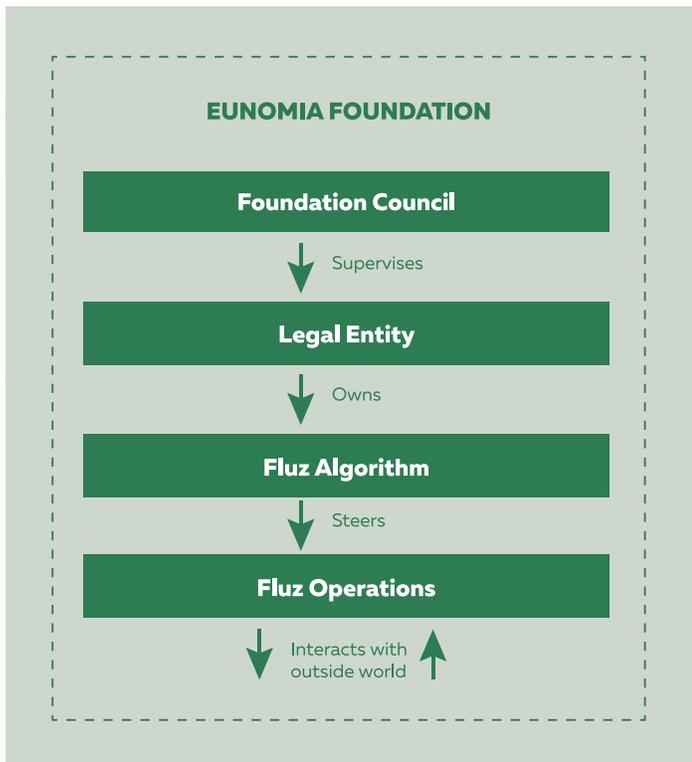
**EUNOMIA
Foundation**

**Fluzcoin
Holders**

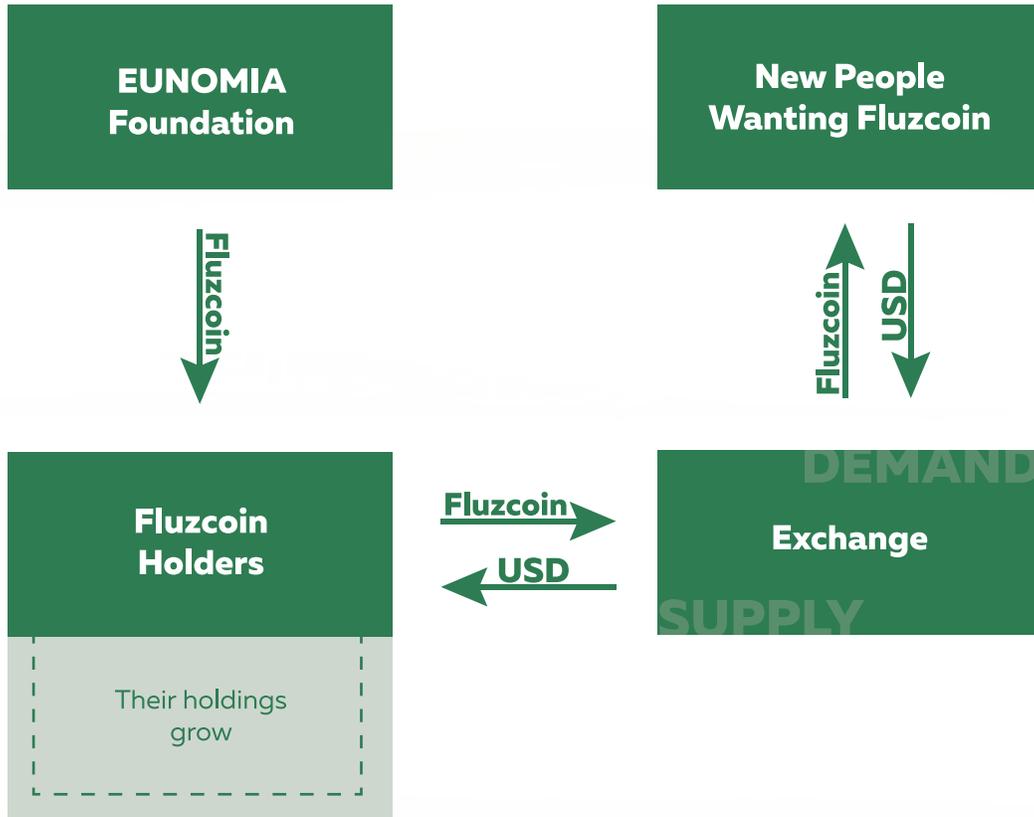
Exchange

**New People
Wanting Fluzcoin**

We further detail out two of these actors:



DIVIDEND ISSUANCE MECHANISM



C Removal of coins

We have introduced above the two Fluzcoin issuing mechanisms by which the Fluzcoin monetary system can exert inflationary pressure on prices and downward pressure on the exchange rate. Deflationary pressure on prices and upward pressure on exchange rates is created through reducing the number of Fluzcoin in circulation. This is done by EUNOMIA Foundation which acts as a central bank for the Fluzcoin system.

Removing coins happens through two channels:

1. In a very traditional way through open market interventions. This means the EUNOMIA Foundation buys Fluzcoin from holders in exchange for other currency out of the Reserve which are the foreign reserves of the Fluzcoin system.
2. Through issuing Fluzcoin denominated certificates which are issued at a discount versus the principal which is paid at the end of the term period. The discount level is the result of an auction of the certificates to the market. Issuing Fluzcoin certificates transfers Fluzcoin coins from Fluzcoin holders to the EUNOMIA Foundation for a determined time frame, say one year, and thus remove Fluzcoin from the market that otherwise may have created supply in the market. Fluzcoin certificates come in two flavours:
 - a. Definite time certificates which have a fixed maturity at which the principal falls due. It is important to note that certificates are default risk free as the EUNOMIA Foundation is issuing both Fluzcoin and these certificates

b. Perpetual certificates which do not have a prespecified maturity. The principal of these certificates falls due when the marketcap of Fluzcoin surpasses a preset threshold. In economic terms this effectively means that perpetual certificates are a way for investors to acquire a call option on the participation in the value increase of Fluzcoin ahead of the general public that holds Fluzcoin; while in return they waive their right to sell Fluzcoin up until the marketcap grows beyond the threshold

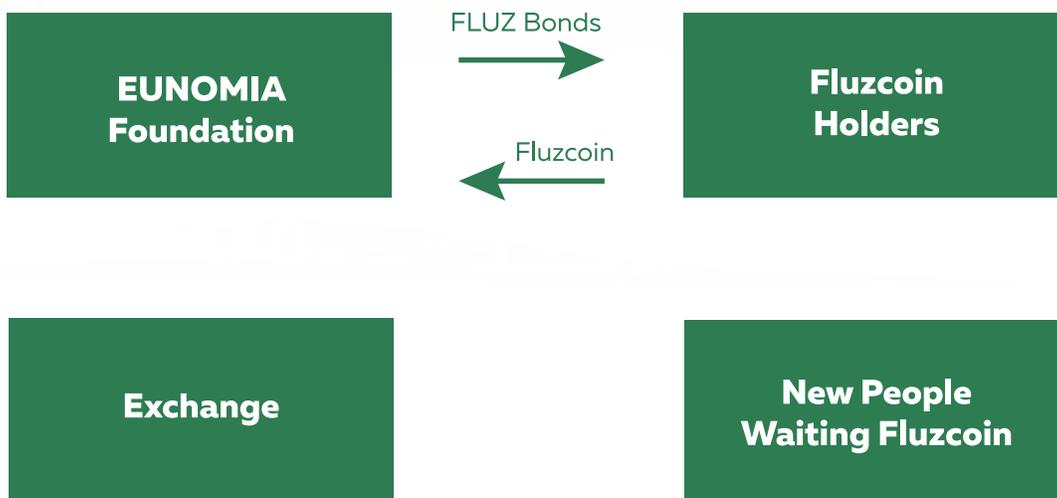
As explained in the introduction, it is important to note that the open secondary market operations in which the Fluzcoin Foundation buys Fluzcoin back are not the result of human deliberation, but of algorithmic rules and triggers which will be clearly defined below.

Any Fluzcoin taken out of circulation are eventually destroyed.

OPEN MARKET OPERATIONS



FLUZ BOND ISSUANCE



D Steering

The demand for money does not grow in a simple and linear fashion. It is therefore natural in hindsight that currencies like bitcoin with close to linear evolution in supply create excess price volatility with demand being in a constant flux.

Fluzcoin escapes this trap by the above introduced steering mechanisms that create coins and remove coins. These mechanisms in the traditional world of fiat currencies would be steered by a board of directors of a central bank; at Fluzcoin they are in the hands of an algorithm, The Fluzcoin Algorithm. This comes with three major advantages:

- 1 Full Transparency:** The steering target of the machine is captured and enshrined in a target function known to all market participants; there is no need for second-guessing the motivations of a board of directors or of political agendas. There are no agency costs, there is neither bad actor nor political risk in the steering.
- 2 On Demand Price Stabilization:** Central banks have to guess the state of the economy and the development of prices from patchy and often outdated data - the Fluzcoin Algorithm has access to the records of the ledger (and even more detailed price information, see below) and thus a timely and granular view of the evolution of Fluzcoin and its market prices. The Fluzcoin Algorithm can thus act on much richer information and react to new developments much faster.

- 3 Dynamic Learner:** It will also learn much faster as it leverages artificial intelligence to make sense of the torrents of data in the ledger and its surrounding system. In order to not be let astray through data mining, the Fluzcoin Algorithm will start with strong priors which represent rules.

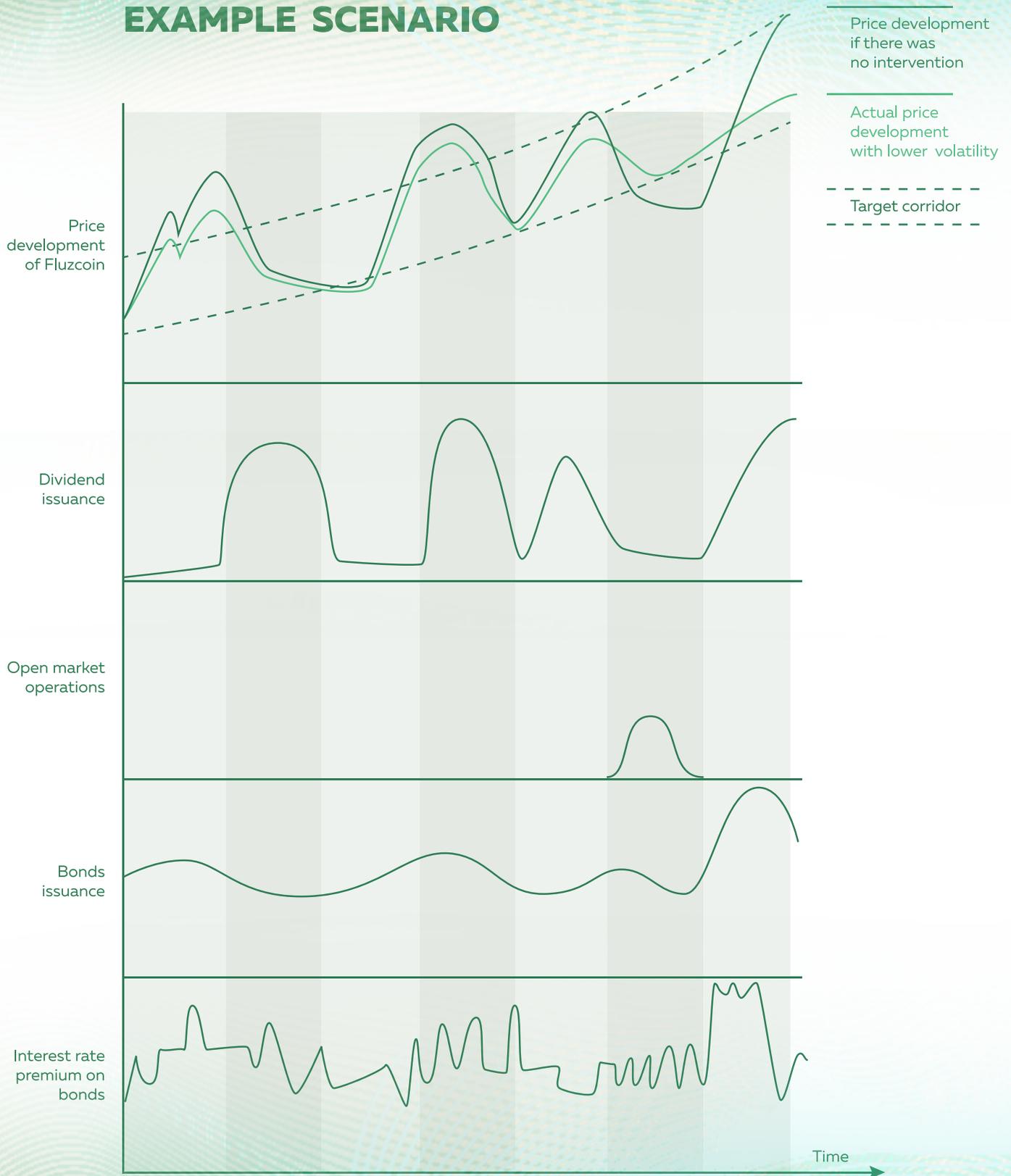
These advantages are achieved by combining the empirical knowledge of monetary economics with the adaptability of artificial intelligence and the power of letting machines learn from experience.

// **In short, we are envisaging a Bayesian reinforcement learning system with a strong prior modelled on the empirical evidence of human scholarship;**

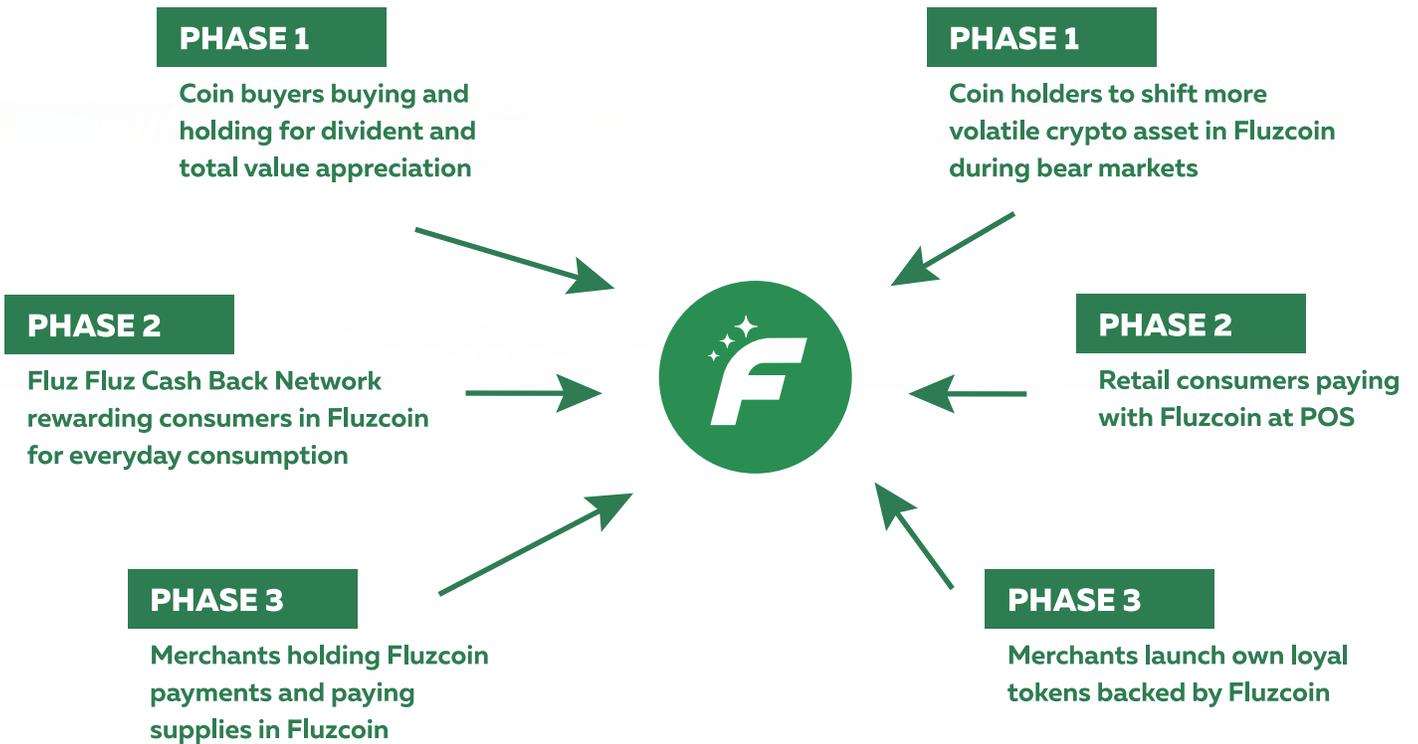
the system will be set up to optimise towards a target function which is transparent to the market and will learn from its actions and the reactions in the market; we are adding an element of randomisation and surprise to guard the system against gaming by speculators. It is important to note that the ranges within the Fluzcoin Algorithm can decide and work are set at the outset so that the role of AI is one of efficient running of the system within the confines of a stable and intuitive system; this is what we mean by a strong prior above.

In order to feed the artificial intelligence of the system with data to learn from, Fluzcoin will encourage retailers to send in detailed price data on the transactions they are conducting. This data is cleaned and stripped of identifying details through an anonymising scrambler so that no PII or potentially PII data is handled.

EXAMPLE SCENARIO



DEMAND PRESSURE



SELL PRESSURE

PHASE 1

ICO buyers realizing profits

Effect mitigated by:

- ✓ Lock-up periods
- ✓ Low ratio of bonus coins
- ✓ New demand generation Post-ICO



PHASE 2

Merchants converting Fluzcoin payments into FIAT

Effect mitigated by:

- ✓ Previous consumer Fluzcoin buying

PHASE 2

Fluz Fluz Members converting Fluzcoin rewards in other currencies

Effect mitigated by:

- ✓ Previous Fluz Fluz buy-in of Fluzcoins at market price

E Appreciation path

Complexity permitting, we are also envisaging a double algorithm setup in which a second algorithm is sense-checking and guarding the Fluz Algorithm like a watchdog. This creates checks and balances in the system and precludes issues with runaway decision-making of the underlying algorithm.

Time and again, political forces aimed to direct, divert and debase currencies for their own purposes; and this will happen again with fiat currencies. And yet, people scramble and toil for their share of fiat money - there is a near endless demand for a currency that is somewhat reliable and somewhat convenient.

And now finally, we are the cusp of furnishing humanity with a money that serves the purposes of its users while being incorruptible. Fluzcoin through its steering mechanisms and the Fluzcoin Algorithm steers Fluzcoin clear of political interference and debasing.

Cryptocurrencies before Fluzcoin have made the above promise too, and have seen some success as demonstrated by the demand that has materialised for them. However demand swings for the likes of BTC and ETH push the price of these currencies up and down, creating excess volatility that prevents widespread adoption in a retail environment. Fluzcoin on the other hand translates these surges not into price increases, but into quantity increases. If the market shows an increase in demand, the algorithm creates more coins and increases liquidity. And of course, if supply surges instead this shall not translate into a collapse in price but into quantity decreases per the AI algorithm.

As demand for Fluzcoin coins grows there are thus going to be more Fluzcoin coins - in the hands of the holders of Fluzcoin. While the speed of minting of additional coins is steered centrally by the AI of the Fluzcoin Algorithm, the new coins do not belong to the central EUNOMIA Foundation but are issued directly to the holders of Fluzcoin and are the property of the holders of Fluzcoin. This works through the mechanisms introduced above.

The implication is that the benefit and value created through more demand for Fluzcoin accrues to the holders of Fluzcoin. From the point of view of value generation for its holders, Fluzcoin is no different from more traditional cryptocurrencies - except that the channel through which value is handed over to the holders is not an increase in the price but an increase in the quantity they hold.

The appreciation path of Fluzcoin has thus to be differentiated by angle:

- From the point of view of Fluzcoin as a currency, Fluzcoin is rather stable and with low volatility in the prices of real goods expressed in Fluzcoin; inflation is low - in fact targeted at 0% or a little above 0%.
- From the point of view of a Fluzcoin holding, the value of that holding keeps going up with demand through new Fluzcoin being issued to the wallet as a regular proof of stake.

This differentiation is a key element in making Fluzcoin ready for breakthrough adoption, ready for fulfilling the promise of cryptocurrencies.

Fluzcoin is going to benefit from the classical positive feedback loop of a monetary platform:

1. Fluzcoin does not start from zero but with the certain demand and pull factor of the Fluz Fluz consumer cash-back network as first partner. The Fluz Fluz cash-back network is operational and growing fast in Colombia and through the backing, proceeds and fanbase of a recent ICO is poised to conquer and reshape² the US cashback and loyalty market. This brings not only demand stabilising the initial ascent of the Fluzcoin total marketcap for Fluzcoin but also retailer integrations.
2. And retailer integrations are a going to be easy wins due to the winning formula described below which offers retail partners a substantial margin improvement through zero fees with no downsides.
3. With retail integrations through the Fluz Fluz network and beyond, the consumer side will be scaled.
4. And with a critical mass of retailers and consumers on the platform the Fluz Ecosystem pull is going to gather momentum of its own, like a flywheel in which ease of access to consumer transactions attracts yet more retail partners and ease of transactions (along with benefits) with many retail partners attracts yet more consumers, and so on ad infinitum.

And this leads us to the go-to-market of Fluzcoin.

² See also market commentary such as:
<https://www.insidermonkey.com/blog/fluz-fluz-blockchain-cashback-platform-aims-to-enter-and-reshape-us-consumer-market-627004/>.

GO TO MARKET & BENEFIT TO MARKET PARTICIPANTS

A Market participants

First and foremost, Fluzcoin is a retail coin. It is designed with the use in everyday retail transactions in mind, both from the point of view of the merchant and of the consumer. We go through the needs in turn.

The joint need of merchant and consumer is one of a rather stable and reliable currency whose appreciation path is reasonably smooth. This need is fulfilled by work of the Fluzcoin steering mechanisms and the Fluzcoin Algorithm.

- The direct needs of the merchant are simple: he wants to spend as little a possible on receiving payments for transactions, he wants as few defaults as possible, he wants immediate availability of funds and he wants to be compliant with the law.
- Building on the immutability of blockchain systems, Fluzcoin is default risk free.
- Consumers can upgrade their wallets on the Fluzcoin ledger through identification services that we connect to. Merchants in turn can define business rules that decide which transactions if any require the consumer to have a verified account according to know-your-customer (K-Y-C).

- Transaction costs are fully covered by EUNOMIA Foundation; see the financing section below for details. And payment transaction costs are a substantial cost line in most retail transactions: where retail margins are thin they can be as high as the margin itself; and for small merchants with low transaction values, such as the archetypal coffee shop on the corner, they can be a big burden as they come often not only as a percentage of sales but with a mixed fixed and variable fee.
- Data Economy and Data Network Effects
- The recent troubles of Facebook notwithstanding, data is the new oil - as the Economist has eloquently put it on its cover in May last year. And data is what merchants in the non-ecom sphere still very much struggle to get.
- And Fluzcoin enables merchants to get their hands on data-driven insights that drive the decision-making of digital first merchants to such astonishing degree. By aggregating over individual shoppers the Fluzcoin Consumer Insights API enables merchants to dock on and retrieve information and insights about the behaviour, interests and intents of their shoppers both in their own shops and beyond. Wondering what to restock, how to handle a big promotion period coming up, how much to invest stock and visibility to a new brand, OEM or celebrity that onboards the offer? Well just ask the Consumer Insights API for data-driven insights that inform the decision-making of brands - the cool thing about it: allowing analyses only in the carefully guarded aggregate that safeguards the privacy of individuals using Fluzcoin by maintaining full anonymity. And this of course gives rise to data network effects.

The broader and deeper the Fluzcoin adoption the better the consumer insights that merchants can draw from implementing and incentivising Fluzcoin - which again strengthens the depths and breadths of consumer insights, and so ad infinitum the flywheel spins.

The direct needs of the consumer are similarly simple: ease of use, ease of converting other currency into and out of Fluzcoin. All these needs will be met by adopting state of the art technology introduced above.

But Fluzcoin offers consumers more than covering these basic needs; three USPs stand out:

1. Fluzcoin combines the convenience and traceability for personal reports and for rewards of digital payment methods with the anonymity of physical cash. The consumer can choose who can see how much of their profile and history.
2. Fluzcoin offers consumers the opportunity to build wealth by investing into and holding Fluzcoin with its unique appreciation path.
3. In stark contrast to rewards programmes of credit card companies or airlines whose rewards oftentimes expire after a certain lapse of time, rewards issued in Fluzcoin appreciate according to mechanisms outlined above.

In order to accelerate adoption, we are contemplating rewarding retail transactions of wallets with K-Y-C upgrade with a low percentage reward of Fluzcoin up to a certain monthly maximum.

B Retail Payment Validation Mock-Ups

POS Fluz Coin payment flow - merchant and consumer experience

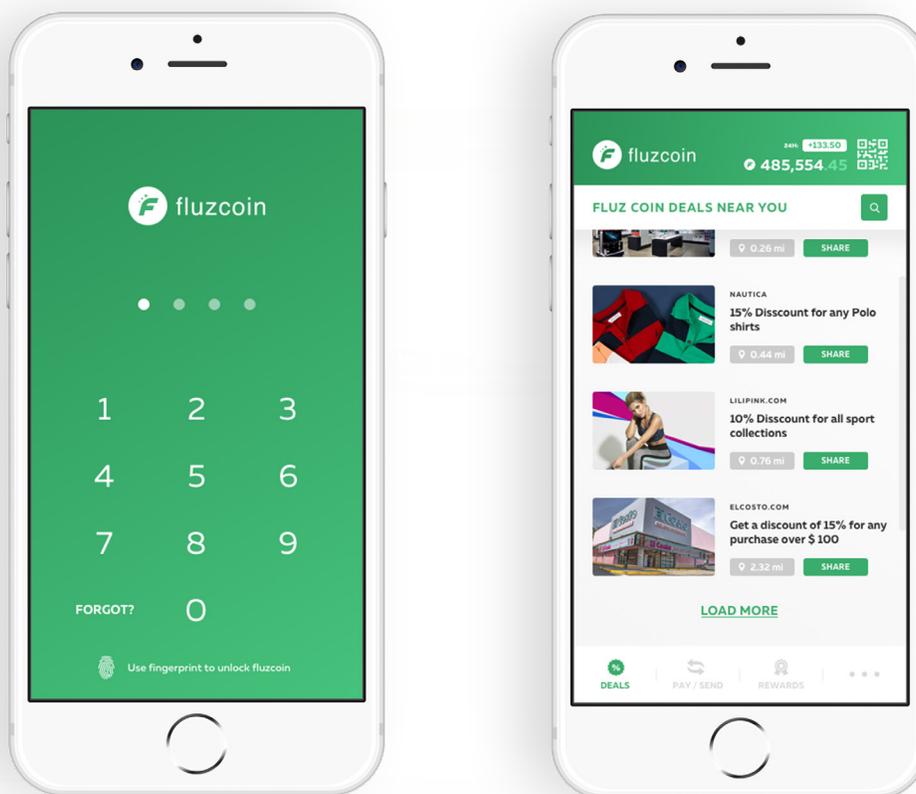
The consumer is equipped with a free app that boosts the Fluzoin wallet as well as additional features e.g. tracking of free coins distributed to Fluz Coin holders, search of nearby stores accepting Fluz Coin and providing special deal redeemable for Fluz Coin only.

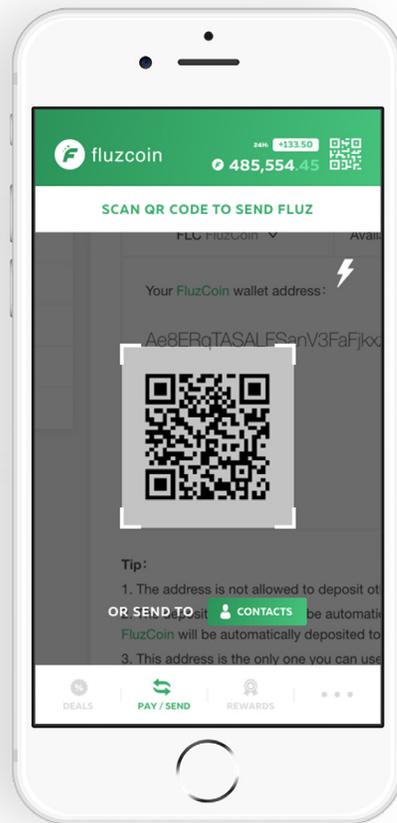
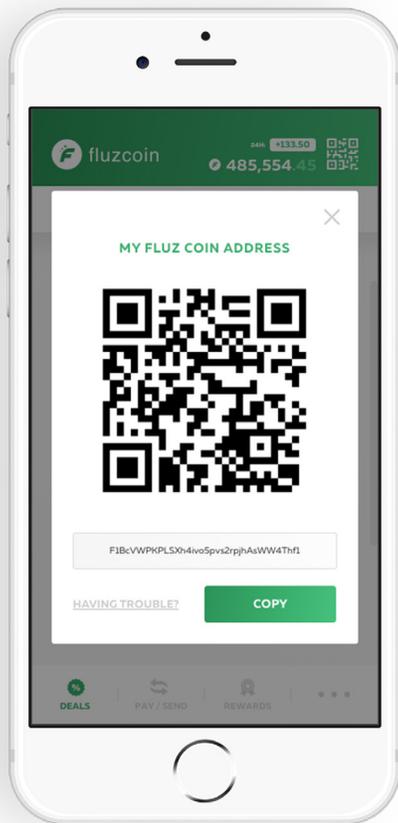
A merchant is displaying the total amount of the cart on a conventional cash-desk screen along with conversion into Fluz Coin amount. Payment invitation is presented by a scannable QR code, which might be unique for each transaction (or come from a pool of reusable addresses). A user acceptance of the payment is embedded into a scanning action - once the QR code is scanned, the transaction is fired.

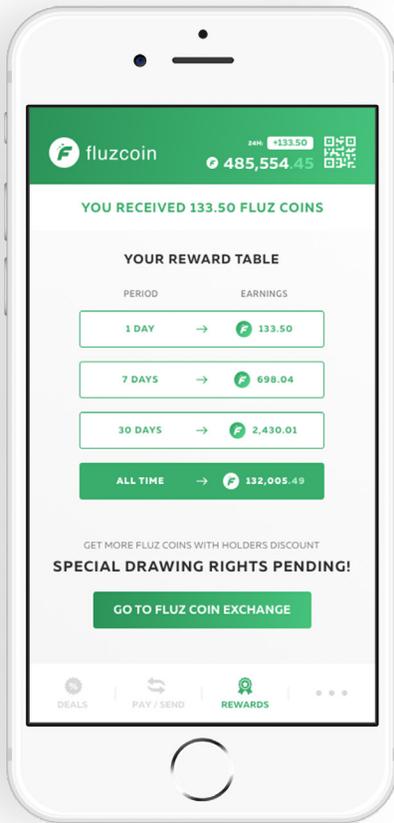
Fluzcoin payments are almost instance, so in a few seconds a merchant back-end system underpinning the network of POS terminals will be informed that the payment of the correct quantity has been received. Thus, the merchant screen can display "Payment successfully received" notification and the cashier may release the customer with the purchases.

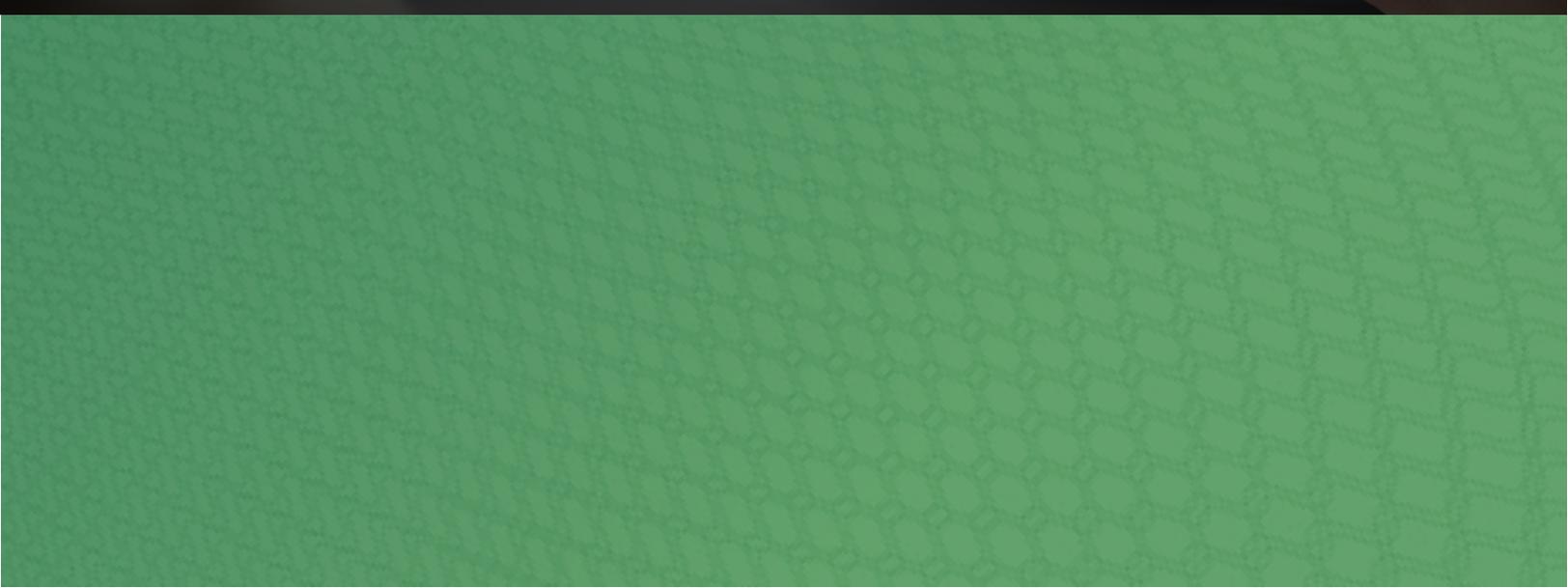
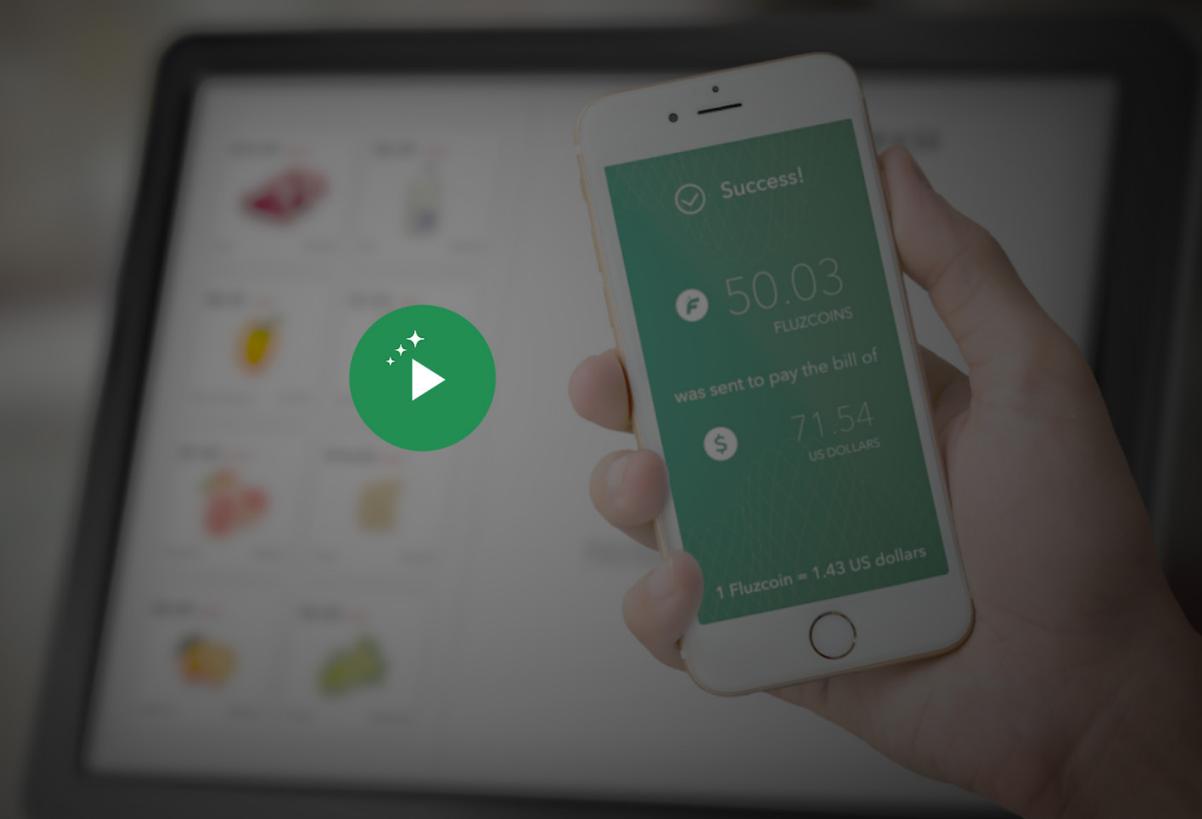
The amount of Fluzcoin paid is accrued on merchant accounts and can be consolidated to the master address instantaneously if requested by the merchant.

Some sample Fluzcoin app screens and a video describing payment experience are to be found hereafter:







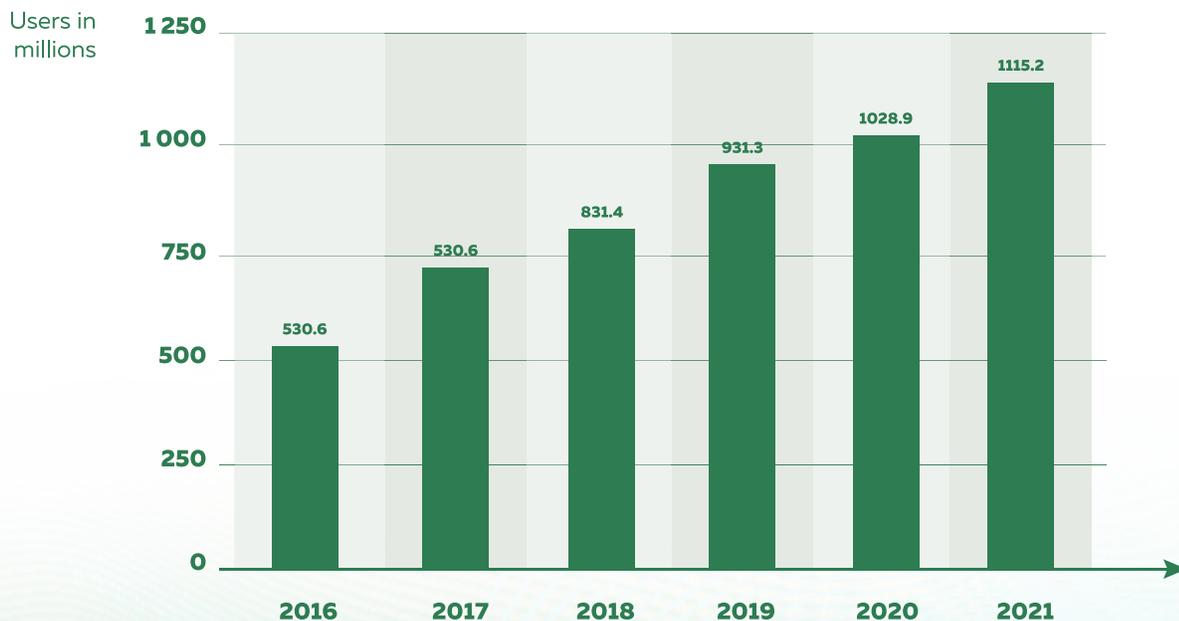


C Marketing strategy

Marketing and brand building efforts for a new retail coin are key as establishing a new retail currency is not a trivial task. Whereas economic soundness and transparent governance are solid pillars for the success of Fluzcoin, without proper and massive marketing investments mass adoption will be hard to reach.

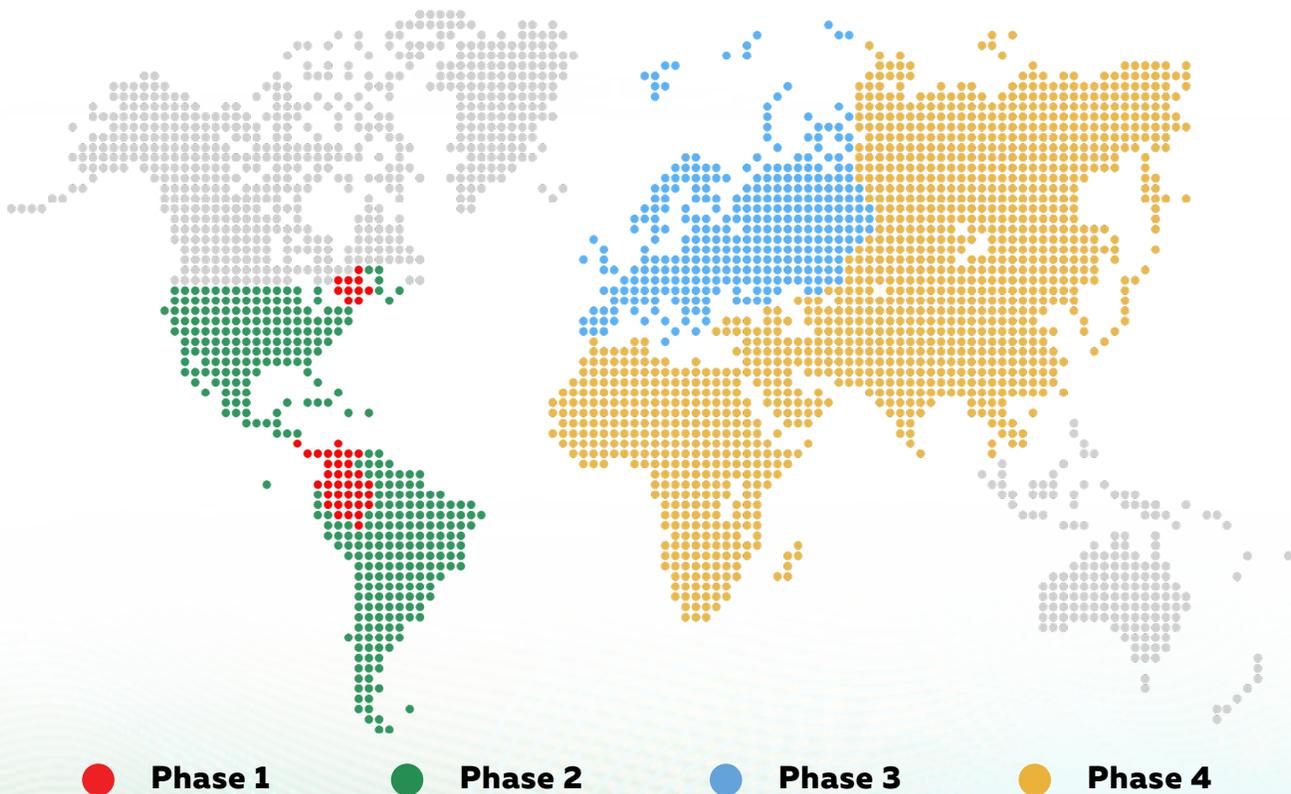
Fluzcoin does piggy back on the global trend towards mobile payments.

Number of proximity mobile payment transaction users worldwide from 2016 to 2021 (in millions)



A fine tuned system of careful choice of limited initial geographic scope, focus on specific customer and merchant target group, aggressive commercial incentives, strong brand building efforts as well as seamless crypto-fiat conversion at retail POS are set to yield gradually to mass adoption as examples like Paypal or WeChat Payment show.

Therefore Fluz Fluz dedicates roughly 50% of the targeted funds raised to marketing. Even though a global coin by its very nature, narrowing down on selected geographies initially will allow to concentrate the marketing efforts for most impact.





The projected marketing channels adopted to latest learnings from the crypto marketing are as follows:

- 22.5% Crypto marketing: social media channels like Telegram, Reddit. Crypto video podcast. Airdrops.
- 22.5% Online Marketing (Influencers, SEM, SEO, Social Media ads)
- 15% Offline brand building (TV, Radio, PR)
- 25% Direct free Fluz coins incentive structure upon real usage for early users
- 15% Partner marketing (retail personnel incentives) and POS material

Self-services Kiosks or Fluzcoin-FIAT two way ATMs located at retail merchants as well as Fluzcoin gift cards are part of the omnichannel roll-out strategy to bridge crypto and retail.

The Coin New User cost (CNUS) is targeted to be around USD 5. Thereby Fluz Fluz targets to boost around 10 Mio active retail users within 24 months of its launch.



FINANCING & GOVERNANCE - EUNOMIA

A Governance setup

Fluzcoin is issued and the Fluzcoin Reserve is held by EUNOMIA (from greek mythology where EUNOMIA was the goddess of good order and lawful conduct. She was associated with the internal stability of a state, including the enactment of good laws and the maintenance of civil order).

EUNOMIA Foundation is also responsible to maintain the operations of the Fluzcoin Algorithm and the Fluzcoin Blockchain. Its costs are paid out of two streams of income:

1. Interest proceeds from the Fluzcoin Reserve
2. Proceeds from the sale of new Fluzcoin in the SCO process
3. Future licensing revenue generated by the Eunomia coin stability mechanism

Surplus of proceeds over costs are added to the Fluzcoin Reserve.

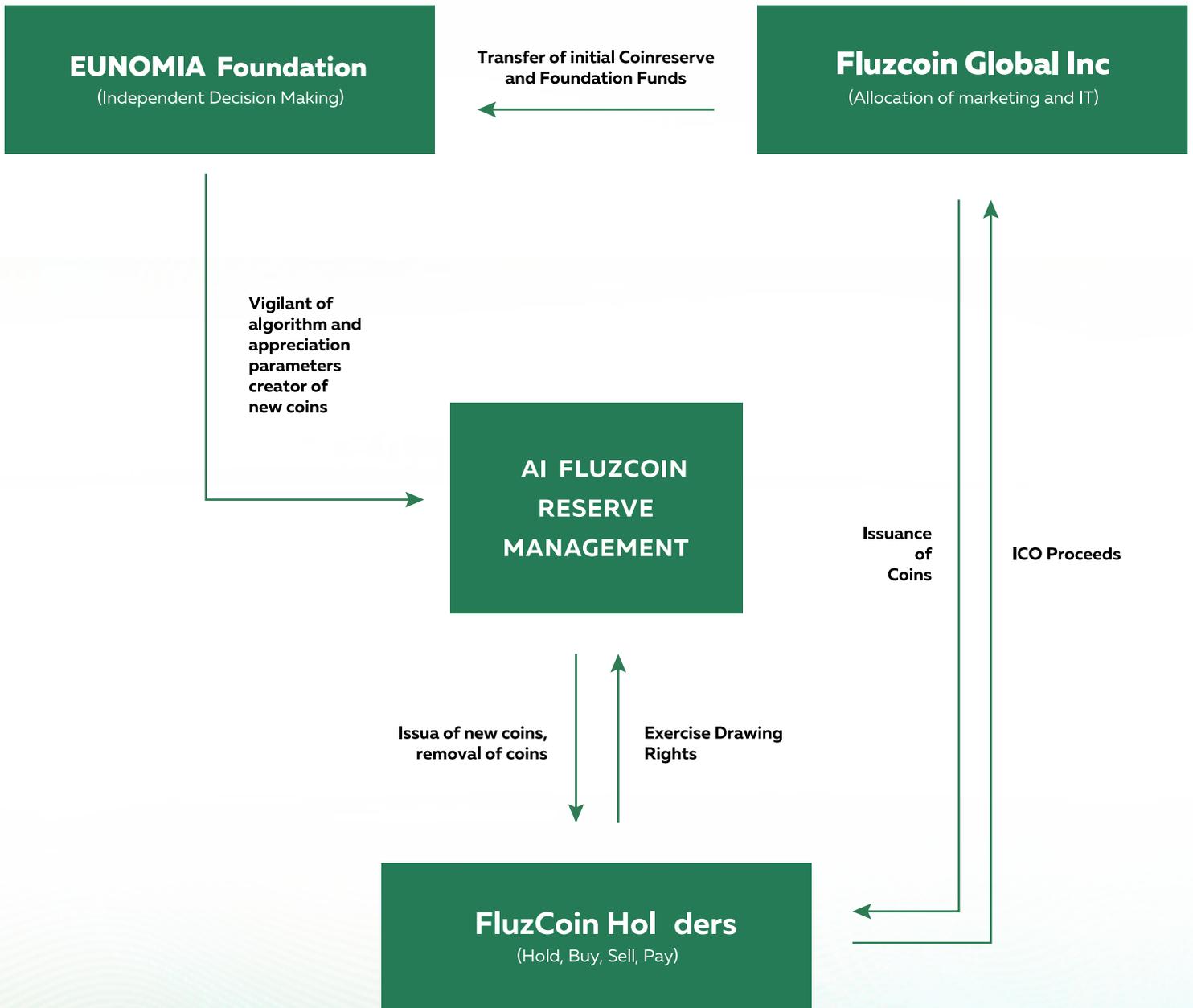
The Fluzcoin Reserve is invested in exchange traded funds (ETFs) with a passive investment strategy that EUNOMIA Foundation is selecting from respected and well-known ETF issuers. The funds selection strategy will be modelled on the investment philosophy of central banks and sovereign wealth funds. Investment shall

automatically rebalance by algorithmic steering in case of foreign exchange or other shocks - where the basket of ETFs reflects the exposure to the geographical markets of the participating merchants, weighted by their transaction volume. There is thus no scope for human decision-making in the handling of the reserves of Fluzcoin and stability for Fluzcoin users at both the retail and consumer end.

The EUNOMIA Foundation will be hands-on with respect to compliance and transparency in management of Fluzcoin Reserve, yet hands-off with respect to investment decisions that are to be automated as indicated above. EUNOMIA Foundation council members are decision makers independent from Fluzcoin Global Inc management.

Fluzcoin Global Inc is responsible for Marketing and IT development of Fluzcoin. Fluzcoin Global Inc as an agile private enterprise with vast know-how in physical and online retail will ensure the appropriate go-to-market of Fluzcoin.

The below figure illustrates this clear division of powers:



EUNOMIA Foundation has independent foundation council members whose mandates consist of

- Supervision of the Fluzcoin reserve algorithm
- Monetization of licensing activities of EUNOMIA
- Assuring compliance of reporting of Fluzcoin Reserve Management
- EUNOMIA Foundation Retail Coin Research & Think Tank built-up
- Developing retailer/industry relationships
- Blockchain and Eunomia technology development (can be contracted out to Fluz Global, but mandate and task is hard to separate from Foundation purpose) Enforcement rights: KYC thresholds and the ability to freeze funds of non-compliant actors supervision of platform coins issued on top of Fluzcoin, i.e. the right to issue and revoke the licence to run a platform coin
- Selection and control of external Fluzcoin market making services
- Ensure the professional development and training of EUNOMIA Foundation council members and, if desirable, of senior management of Fluzcoin Global Inc
- Anticipate and manage the officer election process for the Foundation's council members, the Treasurer, and the Secretary.
- Review the staff officer positions of Treasurer and Secretary on a periodic basis.

The council members are elected by electronic voting of Fluzcoin holders during yearly digital general assembly for a maximum of five (5) years of renewable service, with the obligation for Foundation members to step down should a conflict of interest arise. Potential conflicts of interest shall be communicated as soon as they arise by the council member and EUNOMIA Foundation to Fluzcoin community members .

Member succession: Every year the slot of one member is up for election (starting from year 2 or 3 to have some initial stability)

- Candidates:
 - The foundation council has to nominate two candidates
 - A holder (outright or through proxy) of at least 10% of outstanding Fluzcoin can nominate one candidate
 - This sums up to at most 12 candidates. If the above produces less than 5 candidates, then the board has to nominate additional candidates to get to 5
- Members can be re-elected once

For strategic decisions a qualified majority vote is required. Fluzcoin holdings of foundation council members are limited to 0.2% of total Fluzcoin supply at all times.

In the unlikely event of an EUNOMIA Foundation member not being able to fulfil his/her duties anymore, for instance due to illness, death, family events, major geographic relocation, etc., voluntary resignation is possible with a 1 month council member replacement and handover period. In such an unlikely event, EUNOMIA will inform the Fluzcoin community immediately upon receipt of the resignation notice. The other council members are obliged to suggest within 14 days at least 3 potential candidates to replace the outgoing member. An extraordinary vote would be held within 21 days, giving Fluzcoin holders the right to determine the replacement by simple majority vote.

EUNOMIA Foundation council membership candidates may not accept or use any Fluzcoin Global Inc resources for self-promotion purposes.

The guiding principles of EUNOMIA Foundation are as follows:

**1 Treat other people with respect:
diversity in learning and development.**

The council members acting on the Foundation's behalf should aim to be honest and ethical in their dealings with each other, with Fluzcoin community members, partners, retailers, and the general public.

EUNOMIA will not practice or tolerate discrimination on the basis of place of origin, ethnicity, citizenship, gender, age, political or religious affiliation, sexual orientation, marital status, family relationship, or economic or medical status. The Foundation aims to treat all people with respect, and to foster a productive environment free of harassment, intimidation, and discrimination. Moreover, learning and development of council members related to furthering the Fluzcoin acceptance and stability is encouraged. The idea of modest annual turnover paired with relatively long 5 year tenure in the Foundation Council is to ensure an influx of new ideas and perspectives whilst maintaining stability and the ability for slow socialization processes and learning of all EUNOMIA Foundation council members. The Foundation's members shall benefit from each others' skills in jointly ensuring the stability of Fluzcoin and growing the appeal of the Fluzcoin community participation towards retailers as well as consumers.

2 Respect confidentiality.

Council members must respect and maintain the confidentiality of sensitive information they have gained due to their association with the Foundation. This may include personal information about community members or members of the general public, and/or information about the internal workings of the Foundation and/or Fluzcoin Global In.

3 Maintain accurate, honest and complete books and records.

The EUNOMIA Foundation's books, records, accounts and financial statements must be maintained in appropriate detail, and must conform both to applicable law and to the Foundation's internal systems of controls.

4 Represent the best interests of EUNOMIA.

Council members and their business associates when acting on the Foundation's behalf shall aim to advance the Foundation's legitimate interests, that is first and foremost protecting the stability and value of the Fluzcoin Reserve and thereby the stability of the value of the Fluzcoin, and should never do anything that could bring the Foundation into disrepute or jeopardize the appeal of Fluzcoin as retail coin.

For the first term, which runs until the completion of the ICO and of the setup of the Foundation, the following council members have been nominated for their expertise and track record in setting up legal structure for foundations in complex settings, in capital markets and macroeconomics and in organizational design and entrepreneurship, respectively.

Vikram Nagrani

Vikram is a Partner at the Hassans Law Firm, Gibraltar, where he advises numerous multinational companies on tax and corporate matters. He is also very experienced in cross-border structures and transactions.

A graduate of Cardiff University, Vikram attended Cardiff Law School as a member of the Middle Temple and was called to the Bar in England and Wales in 2001.

He is a qualified and full member of the Society of Trust and Estate Practitioners and is also a qualified and practising Notary Public in Gibraltar. In addition, Vikram is an Executive MBA graduate of Cranfield School of Management.

José Abbo

Jose has three decades of experience in the capital markets. He has authored numerous articles and speaks frequently on the financial markets, on the global economy.

As a macroeconomic expert, he is an avid proponent of the full integration and common use of cryptocurrencies as a medium of exchange and other practical, innovative uses that could further propel the advancement of societies.

In 2000, Mr. Abbo published “Divisando Wall Street Desde el Sur de America”, a comprehensive guide for the Spanish-speaking community that explains the workings of the stock market. His second book, “The Big Gamble, Are You Investing or Speculating” which brings a fresh perspective on how to differentiate the difference between investment and speculation and most importantly, the benefits which speculation brings towards the progress of humankind. The book was endorsed by the current president of the United States, Mr. Donald Trump.

Currently Mr. Abbo is Chairman of the Board of the Sovereign Wealth Fund of Panama and provides economic, financial and technology perspectives through speaking engagements. He also provides advice on financial management and capital market strategies.

Karl Karlsson

Karl Karlsson is a General Partner at Sway Ventures. Based in Europe, Karl identifies and leads investments principally in EMEA. He helps portfolio company entrepreneurs build high growth technology companies by adding his strategic and operational skill sets to augments management’s ability to manage accelerated growth and optimize success. Additionally he provides support with acquisitions, mergers and exits.

Karl was previously a Venture Partner with a leading U.S. VC firm, where he focused on European and Asian investments and served as the first point of senior contact with prospective portfolio companies identified in Europe.

Karl's entrepreneurial journey has spanned 30 years, 8 company creations, an IPO of his first tech start up, the creation of thousands of jobs, and dozens of millionaires. A serial entrepreneur, Karl conceived the idea for his first technology startup, Scoop Inc., while still in graduate school. He took this company from idea stage through to NASDAQ listing.

Karl has subsequently been instrumental to the success of a large number of global tech companies' both as a founding entrepreneur and as an investor. Success highlights include 3721.com sold to Yahoo and rolled in to Alibaba.

Philanthropic ventures include conceiving of, co-organizing and participating in Prince Albert II of Monaco's dog sledding expedition to the North Pole benefiting the World Wildlife Fund, having served as Chairman of Sir Richard Branson's Virgin Explorers and as Senior Expedition Advisor to Virgin Oceanic.

Karl holds an Masters of International Management from the American Graduate School of International Management, Glendale Arizona and a BA in communications from California State University, Fullerton California.

Andreas Antrup

Andreas is the Vice President of Data & Advertising at Zalando SE, the 2nd largest E-commerce company in Europe, as well as MD Zalando Media Solutions GmbH, its advertising arm. Andreas has built and lead one of the largest digital advertising platforms in Europe and is widely recognized as one of the most knowledgeable business leaders in the field.

Andreas has headed the Data Products and AI units at Zalando since 2011, bringing products such as product recommendations and search, fraud detection, algorithmic pricing and demand forecasting. Before joining Zalando, he worked in banking and entrepreneurship as well as studying business administration at the WHU Otto Beisheim School of Management in 2007. Andreas holds a doctorate in economics with a focus on applied microeconomic theory and econometrics from the University of Edinburgh.

Fluzcoin Global Inc

Fluzcoin Global Inc, has a private for-profit entity has aligned interested with Fluzcoin holders in its way to become and stay profitable. By statutory bylaws, the Fluzcoin Global Inc company purposes are initially:

1. Hold Fluzcoins and profit from natural entrenched appreciation path
2. Administer and commercialize merchandise/Branding rights
3. Grow Fluzcoin transaction volume and receive 0.1% of monthly transaction volume from EUNOMIA Foundation as "inflation tax" in form of new Fluzcoin (automated drawing).

B ICO setup

3,223,000,000 Fluzcoins shall be created for the initial ICO.

● 65,78% of coins are sold, 34,22% are distributed as follows:

● 12,04% Bonus Coins for ICO participants

● 9,31% ICO Bounty Marketing + Post-ICO Merchant Incentive Coins and Consumer Airdrops

● 3,29% Team and Advisor Coins

● 3,29% Fluz Fluz Network Rewards Coins Drawing Right

● 6,30% Fluz Coin Ltd



The soft cap to realize the project is USD 10 Mio. The theoretic hardcap is effectively USD 212 Mio (all sold coins at full ICO crowdsale price).

The ICO shall be divided into stages where Fluzcoins will be offered at a discount until the Fluzcoin ICO crowdsale price of USD 0.10 is reached.

C Use of ICO funds

Fluzcoin Global Inc plans to use the ICO collected funds in the following manner:

- 50% marketing
- 10% IT development and monitoring
- 3% Legal & Compliance
- 7% Admin overhead
- 30% Fluzcoin Reserve



As highlighted before, coin marketing is - in the best interest of coin holders - set to consume half of the ICO budget (please refer to detailed section of Marketing Strategy).

This is important as we recognize incumbent payment systems with high brand recognition, operating worldwide, to stand in the way of pushing Fluzcoin to become a widely adopted payment means.

To further appreciate the significance of heavy brand building measures and thereby funding needs the following tables shows the annual marketing budget of two major off-the-chain incumbent payment companies.



	Advertising and Marketing Expenses	Net Revenue		Advertising and Marketing Expenses	Net Revenue	
2017		\$ 10.800		\$ 922	\$ 18.400	5%
2016	\$ 811	\$ 10.776	8%	\$ 869	\$ 15.100	6%
2015	\$ 821	\$ 9.667	8%	\$ 872	\$ 13.880	6%
2014	\$ 862	\$ 9.441	9%			

Equipping EUNOMIA Foundation with an initial capital will allow for proper algorithm audits, adequate compensation of EUNOMIA Foundation representatives as well as investigation and research for academic best practices in managing pseudo-stablecoins.

D **Reserve and Coin Pool**

EUNOMIA Foundation disposes of the Fluzcoin Reserve which is held in a highly liquid ETF of very high grade securities; and it holds non-circulating Fluzcoin coins in a Coin Pool.

The main objective of the fund will be to preserve the value of the Fluzcoin Reserve. Aiming for minimal volatility of its value, the Fluzcoin Reserve will use a passive investment approach. Funds will be allocated in a diverse array of highly liquid global, fixed income securities with investment grade ratings, and/or fixed income mutual funds. The Fluzcoin Reserve may also be invested in highly liquid ETF's sponsored by highly recognized financial institutions such as BlackRock, Vanguard, Pimco, Fidelity, State Street, Invesco or any other which the Foundation would consider appropriate to be included in the portfolio.

The investment directives and selection strategy will be modelled mostly, on the investment philosophy of central banks and sovereign wealth funds. The portfolio shall automatically rebalance by algorithmic steering in case of foreign exchange or other capital markets shocks - where it reflects the exposure to the geographical markets of the participating merchants, weighted by their transaction volume. There is thus no scope for human decision-making in the handling of the reserves of Fluzcoin.

The Fluzcoin Reserve is funded by 30% of the ICO proceeds and then further funded through the proceeds of the issuance of new Fluzcoin when drawing rights are exercised (so-called subsequent coin issuance or SCO) when these are above the running cost of EUNOMIA Foundation. The reserve is held as a demand cushion with whose funds EUNOMIA Foundation can enter open market transaction and acquire Fluzcoin in times of excess supply; it is filled at inception with parts of the proceeds of the ICO and further build up with the excess over cost of the proceeds from Fluzcoin holders exercising their drawing rights. It is important to note that the Fluzcoin Reserve is designed not to pay for all Fluzcoins in circulation at the market exchange rate at any one time, Fluzcoin therefore does not issue a promise of redemption at par.

E Roadmap

Based on prior launch experiences the team feels comfortable with the following teamline:





Aug 2018 - Sep 2018

Fluzcoin Token Replacement by JP Morgan blockchain powered Fluzcoins

Oct 2018

Trading Start of Fluzcoin with AI coin governance

Q1 2019

Start as use of payment means at retail

TEAM

Executive Team

Stefan Krautwald

Commercial Director



Stefan is the Co-Founder of Fluz Fluz, the global cash back network. Formerly Stefan was CEO for Latin America at Cdiscount, part of Cnova Group and sixth largest e-commerce company in the world. Stefan has also co-founded Farmalisto, Latin America's fastest growing online pure player pharmacy operating in Colombia and Mexico's.

Additionally, Stefan was the Co-Founder and former Managing Director of Dafiti LATAM, the Rocket Internet backed fashion e-commerce leader.

He also was the General Manager for global BPO provider Arvato Bertelsmann in Colombia. His academic background is MBA from WHU-Otto Beisheim School of Management, Germany.

David Rosenblatt

Corporate
Development Director



David has a track record of developing and scaling businesses from startup through IPO in Silicon Valley, Wall Street and Israel.

David's experience spans the technology, finance, energy and healthcare industries. Previously, David served as Managing Director at Blackrock as well as a founder of Quickenloans at Intuit.

Prior to turning to business, David practised corporate and international law with Chadbourne & Parke and Weil, Gotshal & Manges.

David currently sits on the boards of Dunn Meadow, Arava Power, Security Matters, LibertyTrax, American Technion Society, and serves as a sector lead for HBS Alumni Angels New York. David holds an MBA with distinction from Harvard Business School, a JD from Northwestern University Law School, and a BS with honours from Pennsylvania State University.

Antons Sapriko

IT Director



Antons grew a company of two people to a hundred times that size and an industry leader serving the very top retail companies. He brings highly adaptive and growth-oriented business management strategies into Fluz Coin.

Antons is responsible for Blockchain Technology in Fluzcoin, where it benefits from Antons' experience in setting up workflows for enterprise-grade delivery to Walmart, Jaguar, Land Rover, The New York Times, Peugeot and many other brands and startups since 2003.

Antons comes from a technology background. His father made the first-ever dial-up connection in his country in 1986. Antons learned to code at 14 and won top places in Math Olympiads on the national level. He earned a Bachelor degree in Business Administration at Stockholm School of Economics in Riga, a top-20 business school and started Master of Science at the IT University of Copenhagen.

Glebs Vrevsky

Marketing Director



A strong passion for technology and the ever-expanding world of information design has driven Glebs to commit his professional career to this rewarding field. He has worked on many successful blockchain projects such as Publica and Fluz Fluz as well as leading the largest eCommerce development team in Europe and US, who completed over 350 multi-channel commerce projects for clients in 32 different countries.

Glebs is responsible for Fluzcoin Marketing Strategy, bringing his experience of being a founder of Marketing and Analytics department in Scandiweb, who is behind success of many multi-million enterprises such as Lancome, Lafayette 148 NY, Thomson Reuters and bootstrapping startups. Backed up by Master's Degree in IT, he enjoys bringing his creative spin on the technical elements an IT solution needs to function, striving to create a unique and efficient user experience.

Uldis Baumerts

Product Coordinator



Throughout the years Uldis has gained an international experience around the world - London, Dubai, Chicago, Bangkok to name a few, having a background in web & software development, customer relations, and management having served in leading roles in the technology and hospitality industries.

Holds a wide spectrum of expertise from hospitality and retail management to IT architecture furthermore 24/7 PMS & POS system project execution and support. Also, led a team introducing the EUR currency to one of the European Union states in the hotel

and retail chain industry. Besides that, shifted to a Certified Scrum Master and Product Owner successfully leading projects in online retailing for brands such as Jaguar, Land Rover, and Hyundai.

Uldis currently holds the position one of the Executive Partners at Scandiweb, performing daily operations, company management, and project delivery success.

Due to an early interest in digital currencies, in 2017 Uldis moved to Chicago to gain a more in-depth knowledge in blockchain-enabled technologies and take part in events, conferences held by the Chicago Blockchain Center and local community gatherings in the US.

Davis Krikauskis

Delivery Manager



Early career start as a Project Manager in E-Commerce has led to the current position of Executive Partner in Scandiweb with a responsibility for the growth of more than a dozen other Project Managers.

By applying Agile thinking to the teams Davis has ensured complex project delivery to brands like Jaguar Land Rover, Mitsubishi, Lamborghini, and Fortune 500 #1 spot - Walmart.

Davis early interest in technology has now focused on a passion for Blockchain due to its complex nature and real-life applications.

The strong belief of Blockchain potential together with professional opportunity lead to Davis involvement in 3 blockchain projects. In 2 of them, Davis plays a management role in ensuring teams delivery of the platform developed.

Aigars Pavlovics

Head of Operations



Aigars is partner of full stack digital agency Scandiweb.com known for their projects and clients like New York Times, Thomson Reuters, Jaguar, Land Rover and other. Through personal example, established the style and approach which characterized the company's dealings with the clients. Been driving force for work ethic, culture, and values.

He is passionate about helping startups & business owners to succeed applying growth hacking mindset becoming industry leaders or creating industry itself. His enthusiasm & love for innovations and technologies comes already from high early childhood when he was overwriting and developing his first Android ROM.

Leading projects integrating technologies such as VR, AR, smart contracts, and blockchain.

Technical Advisors

Raghavendra Srinivasan



Raghavendra is software engineer and AI expert at Youtube (Google) in California. Currently working in the Viewer data team at Youtube where he is responsible to produce and maintain large datasets that help provide insights that can drive business decisions at Youtube.

He holds an Master of Science in Software Engineering with focus on Robotics and Autonomous Systems at University of Austin, Texas and has been a member of MIT Humans and Automation Labs.

Mario Cohen



Founder and managing partner at Demtech Ventures. Mario has more than 2 decades of experience in the European and Latin Telco world with responsibilities ranging from direct sales, outsourced sales, channel recruitment and business planning as well as go-to-market strategies.

His areas of experience are: Payment Integrations, Mobile Telecom, business software, communications and clean technology.

Florian Burkart



Florian is an active trader with decades long experience, starting at Deutsche Bank for interest rate / USD swaps trading as well as Tibra options and high frequency futures trading.

For many years and through own algorithm development he has been a successful trader in own positions a Founder and Managing Director of Xanadu Trading focused on market making of EMini Index options on CME mainly and has been cryptocurrency early adopter.

He holds an Master Degree of Business Administration & Economics from WHU - Otto Beisheim School of Management.

Ruchika Kumar



Ruchika is the CEO of Sku IQ, San Francisco based company focused on Omni-channel SaaS, enabling SMB retailers to offer frictionless, multi-channel experiences by integrating POS and eCommerce in real time.

Ruchika has ample experience inn raising standards for consumer experiences globally. She has been Director of Merchant Strategy and Paypal Commerce Growth from 2016 to 2018. Prior to that she worked as Growth Manager for Consumer Brands at Accenture and has proven experience crafting and executing growth strategies, expanding brand, digital footprint and sales both locally and internationally, and building and managing operations and product teams.

Maurice Harary



Active Board Advisors

Maurice is CEO Fluz Fluz United States, the global consumer cash back network.

Maurice is a US based serial Entrepreneur with a 10-year background in E-commerce and retail industry.

He owns a company Tech & Bowery who currently manages over 20 e-commerce sites in the B2B and B2C environment, ranging from interactive learning based experiences to price competitive marketplace trading sites.

Maurice has vast experience in all areas of e-commerce sites, ranging from custom e-commerce software development to operational planning.

Lars Rydström



Lars Rydström, of Swedish origin, is a serial entrepreneur with over 40 years experience of building and selling companies. On one occasion he ended up running Ronson PLC, listed on the London Stock Exchange, as a result of selling them one of his companies.

In 2006 he created his own Family Office for the purpose of investing in young and ambitious entrepreneurs in the e-commerce space and disruptive technologies. He has acted as investor and adviser to a number of startups and is currently involved in two other major ICOs about to launch.

Andreas Antrup



Andreas is the Vice President of Data & Advertising at Zalando SE, the 2nd largest E-commerce company in Europe, as well as MD Zalando Media Solutions GmbH, its advertising arm. Andreas has built and lead one of the largest digital advertising platforms in Europe and is widely recognized as one of the most knowledgeable business leaders in the field.

Andreas has headed the Data Products and AI units at Zalando since 2011, bringing products such as product recommendations and search, fraud detection, algorithmic pricing and demand forecasting. Before joining Zalando, he worked in banking and entrepreneurship as well as studying business administration at the WHU Otto Beisheim School of Management in 2007. Andreas holds a doctorate in economics with a focus on applied microeconomic theory and econometrics from the University of Edinburgh.

Karl Karlsson



Karl is a General Partner at Sway Ventures. Based in Europe, Karl identifies and leads investments principally in EMEA. He helps portfolio company entrepreneurs build high growth technology companies by adding his strategic and operational skill sets to augments management's ability to manage accelerated growth and optimize success. Additionally he provides support with acquisitions, mergers and exits.

Karl was previously a Venture Partner with a leading U.S. VC firm, where he focused on European and Asian investments and served as the first point of senior contact with prospective portfolio companies identified in Europe.

Karl's entrepreneurial journey has spanned 30 years, 8 company creations, an IPO of his first tech start up, the creation of thousands of jobs, and dozens of millionaires. A serial entrepreneur, Karl conceived the idea for his first technology startup, Scoop Inc., while still in graduate school. He took this company from idea stage through to NASDAQ listing. He has subsequently been instrumental to the success of a large number of global tech companies' both as a founding entrepreneur and as an investor. Success highlights include 3721.com sold to Yahoo and rolled in to Alibaba.

Karl holds an Masters of International Management from the American Graduate School of International Management, Glendale Arizona and a BA in communications from California State University, Fullerton California.

Keith Teare



Keith is founding shareholder of Techcrunch and is Executive Chairman and Chair of the Investment Committee at Accelerated Digital Ventures. Previously he was founder and a partner at Archimedes Labs in Palo Alto, California.

Keith has served as chairman of the Board at Minds and Machines Inc (London AIM - MMX) and was an Advisory Board member at MedCo and also an Advisory Board member at Verisign.

Keith loves working with founders, teams, designers and engineers to create products, tell stories, and turn them into reality. Archimedes has over 20 companies that Keith mentors. Two of his companies were Unicorns - valued at > \$1 billion (EasyNet and RealNames). They span enterprise software with hundreds of customers (cScape/Clerkswell) ISPs and consumer web with millions (EasyNet/RealNames), Mobile (chat.center).

Specialties: Board leadership; Investing; Corporate Strategy; Product Strategy; Positioning and Go To Market planning, -Policy Issues; Standards Efforts; Evangelizing; Communicating

Anil Benard-Dende



Mr. Benard-Dende has been Chief Operating Officer at SRP Groupe S.A. since 2016. Mr. Benard-Dende began his career as a consultant with PwC before joining the PPR (Kering) Group in 2001, first in Fnac, then as Head of Logistics and the Supply Chain at Conforama, Switzerland in 2004.

In 2007, he joined Casino as Director of Methods and Organization at Easydis (Casino Group's logistics subsidiary). In 2009, he joined Cdiscount as Head of Logistics and Supply Chain management.

In particular, Anil was responsible for reorganizing logistic operations, improving service quality and rolling out Cdiscount pick-up outlets

in Casino stores. In 2011, he was appointed Head of Development, then in 2013 International Vice-President of Cnova, where he was responsible for all international subsidiaries in Africa, Europe, South America and Asia.

He is an engineering graduate from Arts et Métiers Engineering School (Ensam).

José Ruiz



José is a widely recognized business leader in Panamá. In September 2009, he was appointed Ambassador of Panama to Singapore. He was also the non resident Ambassador of Panama to Australia, New Zealand and Myanmar. In 2013, he was appointed the position of Dean of the Diplomatic & Consular Corp in Singapore. Ever since José has been involved in crypto businesses as investor and advisor.

Dr. Sebastian Fourné



Dr. Sebastian Fourné obtained his PhD at the Department of Strategic Management and Entrepreneurship at Rotterdam School of Management (RSM), Erasmus University (The Netherlands) in 2014. Sebastian is a strategy and corporate governance scholar and works as a full-time faculty member at Wilfrid Laurier University in Toronto/Waterloo, Canada. Prior to this engagement Sebastian was Assistant Professor of Strategy Implementation at WHU – Otto Beisheim School of Management in Vallendar, Germany. He is a visiting scholar at SMU in Singapore.

2007-2010 Sebastian gained practical experience in global corporate finance and strategy projects for the world's leading diamond company, De Beers, in London (UK).

He obtained his MSc in Strategic Management Cum Laude and his BSc in International Business Administration Cum Laude at RSM and completed a graduate level exchange at The Wharton School at the University of Pennsylvania (Philadelphia, PA).

Sebastian is intrigued by the notion that most organizations tend to focus on existing businesses and clients, and are not able to break away from existing routines and processes in order to explore new business models and markets (such as those enabled by digitalization). He focuses on the governance mechanisms and incentives that can be used to trigger an ambidextrous orientation, maintaining stability, yet preparing for the future.

Sebastian is also interested in the governance of family and non-family firms, especially the internationalization of family firms. He also researches when and why breakthrough inventions that may appear undesirable by standard evaluation criteria may receive resource support, that is when investors make a leap of faith.

Alberto Tarazi



Alberto manages the largest Panamanian tourism operator Colon 2000, attending close to half a million tourists to Panama everyday through which he obtained valuable insight for innovative international payment means.

He also sits on the board of directors of a cruise ship port operator as well as commercial mall operator. Alberto earned his Bachelor in Industrial Engineering at Northeastern University (Boston, MA) in 2013.

Isaac Levy



Isaac manages the largest Panamanian lower to middle class retailers, El Costo, with 11 hypermarkets locations and millions of customer POS transactions every year, and over 3000+ employees. He has obtained valuable experience and insight for retail customers and POS transactions. He earned his Bachelor in Business Administration at Bentley University (Boston, MA) in 2013.

Capital Acquisition ~ Process Optimization ~ Product Development ~ Logistics Executive with over 20 years of proven leadership in product, brand development, logistics, supply chain management, import/export, sales, marketing manufacturing and operations. Built three successful companies from inception to growth to profitability.

Leverage knowledge of US and various Asian business cultures, and experience with the local governments and business communities, to optimize effective asset utilization, time to market, and manufacturing efficiencies in all business ventures. Proven ability to deliver bottom line results through sound strategic planning, strong tactical execution, innovation, and individual initiative.

Alon Horovitz



Alon is a serial Tech Entrepreneur based in Panama, who has ample experience in providing loyalty apps for millions of consumers in Panama, large scale cryptocurrency mining farms and top notch tech development in Tel Aviv.

David Adelman



David I. Adelman is an American lawyer, diplomat, and legislator. He was the United States Ambassador to the Republic of Singapore from 2010 to 2013. Currently, he is a partner in the global law firm Reed Smith LLP working out of the firm's New York office and regularly traveling to the firm's offices in Asia. Adelman is an advisor to venture capital firm OurCrowd.

Throughout his legal career, Adelman has served in a variety of roles across the public and private sector. He was an Assistant Attorney General for the State of Georgia after which he joined the law firm of Sutherland, Asbill and Brennan LLP, and became a partner specializing in energy and infrastructure investment law.

In 2002, Adelman was elected to the Georgia State Senate. In the Senate, Adelman served as Minority Whip and as Chairman of the Senate Urban Affairs Committee. During his eight years as a State Senator, Adelman introduced bills to improve government ethics, increase investments in renewable energy, expand stem-cell research, fight domestic violence, and streamline Georgia's corporate code. He served in the Senate until 2010 when he was confirmed as U.S. Ambassador to Singapore.

In 2009, President Barack Obama nominated Adelman to serve as U.S. Ambassador to Singapore. He resigned from service as Ambassador to Singapore in 2013 and was named Managing Director by Goldman Sachs based in Hong Kong.

In 2013, Adelman was appointed by the Singapore government to the Monetary Authority of Singapore's Capital Markets Committee and by the Hong Kong government to the Executive Board of the Treasury Markets Association. Adelman was also a member of the Board of Governors of the American Chamber of Commerce in Hong Kong. He is a member of the Council on Foreign Relations. Adelman is a member of the Advisory Council of the Israel-Asia Center.

David Leibowitz

Asia Director



Capital Acquisition ~ Process Optimization ~ Product Development ~ Logistics.

Executive with over 20 years of proven leadership in product, brand development, logistics, supply chain management, import/export, sales, marketing manufacturing and operations.

Built three successful companies from inception to growth to profitability. Leverage knowledge of US and various Asian business cultures, and experience with the local governments and business communities, to optimize effective asset utilization, time to market, and manufacturing efficiencies in all business ventures.

Proven ability to deliver bottom line results through sound strategic planning, strong tactical execution, innovation, and individual initiative.

Dr. Gal Aviv



Dr. Gal Aviv is a founder and CEO of BLender, a multinational P2P lending platform. Previously, for over 10 years, he was the founding partner of ATD, the technological investments arm of the Aviv Group. Aviv received his PhD in Nano-Physics from The University of Nottingham, England, for his research on ultra-cold atoms, using atom-chips. Aviv received his Diploma (MSc) from at the atom-chip lab of Ben Gurion University for his research on quantum computation. Aviv races in competitive sailing, winning the Israeli yachting cup and has participated in international sailing events including the European championships.

COMPETITION

In targeting to solve the excess volatility issue of cryptocurrencies, we are not alone - which is testament to the need in the market for a lower volatility cryptocurrency. The offers currently on the market or coming to the market, however, are all conceived around pegs to fiat currencies and have thus critical weaknesses that preclude their mass adoption beyond niche use cases. These weaknesses include among other things:

- 1** Pegging to fiat money. This is starkest in (the perhaps best known stablecoin) Tether whose exchange rate with the USD is supposed to be kept stable at 1:1 by a currency board and 1:1 backing - much like pegged fiat currencies such as the Panamanian Balboa. Other contenders such as basecoin are also effectively aiming at a pegging to USD.

This is effectively defeating the purpose of cryptocurrencies as this peg exposes the investors and users to the very same vagaries of the political and human system behind fiat money that cryptocurrencies offered a way out of.

- 2** No appreciation path for holders. All offers on the market including MakerDAO/Dai have by design cut out appreciation for holders of their coins, thus also in this dimension replicating a shortcoming of fiat currencies.

Fluzcoin is the very first currency that combines low-volatility, low transaction costs of traditional fiat currencies both with the technological possibilities of the blockchain in terms of transparency and reliability and with an asset appreciation path alongside gold or bitcoin.

- 3** Humans in the loop. Basecoin is aiming to solve its issue of fixing the exchange rate vis-a-vis the USD by letting holders of basecoin cast a vote. The inherent incentive issues and bad actor risks are so strong that they did not altogether escape the team behind the concept: as a mediating effort, voters are incentivised to vote through issuance of coins and are punished for being far from the consensus by withholding of said issuance.

- 4** And lastly, any issuer of currency that purports to be pegged to another currency has the strong economic incentive to defraud its users by creating more of its money than is covered by its reserves; the recent turbulences and market doubts surrounding Tether are a case in point.

Fluzcoin does not suffer from any of these shortcomings. It is not pegged to a fiat currency, but explicitly targets the movement of prices of retail goods expressed in Fluzcoin. It offers a clear appreciation path by sharing out the seigniorage value to the holders of Fluzcoin; there are no humans in the loop in its steering and it does not create misaligned incentives between its algorithmic steering and its foundation on the one hand and the users and holders of Fluzcoin plus Fluz Fluz cash back network as commercial adoption driver on the other hand.

RELATION TO FLUZ FLUZ

Fluz Fluz consumer cash back network, operating in Colombia and launching in the United States, is a separate business with separate management which serves as one of the first promoters of Fluzcoin.

As mentioned in sections above, Fluz Fluz will use Fluzcoin as the central cash-back unit to be obtained from consumers participating in its daily consumption based cash back model. Thereby a natural demand for Fluzcoin is generated. In Fluz Fluz network cash-backs are calculated on FIAT basis meaning Fluz Fluz will issue Fluzcoins based on current Fluzcoin / FIAT (USD) rate.

Fluz Fluz will initially draw the required rewards in Fluzcoin gradually upon demand from a reserved lot of 3,29% of the initial Fluzcoins, which adequately reflects the propelling but not decisive role of Fluz Fluz for Fluzcoin. Once this initial coin lot is fully drawn, Fluz Fluz will purchase at market rate equal to other Fluzcoin holders the necessary Fluzcoins to allocate to its member's consumption.

OUTLOOK

Retail platform coin

Fluzcoin has its eyes firmly set on making Fluzcoin a mass market phenomenon. We are fully aware of the enormous potential that lies in front of us. Establishing the retail cryptocurrency offers in itself the promise of launching an ecosystem beyond this coin by turning Fluzcoin into a platform and spawning new currencies and applications.

Much like what Ethereum represents for the Token industry and Ripple for the banking world, we envisage as a stage two to open the Fluzcoin infrastructure to developers of retailers and other merchants to build retail cryptocurrencies of their own. Merchants can create and launch their own coins which would then be pegged to Fluzcoin and fully convertible to Fluzcoin.

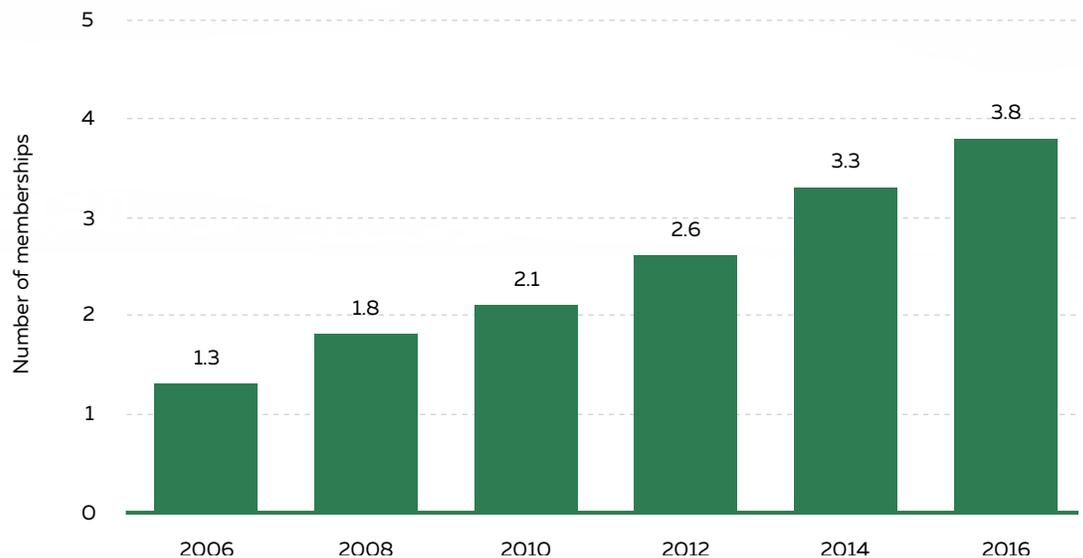
From a consumer point of view they would be as easy to use, as easily convertible and as easily spendable as Fluzcoin. The added twist next to branding are special data collection agreements for personalisation and customisation as well as special services plus loyalty incentives.

The future that we have in mind has merchants build their business models on interaction modes with their loyal customer base in novel and intimate ways through the technological power of the blockchain - all without them having to worry about the technological and economic fundamentals because it is going

to be built off Fluzcoin - and thus unleashing the era of true customer centricity and customer familiarity.

We see a tendency towards multi-loyalty program memberships by individuals which normally act as non-connected, isolated systems generating low engagement. Fluzcoin can unify and stimulate these loyalty efforts.

Number of individual loyalty program memberships in the United States from 2006 to 2016 (in Billions)



Underpinning this is not only technology but also the mass adoption of Fluzcoin as a retail currency and the fungibility of these on top coins into Fluzcoin in order to create a seamless user experience and a cultural shift in the mind of the global digital consumer.

Consumer Finance in Fluzcoin

What percentage of private cars in the street has been purchased outright? How many furniture shops do not offer financing on bigger ticket items? As any reasonable guess to questions such as these shows consumer finance is a big part of how merchants do merchandising in their line of business.

Fortunately, Fluzcoin makes this kind of merchandising easy, secure and attractive for the consumer. So, how does it work? While an instant payment means the consumer's wallet authorises the immediate transfer of the invoice amount in Fluzcoin to the merchant's wallet in the case of invoicing, instalment payment, or financing with interest the consumer's wallet authorises future transfers - including authorisations of payment ranges. The latter is important in the case for instance of ecommerce transactions with high return rates of items; invoicing in this case means authorising up to the total of the ordered items leaving the merchant the option to then later initiate a lower value transfer only which takes into account returns that have happened in meantime.

RISKS ASSESSMENT

Fluzcoin recognizes and responds to the following potential risks to the model.

Price Fluctuations

Fluzcoin is not a stablecoin that pegs to some other currency; Fluzcoin instead is steered such that the prices of goods and services traded in and expressed in Fluzcoin are stable. Price fluctuation vis-a-vis currencies like USD or BTC are therefore normal and expected. Large swings in the price of Fluzcoin in the underlying traded goods is a risk but then the whole steering of Fluzcoin is geared towards managing this risk, be it through issuing new coins or removing coins through open market operations and Fluzcoin proof of stake issuance.

Slow merchant /consumer adoption

There is a risk that adoption on the consumer and/or merchant side will be slower than planned; this is not an existential threat but it lowers the returns of the holders of Fluzcoin by slowing down the movement along the appreciation path. In order to lower this risk, the majority of the ICO proceeds is going to be dedicated towards driving the adoption of Fluzcoin in key demographics and merchant clusters - our beachheads from which we will then expand and iterate the adoption in larger and larger circles.

Human error and misjudgement

There is extremely little to no risk of human error in the management of Fluzcoin. The day to day management of the currency is in the hands of the EUMONIA Algorithm and human oversight is on proper working and training of the algorithm. The team has taken great care when preparing training data and safeguarding the action space of the algorithm to foreclose the possibilities of both biased or endogenous training and runaway algorithmic decision-making.

Total loss of confidence

Fluzcoin is a currency, a means of exchange. And all currencies carry the risk of total loss of confidence of the general public and investors. In fiat currencies this sometimes happens after periods of intense hyperinflation - but even then it is not a sure outcome. Total loss of confidence is a risk, albeit a very remote one: Fluzcoin by design cannot initiate hyperinflation inducing growth in the monetary base. And the lineup of retailers and consumer networks from the start is going to give Fluzcoin a very solid foundation from which to build adoption. And once adopted currencies suffer loss of confidence only following severe mismanagement.

FAQ

1 How do you avoid extreme coin price fluctuation in your model?

Extreme coin price fluctuations - what we call “excess volatility” - are a major blocker to the mass adoption of cryptocurrencies. Fluzcoin disables the mechanism behind this excess volatility (fluctuating demand at very stable supply) by making supply grow in tandem with demand. This is achieved by the Fluz Algorithm steering the issuance of new Fluzcoin to the holders of Fluzcoin. In times of lower demand, the Fluz Algorithm would slow or halt the issuance and buy back and retire Fluzcoin in the open market as well as issue more proof of stake. These open market operations are undertaken by drawing funds from the Fluzcoin Reserve which itself is built on parts of the ICO proceeds and is filled continuously with the proceeds from sales of new Fluzcoin. See also the question on the Reserve below for more details.

2 What differentiates Fluzcoin from a stable coin?

So-called stablecoins are vehicles that are pegged to the value of a fiat currency (typically the USD). They are thus the electronic equivalent of currency board based fiat currencies such as the Panamanian Balboa. In so doing stablecoins replicate all the benefits and also all the ills of fiat currencies.

Fluzcoin is different, its AI and rules based algorithmic steering keeps prices expressed in Fluzcoin on a stable path thereby enabling Fluzcoin to be broadly used in everyday retail transactions. The exchange rate with fiat currencies such as the USD will therefore fluctuate depending on the monetary policy of the Fed and the USD inflation rate differential to Fluzcoin. With inflation rates currently low in the US, however, we expect these fluctuations to be very low.

See also the section on the competition where we explain in detail why a non-pegged currency is superior to a stablecoin.

3 What does appreciation path mean?

Currencies typically fall into one of two buckets: either the supply is basically fixed and therefore holders of the currency have appreciation gains by holding the currency (this is case for instance with gold and BTC) or their supply is flexible and in the hands of a central banking authority which can make profits by issue new currency while the holders lose value over time due to inflation.

Fluzcoin combines the best of both worlds by (1) setting up a central banking authority in the form of EUNOMIA Foundation and steered by the Fluz Algorithm which can ensure a low volatility price development of retail prices in Fluzcoin and (2) sharing out the proceeds that the central bank equivalent generates to the holders of Fluzcoin. Fluzcoin thus provides both the stable price development of a flexible supply currency and the appreciation path forholders of

a fixed supply currency: the appreciation accrues in the form of more Fluzcoin coins as opposed to higher price of the coins. This we call the appreciation path. More detail can be found in the dedicated section.

4 What is the inflation rate of Fluzcoin?

First and foremost we have to note that there is basically no inflation rate for holders of Fluzcoin because price increases are largely matched by new Fluzcoin coins being issued for free to the holder of Fluzcoin by the AI and rules based algorithmic steering.

Inflation happens in a controlled manner to prices of goods and services expressed in Fluzcoin. This is one of the major learnings of monetary economics in twentieth century: deflation is a tricky thing for a society to adapt to. Stable prices or slightly increasing prices on the other hand are healthy. The Fluz Algorithms is therefore going to steer towards 0% or just above 0% inflation following a modified Laspeyres index.

5 What level of price volatility do you expect Fluzcoin to have?

The steering mechanisms of Fluzcoin and the Fluz Algorithm work to dramatically lower the volatility of prices expressed in Fluzcoin compared to other cryptocurrencies. As demand grows the supply is expanded and handed over to the holders of Fluzcoin which thus stabilise market prices; in times of depressed demand, the steering automatically enters into open market operations thus taking Fluzcoins out of circulation.

While an exact quantitative prediction is difficult we can say with confidence that the level of price volatility will be much lower and that this also translates into a low volatility regime in the exchange price between Fluzcoin and fiat currencies of the geographical areas that the retail transactions take place in.

Why should anyone hold Fluzcoin?

- 6** In contrast to fiat money like the USD whose purchasing power erodes over time due to inflation, Fluzcoin offers its holders an appreciation path. Economically speaking, holders of Fluzcoin participate in the seigniorage profits generated with the issuance of new Fluzcoin as the demand for the retail coin grows. As a holder of Fluzcoin you gain whenever the marketcap of Fluzcoin goes up - noth through price increases but through new Fluzcoin issued to your wallet. See also the above question on the appreciation path.

How do you ensure liquidity of Fluzcoin?

- 7** Fluzcoin is liquid because EUNOMIA Foundation steered by the rules and AI based Fluz Algorithm is effectively a market maker. In times of excess demand it creates new coins and distributes these to the Fluzcoin holders for them add to the supply while in times of excess supply it takes coins out of circulation by buying them in open market transactions with funds out of the Fluzcoin Reserve.

The EUNOMIA Foundation is also going to employ an external market making company to stabilise intraday fluctuations in the price of Fluzcoin.

8 What happens if someone with large holdings of Fluzcoin (a Fluzcoin whale) offloads a large lot of Fluzcoin to raise non-Fluzcoin liquidity?

This scenario is tantamount to a supply shock of sudden excess supply. The automatic response of the Fluzcoin system is to ramp up demand and slow supply growth. The policy options that make themselves felt most quickly on the market are open market operations which offer immediate removal of excess supply and the issue of more proof of stake through allowing the auction to run towards higher interest rates.

The immediate effect size of this latter policy depends on the liquidity of the proof of stake demand of Fluzcoin, yet the drawn out effect size this policy is essentially limitless as it sucks in investor demand from other currencies. It is important to note that with size comes depths and liquidity which means the short term exchange rate fluctuations of Fluzcoin due to Fluzcoin whale offloadings will become ever shorter and smaller. The flipside process of course holds true for large purchases of Fluzcoin.

It is important to note that since there is no peg, a large offloading of Fluzcoin will temporarily drive down the price of Fluzcoin by a little bit. As a matter of course, therefore, experienced sellers and buyers of Fluzcoin will understand the dynamics and stagger their transactions into smaller pieces that cause less short term

movement in prices to the benefit of all parties involved. This is what happens in fiat currency exchange as well as securities markets too.

9 Can the Fluzcoin system withstand shortselling speculator's attacks?

Let us first clarify what can be attacked. The steering of Fluzcoin is based on price stability of retail prices expressed in Fluzcoin and the system operates under the side condition of free capital movement. Fluzcoin not being pegged to another currency means it complies with the impossible trinity of monetary policy objectives and offers attackers no peg to attack.

A speculator shorting and selling large numbers of Fluzcoins will indeed exert downward pressure on the exchange rate of Fluzcoin into other currencies but there is no discontinuous breaking point of a peg that would then result in the profit opportunity of the short seller by buying back Fluzcoin to return to the lenders cheaply. In fact, such an attack would be self-defeating as the exchange rate of Fluzcoin would react immediately, lowering the revenue of the shortseller, and then recovering quickly, thus forcing him to buy the currency back more expensively. The steering mechanism of Fluzcoin will quickly counteract the downward pressure of such attack: when more excess supply enters the market, the Fluz Algorithm will automatically ramp up proof of stake sales to soak up this excess supply and in the process raise interest rates on proof of stake. It will also at its discretion engage in open market operations to provide immediate additional demand.

Note that the higher interest rates on proof of stake also makes shorting Fluzcoin more costly for shortselling speculators as investors with long positions will demand more interest and these same investors will be extending their Fluzcoin holdings thereby creating demand for Fluzcoin.

10 What role does the coin reserve play?

The Fluz Foundation disposes of the Fluzcoin Reserve which is held in a highly liquid securities of very high grade which is held as a demand cushion with whose funds the Fluz Foundation can enter open market transaction and acquire Fluzcoin in times of excess supply; it is filled at inception with parts of the proceeds of the ICO and further build up with the excess over cost of the proceeds from Fluzcoin issuance to exchanges. It is important to note that the Fluzcoin Reserve is designed not to pay for all Fluzcoins in circulation at the market exchange rate at any one time, Fluzcoin therefore does not issue a promise of redemption at par.

11 Why do consumers like Fluzcoin?

By adopting state of the art technology introduced above Fluzcoin meets the market needs of consumers: ease of use, ease of converting other currency into and out of Fluzcoin.

On top, three USPs stand out:

- Fluzcoin combines the convenience and traceability for personal reports and for rewards of digital payment methods with the anonymity of physical cash. The consumer can choose who can see how much of their profile and history.
- Fluzcoin offers consumers the opportunity to build wealth by investing into and holding Fluzcoin with its unique appreciation path.
- In stark contrast to rewards programmes of credit card companies or airlines whose rewards oftentimes expire after a certain lapse of time, rewards issued in Fluzcoin appreciate according to mechanisms outlined above.

In order to accelerate adoption, we are contemplating rewarding retail transactions of wallets with K-Y-C upgrade with a low percentage reward of Fluzcoin up to a certain monthly maximum.

12 Why will merchants participate with Fluzcoin?

The direct needs of merchants are simple: they want to spend as little as possible on receiving payments for transactions, they want as few defaults as possible and they want to be compliant with the law.

- Building on the immutability of blockchain systems, Fluzcoin is chargeback and fraud risk free.
- Consumers can upgrade their wallets on the Fluzcoin ledger through identification services that we connect to. Merchants in turn can define business rules that decide which transactions if any require the consumer to have a verified account according to know-your-customer (K-Y-C).

- Transaction costs are fully covered by EUNOMIA Foundation; see the financing section below for details. And payment transaction costs are a substantial cost line in most retail transactions: where retail margins are thin they can be as high as the margin itself; and for small merchants with low transaction values, such as the archetypal coffee shop on the corner, they can be a big burden as they come often not only as a percentage of sales but with a mixed fixed and variable fee.

Distilled into three words, merchants will flock to Fluzcoin as a means of payment because of zero transaction costs.

13 How do you ensure independent decision making on the coin governance?

Decision-making on the steering of Fluzcoin - which is comparable to the steering of fiat currencies by the boards of governors of central banks - is done by the Fluz Algorithm. This comes with three major advantages:

- Full Transparency: The steering target of the machine is captured and enshrined in a target function known to all market participants; there is no need for second-guessing the motivations of a board of directors or of political agendas. There are no agency costs, there is neither bad actor nor political risk in the steering.

- On Demand Price Stabilization: Central banks have to guess the state of the economy and the development of prices from patchy and often outdated data - the Fluz Algorithm has access to the records of the ledger (and even more detailed price information, see below) and thus a timely and granular view of the evolution of Fluzcoin and its market. The Fluz Algorithm can thus act on much richer information and react to new developments much faster.
- Dynamic Learner: It will also learn much faster as it leverages artificial intelligence to make sense of the torrents of data in the ledger and its surrounding system. In order to not be let astray through data mining, the Fluz Algorithm will start with strong priors which represent rules.

See also the section on 'steering' in the Mechanism part.

Decision-making on topics that move beyond the steering of the currency such as technological upgrades and replatforming and also branding is done by EUNOMIA Foundation council.

14 How did you choose your soft cap and hard cap?

We chose the soft cap such that project Fluzcoin is viable at a raise level of the soft cap. While marketing and other go-to-market measures would have to be scaled back considerably vis-a-vis the management case at a 10mn USD funding the executive team is

confident to bring a mature technology to market with sufficient funds to grow from the initial set of retail partners to the critical mass that turns Fluzcoin into a mass adoption phenomenon.

The hard cap of USD 212 mn we chose such as to have good but not plush funding which in the experience of the management team offers the best chances of success: Fluzcoin can go to market and build its user base through strong marketing measures at the same time its funding will foster an outcome oriented frugal culture in both EUNOMIA Foundation and Fluzcoin Global Inc, a culture that thrives and advances rapidly on efficiency and serendipity.

15 **How does the Fluzcoin get delivered to ICO coinbuyers?**

In order to facilitate the ICO process for coin buyers and exchanges alike as well as in line with the development roadmap of the AI algorithm, Fluzcoin Global Inc will for a limited initial period of time and for practicality reasons first issue Fluzcoin ERC 20 based tokens. The trading of these tokens will have no coin governance mechanisms. The ERC 20 based Fluzcoin tokens will then in due time be changed 1:1 for JP Morgan Quorum based Fluzcoins when the proper EUNOMIA coin governance is in place and Fluzcoin proprietary coin wallets are available.

16 If Fluzcoin will be transaction cost free, how are you shielding yourselves against heavy data dumps or DDOS attacks that might clog your transaction capacity?

Fluzcoin's blockchain file might become huge indeed, larger and faster than ETH and BTC for instance. Yet, our core tech team has tested and planned for this scenarios with techniques for black/white listings in place as well ignoring spam transactions from compromised accounts.

Likewise to avoid single point of failure and control, rules have been embedded into the algorithm that limits transactions per month and sits on the machines of processors.

Still bad actors can issue new software and update them but Fluzcoin tech infrastructure has the necessary experience and skills do add additional complexity for appropriate protection mechanisms.

17 How will liquidity of Fluzcoin be assured?

EUNOMIA Foundation will employ external market making services as part of its foundation to ensure proper liquidity of Fluzcoin.

18 Do you see the Lightning / NFC developments for Bitcoin as a potential alternative for Fluzcoin for retail use?

For Fluzcoin there is a leadership and tech team that can actively push and support merchants. With Lightning / NFC as with Bitcoin as such the problem of conflicting group interested in forks remain so that consumers and merchants live under technological uncertainty. Also, the KYC component as well as the volatility control of Fluzcoin are unparalleled advantages.

DISCLAIMER

LEGAL CONSIDERATIONS, RISKS AND DISCLAIMER

YOU MAY LOSE ALL MONIES THAT YOU SPEND PURCHASING FLUZ COINS. In the event that you purchase Fluzcoins, your purchase cannot be refunded or exchanged.

YOU ARE WAIVING YOUR RIGHTS BY AGREEING TO THESE TERMS AND CONDITIONS AND PARTICIPATING IN THE FLUZCOIN GLOBAL LIMITED Coin SALE. BY PARTICIPATING IN THE FLUZCOIN GLOBAL LIMITED Coin SALE YOU ARE AGREE TO HAVE NO RECOURSE, CLAIM, ACTION, JUDGEMENT OR REMEDY AGAINST FLUZCOIN GLOBAL LIMITED

IF YOU ARE UNCERTAIN AS TO ANYTHING IN THIS WHITE PAPER OR YOU ARE NOT PREPARED TO LOSE ALL MONIES THAT YOU SPEND PURCHASING FLUZCOINS, WE STRONGLY URGE YOU NOT TO PURCHASE ANY FLUZCOINS.

WE RECOMMEND YOU CONSULT LEGAL, FINANCIAL, TAX AND OTHER PROFESSIONAL ADVISORS OR EXPERTS FOR FURTHER GUIDANCE BEFORE participating in the FLUZCOIN GLOBAL LIMITED Coin sale outlined in this White Paper. You are strongly advised to take independent legal advice in respect of the legality in your jurisdiction of your participation in the Coin Sale.

PLEASE READ THE ENTIRETY OF THIS "Legal Considerations, Risks and Disclaimer" SECTION CAREFULLY.

You must read the following “Legal Considerations, Risks and Disclaimer” section in full before: (i) making use of this White Paper and any and all information available on the website(s) of Fluzcoin GLOBAL Limited (the “Company”) located at fluzcoin.com (the “Website”); and (ii) participating in the Company’s Coin sale outlined in this White Paper (the “Coin Sale”). This “Legal Considerations, Risks and Disclaimer” section applies to this White Paper and any and all information available on the Website. The contents of this “Legal Considerations, Risks and Disclaimer” section outlines the terms and conditions applicable to you in connection with (i) your use of this White Paper and of any and all information available on the Website; and (ii) your participation in the Coin Sale, in each case in addition to any other terms and conditions that we may publish from time to time relating to this White Paper, the Website and the Coin Sale (such terms hereinafter referred to as the “Terms”). This “Legal Considerations, Risks and Disclaimer” section may be updated from time to time and will be published as part of the latest version of the White Paper which shall be available on the Website. You shall be obliged to read in full the latest available version of the White Paper available on the Website prior to participating in the Coin Sale.

The information set forth in this “Legal Considerations, Risks and Disclaimer” section may not be exhaustive and does not imply any elements of a contractual relationship. While we make every reasonable effort to ensure that all information: (i) in this White Paper; and (ii) available on the Website (all the information in the White Paper and all information available on the Website hereinafter referred to as the “Available Information”) is accurate and up to date, such material in no way constitutes professional advice. Individuals intending to participate in the Coin Sale should seek independent professional advice prior to acting on any of the Available Information.

LEGAL CONSIDERTIONS

The Company has used reasonable endeavours to approach the Coin Sale in a responsible and sensible manner. Given the legal uncertain of distributed ledger technologies, businesses and activities as well as cryptocurrencies and cryptocurrency-related businesses and activities in a number of jurisdictions, the Company has spent time and resources to consider its business approach and where it proposes to operate now and in the future. The Company has worked with with Hassans International Law Firm in respect of _ law matters. The Company has NOT taken any other legal advice in any other jurisdiction. As such, it is possible that the Company's Fluzcoins described in this White Paper and which are the subject of the Coin Sale (the "Fluzcoins") may comprise a security in your jurisdiction or the offer for sale by the Company of the Fluzcoins in your jurisdiction may be a regulated or prohibited activity and in either of these cases the Company may be liable for the same. The Company accepts no responsibility or liability to you in these or any other circumstances. You are strongly advised to take independent legal advice in respect of the legality in your jurisdiction of your participation in the Coin Sale and purchase of Fluzcoins.

The Company will use reasonable commercial endeavours to comply with all _ regulations and, to the extent reasonably practicable with the regulations of such other jurisdictions that it is able to. However, due to the current uncertain state of regulation relating to distributed ledger technology and Coin sales across the world, the Company cannot guarantee the legality of the Coin Sale or the future business platform to be developed as envisaged by the Available Information or the Company's ability to develop, structure and licence any future Coin functionality in every jurisdiction but the Company will use reasonable commercial endeavours to be responsive and compliant in the face of any regulatory inquiry.

The Company may choose to make the Available Information in a number of different languages. In the event of any conflict between the English version of the Available Information and any foreign language version, the English language version will prevail.

NO ADVICE

No part of the Available Information should be considered to be business, legal, financial or tax advice regarding the Company, the Fluzcoins, the Coin Sale or any of the matters to which all or any part of the Available Information relates. You should consult your own legal, financial, tax or other professional advisor regarding the Available Information. You should be aware that you may be required to bear the financial risk of any purchase of Fluzcoins for an indefinite period of time.

LIMITATION OF LIABILITY

In no event shall the Company or any current or former employees, officers, directors, partners, trustees, representative, agents, advisors, contractors, or volunteers of the Company (hereinafter the "Company Representatives") be responsible or accountable or liable in any way whatsoever to any purchaser of Fluzcoins for any loss of profits or otherwise or for any lost savings or for any incidental direct indirect special or consequential damages in each case arising out of or from or in connection with:

- (i) any failure by the Company or any of its affiliated companies to deliver or realise all or any part of the project or the platform or the membership network or the Coin features described in or envisaged by the Available Information;
- (ii) your use or inability to use at any time the services or the products or the platform or the membership network or Fluzcoins offered by the Company;

- (iii) the breach of any of these Terms by the Company or by the Company Representatives or by you or by any third party;
 - (iv) any security risk or security breach or security threat or security attack or any theft or loss of data including but not limited to hacker attacks, losses of password, losses of private keys, or anything similar;
 - (v) mistakes or errors in code, text, or images involved in the Coin Sale or in any of the Available Information; or
 - (vi) any information contained in or omitted from the Available Information;
 - (vii) any expectation promise representation or warranty arising (or purportedly arising) from the Available Information;
 - (viii) the volatility in pricing of Fluzcoins in any countries and/or on any exchange or market (regulated, unregulated, primary, secondary or otherwise);
 - (ix) the purchase use sale resale redemption or otherwise of the Fluzcoins; or
 - (x) your failure to properly secure any private key to a wallet containing Fluzcoins,
- (collectively, the "Excluded Liability Matters").

The Available Information (including the Website and the White Paper) and the Fluzcoins are provided on an "as is" basis and without any representations or warranties of any kind, either express or implied. You assume all responsibility and risk with respect to your use of the Available Information and purchasing of any amount of Fluzcoins and their use. If applicable law does not allow all or any part of the above limitation of liability to apply to you, the limitations will apply to you only to the maximum extent permitted by applicable law.

To the maximum extent permitted by applicable law, you hereby irrevocably and unconditionally waive: (i) all and any claims (whether actual or contingent and whether as an employee, office holder, trustee, agent, principal or in any other capacity whatsoever or howsoever arising) including, without limitation, claims for or relating to the Excluded Liability Matters, any payment or repayment of monies, indemnity or otherwise that you may have against the Company or against any of the Company Representatives; and (ii) release and discharge the Company and all of the Company Representatives from any and all liability (of whatsoever nature or howsoever arising) it or they may have to you. If for any reason you hereafter bring or commence any action or legal proceeding in respect of any claim purported to be released and discharged pursuant to this paragraph or these Terms, or otherwise attempt to pursue any such claim against the Company or any Company Representative then you hereby irrevocably and unconditionally undertake to indemnify, and keep indemnified the Company and all Company Representatives fully on demand from and against:

- (a) all liabilities or losses suffered by the Company or any Company Representative; and
 - (b) all reasonable costs, charges and reasonable expenses (including without limitation reasonable legal costs and expenses) reasonably and properly incurred by the Company or any Company Representative,
- in each case by reason of or in connection with the bringing or commencement of such action or pursuit of such claim by you.

If any provision or part-provision of this “Legal Considerations, Risks and Disclaimer” section is or becomes invalid, illegal or unenforceable, it shall be deemed modified to the minimum extent necessary to make it valid, legal and enforceable. If such modification is not possible, the relevant provision or part-provision shall be deemed deleted. Any modification to or deletion of a provision or part-provision

under this “Legal Considerations, Risks and Disclaimer” section shall not affect the validity and enforceability of the rest of this “Legal Considerations, Risks and Disclaimer” section.

NO REPRESENTATION & WARRANTIES

Notwithstanding any other provision of these Terms or any statement made expressly or impliedly in the Available Information, the Company does not make or purport to make, and hereby disclaims, any representation warranty undertaking or covenant in any form whatsoever to any entity or person, including any representation warranty undertaking or covenant in relation to the truth, accuracy and completeness of any of the information set out in the Available Information.

REPRESENTATION & WARRANTIES BY YOU

By howsoever accessing and/or accepting possession or communication of all or any part of the Available Information, you represent and warrant (and shall be deemed to represent and warrant) to the Company on the date of such access or on the latest date on which you retain possession of all or any part of the Available Information as follows:

- (a) you are over 18 (eighteen) years of age;
- (b) you agree and acknowledge that the Available Information, the undertaking and/or the completion of the Coin Sale, or future trading of the Fluzcoins on any exchange or market (regulated, unregulated, primary, secondary or otherwise), shall not be construed, interpreted or deemed by you as an indication of the merits of the Company, the Fluzcoins, the Coin Sale or the Available Information;
- (c) the distribution or dissemination of the Available Information any part thereof or any copy thereof, or acceptance of the same by you, is not prohibited

or restricted by the applicable laws, regulations or rules in your jurisdiction, and where any restrictions in relation to possession are applicable, you have observed and complied with all such restrictions at your own expense and without liability to the Company;

(d) you agree and acknowledge that in the case where you wish to purchase any Fluzcoins, the Fluzcoins are not to be construed, interpreted, classified or treated as:

(i) any kind of currency or commodity;

(ii) debentures, stocks or shares issued by any person or entity (whether the Company or otherwise);

(iii) rights, options or derivatives in respect of such debentures, stocks or shares;

(iv) rights under a contract for differences or under any other contract the purpose or pretended purpose of which is to secure a profit or avoid a loss;

(v) units in a collective investment scheme;

(vi) units in a business trust;

(vii) derivatives of units in a business trust;

(viii)

(e) you are fully aware of and understand that you are not eligible to purchase any Fluzcoins or access the Available Information if you are a citizen, national, resident (tax or otherwise) and/or green card holder of a Restricted Jurisdiction or if you are a Restricted Person;

(f) you have a basic degree of understanding of the operation, functionality, usage, storage, transmission mechanisms and other material characteristics of cryptocurrencies, blockchain-based software systems, cryptocurrency wallets or other related Coin storage mechanisms, blockchain technology and smart contract technology;

(g) you are fully aware and understand that in the case where you wish to purchase any Fluzcoins, there are risks associated with: (A) the Company and

its business and operations; (B) the Fluzcoins; (C) the Coin Sale; and (D) relying or acting on all or any part of the Available Information;

(h) you agree and acknowledge that the Company is not liable for any direct indirect special incidental consequential or other losses of any kind in tort contract or otherwise (including but not limited to loss of revenue income or profits or loss of use or data or loss of reputation or loss of any economic or other opportunity of whatsoever nature or howsoever arising) arising out of or in connection with any acceptance of or reliance on the Available Information or any part thereof by you; and

(i) all of the above representations and warranties are true, complete, accurate and not misleading from the time of your last access to and/or possession of (as the case may be) the Available Information.

RISK FACTORS

You should carefully consider and evaluate each of the following risk factors and all other information contained in these Terms before deciding to participate in the Coin Sale. To the best of the Company's knowledge and belief, all risk factors which are material to you in making an informed judgment to participate in the Coin Sale have been set out below. If any of the following considerations, uncertainties or material risks develops into actual events, the business, financial position and/or results of operations of the Company and the maintenance and level of usage of the Fluzcoins could be materially and adversely affected. In such cases, the trading price of Fluzcoins (in the case where they are listed on an exchange or market (regulated, unregulated, primary, secondary or otherwise)) could decline due to any of these considerations, uncertainties or material risks, and you may lose all or part of your Fluzcoins or the economic value thereof.

RISKS RELATING TO PARTICIPATION IN THE COIN SALE

There is no prior market for Fluzcoins and the Coin Sale may not result in an active or liquid market for the Fluzcoins.

Prior to the Coin Sale, there has been no public market for the Fluzcoins. In the event that the Company ever decides to seek the approval for availability of the Fluzcoins for trading on a cryptocurrency exchange or market, there is no assurance that such approval will be obtained. Furthermore, even if such approval is granted by a cryptocurrency exchange, there is no assurance that an active or liquid trading market for the Fluzcoins will develop, or if developed, will be sustained after the Fluzcoins have been made available for trading on such market. There is also no assurance that the market price of the Fluzcoins will not decline below the original or issue purchase price (the "Purchase Price"). The Purchase Price may not be indicative of the market price of the Fluzcoins after they have been made available for trading on a market.

A Coin is not a currency issued by any central bank or national, supra-national or quasi-national organisation, nor is it backed by any hard assets or other credit nor is it a commodity in the traditional sense of that word. The Company is not responsible for, nor does it pursue, the circulation and trading of Fluzcoins on any market. Trading of Fluzcoins will merely depend on the consensus on its value between the relevant market participants. No one is obliged to purchase any Coin from any holder of the Coin, including the purchasers, nor does anyone guarantee the liquidity or market price of Fluzcoins to any extent at any time. Furthermore, Fluzcoins may not be resold to purchasers who are citizens, nationals, residents (tax or otherwise) and/or green card holders of Restricted Jurisdictions or to Restricted Persons or to purchasers in any other jurisdiction where the purchase of Fluzcoins may be in violation of applicable laws. Accordingly, the Company cannot ensure

that there will be any demand or market for Fluzcoins, or that the Purchase Price is indicative of the market price of Fluzcoins after they have been made available for trading on any cryptocurrency exchange or market.

Future sales or issuance of the Fluzcoins could materially and adversely affect the market price of Fluzcoins.

Any future sale or issuance of the Fluzcoins would increase the supply of Fluzcoins in the market and this may result in a downward price pressure on the Coin. The sale or distribution of a significant number of Fluzcoins outside of the Coin Sale (including but not limited to the sales of Fluzcoins undertaken after the completion of the initial crowdsale, issuance of Fluzcoins to persons other than purchasers for purposes of community initiatives, business development, academic research, education and market expansion and issuance of Fluzcoins as a reward to users of the Company's business platform that is yet to be developed or otherwise), or the perception that such further sales or issuance may occur, could adversely affect the trading price of the Fluzcoins.

Negative publicity may materially and adversely affect the price of the Fluzcoins.

Negative publicity involving the Company, the Fluzcoins or any of the key personnel of the Company and/or regulation of distributed ledger technologies, cryptocurrencies and/or crowdsales of Fluzcoins in any jurisdiction, may materially and adversely affect the market perception or market price of the Fluzcoins, whether or not it is justified.

There is no assurance of any success of the Company's Coin Sale or business platform that is yet to be developed as envisaged by the Available Information.

The value of, and demand for, the Fluzcoins hinges heavily on the performance of the Company's Coin Sale and business platform that is yet to be developed and the continuous active engagement of its users and success of its contemplated business lines. There is no assurance that the Company's Coin Sale will be successful or that its business platform that is yet to be developed will gain or continue to gain traction. While the Company has made every effort to provide a realistic estimate, there is also no assurance that the cryptocurrencies raised in the Coin Sale will be sufficient for the development of the Company's business platform. For the foregoing or any other reason, the development of the Company's business platform and launch of the anticipated Coin functionality may not be completed and there is no assurance that it will be launched at all. As such, distributed Fluzcoins may hold little or no worth or value and this would impact any trading price and/or use of the Fluzcoins.

The trading price of the Fluzcoins may fluctuate following the Coin Sale.

The prices of cryptographic Fluzcoins in general tend to be relatively volatile, and can fluctuate significantly over short periods of time. The demand for, and the corresponding market price of, the Fluzcoins may fluctuate significantly and rapidly in response to, among others, the following factors, some of which are beyond the control of the Company:

- (a) new technical innovations;
- (b) analysts' speculations, recommendations, perceptions or estimates of the Coin's market price or the Company's financial and business performance;
- (c) changes in market valuations and Coin prices of entities with businesses similar to that of the Company that may be listed on the same cryptocurrency exchanges or markets as the Fluzcoins;

- (d) announcements by the Company of significant events, for example partnerships, sponsorships or new product developments;
- (e) fluctuations in market prices and trading volume of cryptocurrencies on cryptocurrency exchanges or markets;
- (f) additions or departures of key personnel of the Company;
- (g) success or failure of the Company's management in implementing business and growth strategies; and/or
- (h) changes in conditions affecting the blockchain or financial technology industry, the general economic conditions or market sentiments, or other events or factors.

The funds raised in the Coin Sale are exposed to risks of theft.

The Company will make every effort to ensure that the funds received from the Coin Sale will be securely held. Further, the Company may make every effort to ensure that the funds received by it from Coin Sale will be securely held through the implementation of security measures. Notwithstanding such security measures, there is no assurance that there will be no theft of the cryptocurrencies as a result of hacks, sophisticated cyber-attacks, distributed denials of service or errors, vulnerabilities or defects on the Coin Sale website, in the smart contract(s) on which the Coin Sale relies, on the Ethereum blockchain or any other blockchain, or otherwise. Such events may include, for example, flaws in programming or source code leading to exploitation or abuse thereof. In such event, even if the Coin Sale is completed, the Company may not be able to receive the cryptocurrencies raised and the Company may not be able to use such funds for the development of the Company's business platform. In such case, the launch of the Company's business platform might be temporarily or permanently curtailed. As such, distributed Fluzcoins may hold little worth or value and this would impact their trading price.

RISKS RELATING TO THE COMPANY

The Company's business platform that is yet to be developed.

Any events or circumstances which adversely affect the Company or any of its successor or affiliated operating entities may have a corresponding adverse effect on the Company's business platform that is yet to be developed, including but not limited to the development, structuring and launch of the Company's business platform. Such adverse effects would correspondingly have an impact on the utility, liquidity, and the trading price of the Fluzcoins.

The Company may be materially and adversely affected if it fails to effectively manage its operations as its business develops and evolves, which would have a direct impact on its ability to develop, maintain or operate the Company's business platform and/or develop, structure and/or licence any Coin functionality.

The financial technology and cryptocurrency industries in which the Company competes have grown rapidly over the past few years and continue to evolve in response to new technological advances, changing business models, shifting regulations and other factors. As a result of this constantly changing environment, the Company may face operational difficulties in adjusting to the changes, and the sustainability of the Company will depend on its ability to manage its operations, ensure that it hires qualified and competent employees, and provides proper training for its personnel. As its business evolves, the Company must also expand and adapt its operational infrastructure. The Company's business will in part rely on its blockchain-based software systems, cryptocurrency wallets or other related Coin storage mechanisms, blockchain technology and smart contract technology. All of these systems, tools, and skillsets represent complex, costly, and rapidly

changing technical infrastructure. In order to demonstrate continued ability to effectively manage technical support infrastructure for the Company's business platform that is yet to be developed and the future functionality of the Fluzcoins, the Company will need to continue to upgrade and improve its data systems and other operational systems, procedures, and controls. These upgrades and improvements will require a dedication of resources and are likely to be complex and increasingly rely on hosted computer services from third parties that the Company does not or will not control. If the Company is unable to adapt its systems and organisation in a timely, efficient, and cost-effective manner to accommodate changing circumstances, its business, financial condition and/or results of operations may be adversely affected. If the third parties whom the Company relies on are subject to a security breach or otherwise suffer disruptions that impact the services the Company uses, the integrity and availability of its internal information could be compromised, which may consequently cause the loss of confidential or proprietary information and/or economic loss. The loss of financial, labour or other resources, and any other adverse effect on the Company's business, financial condition and/or operations, would have a direct adverse effect on the Company's ability to develop maintain or operate the Company's business platform and/or to develop, structure and/or license the anticipated Coin functionality. Any adverse effects affecting the Company business or technology are likely to also adversely impact the utility, liquidity, and trading price of the Fluzcoins.

The Company may experience system failures, unplanned interruptions in its network or services, hardware or software defects, security breaches or other causes that could adversely affect the Company's infrastructure network, and/or the Company's business platform that is yet to be developed.

The Company is not able to anticipate when there would be occurrences of hacks, cyber-attacks, distributed denials of service or errors, vulnerabilities or defects in: the Company's business platform that is yet to be developed, in the smart contracts on which the Company or the Company's business platform relies, or on the Ethereum or any other blockchain. Such events may include, for example, flaws in programming or source code leading to exploitation or abuse thereof. The Company may not be able to detect such hacks, cyber-attacks, distributed denials of service errors vulnerabilities or defects in a timely manner, and may not have sufficient resources to efficiently cope with multiple service incidents happening simultaneously or in rapid succession.

The Company's network or services, which would include the Company's business platform that is yet to be developed and, if successfully structured, developed, licensed and launched, the Coin functionality, could be disrupted by numerous events, including natural disasters, equipment breakdown, network connectivity downtime, power losses, or even intentional disruptions of its services, such as disruptions caused by software viruses or attacks by unauthorized users, some of which are beyond the Company's control. There can be no assurance that cyber-attacks, such as distributed denials of service, will not be attempted in the future or that the Company's security measures will be effective. The Company may be prone to attacks on its infrastructure intended to steal information about its technology, financial data or user information or take other actions that would be damaging to the Company and/or holders of the Fluzcoins. Any significant breach of the Company's security measures or other disruptions resulting in a compromise of the usability, stability, and security of the Company's business platform that is yet to be developed may adversely affect the utility, liquidity and/or trading price of the Fluzcoins.

The Company may in the future be dependent in part on the location and data centre facilities of third parties.

The Company's future infrastructure network may be established in whole or in part through servers which it owns and/or houses at the location facilities of third parties, and/or servers that it rents at data centre facilities of third parties. If the Company is unable to renew its data facility leases on commercially reasonable terms or at all, the Company may be required to transfer its servers to a new data centre facility, and may incur significant costs and possible service interruption in connection with the relocation. These facilities are also vulnerable to damage or interruption from, among others, natural disasters, arson, terrorist attacks, power losses, and telecommunication failures.

Additionally, the third-party providers of such facilities may suffer a breach of security as a result of third-party action, employee error, malfeasance or otherwise, and a third party may obtain unauthorised access to the data in such servers. The Company and the providers of such facilities may be unable to anticipate these techniques or to implement adequate preventive measures.

General global market and economic conditions may have an adverse impact on the Company's operating performance, results of operations and/or cash flows.

The Company could continue to be affected by general global economic and market conditions. Challenging economic conditions worldwide have from time to time, contributed, and may continue to contribute, to slowdowns in the information technology industry at large. Weakness in the economy could have a negative effect on the Company's business, operations and financial condition, including

decreases in revenue and operating cash flows, and inability to attract future equity and/or debt financing on commercially reasonable terms. Additionally, in a down-cycle economic environment, the Company may experience the negative effects of a slowdown in trading and usage of the Company's business platform that is yet to be developed and may delay or cancel the development, structuring, licensing and/or launch of the anticipated Coin functionality.

Suppliers on which the Company relies for servers, bandwidth, location and other services could also be negatively impacted by economic conditions that, in turn, could have a negative impact on the Company's operations or expenses. There can be no assurance, therefore, that current economic conditions or worsening economic conditions or a prolonged or recurring recession will not have a significant, adverse impact on the Company's business, financial condition and results of operations, and hence, the Company's business platform that is yet to be developed and/or the ability to develop, structure, license and/or launch any Coin functionality. Any such circumstances would then correspondingly negatively impact the utility, liquidity, and/or trading price of the Fluzcoins.

The Company or the Fluzcoins may be affected by newly implemented regulations.

Distributed ledger technologies, businesses and activities as well as cryptocurrencies and cryptocurrency-related businesses and activities are generally unregulated

worldwide, but numerous regulatory authorities across jurisdictions have been outspoken about considering the implementation of regulatory regimes which govern distributed ledger technologies, businesses and activities as well as cryptocurrencies and cryptocurrency-related businesses and activities. The Company or the Fluzcoins may be affected by newly implemented regulations relating to distributed ledger technologies, businesses and activities as well as cryptocurrencies and cryptocurrency-related businesses and activities, including having to take measures to comply with such regulations, or having to deal with queries, notices, requests or enforcement actions by regulatory authorities, which may come at a substantial cost and may also require substantial modifications to the Company's business platform that is yet to be developed and/or the anticipated Coin functionality. This may impact the appeal or practicality or functionality of the Company's business platform that is yet to be developed and/or the anticipated Coin functionality for users and result in decreased usage of and demand for the Company's business platform and the Fluzcoins. Further, should the costs (financial or otherwise) of complying with such newly implemented regulations exceed a certain threshold, maintaining the Company's business platform that is yet to be developed and/or developing, structuring, licensing and/or launching the Coin functionality may no longer be commercially viable, and the Company may opt to discontinue the Company's business platform that is yet to be developed and/or the anticipated Coin functionality, and/or the Fluzcoins. Further, it is difficult to predict how or whether governments or regulatory authorities may implement any changes to laws and regulations affecting distributed ledger technology and its applications, including the Company's business platform that is yet to be developed and/or the anticipated Coin functionality, and/or the Fluzcoins.

The Company may also have to cease operations in a jurisdiction that makes it illegal to operate in such jurisdiction, or make it commercially unviable or undesirable to obtain the necessary regulatory approval(s) to operate in such jurisdiction.

In scenarios such as the foregoing, the utility, liquidity, and/or trading price of Fluzcoins will be adversely affected and/or Fluzcoins may cease to be traded.

There may be unanticipated risks arising from the Fluzcoins.

Cryptographic Fluzcoins such as the Fluzcoins are a relatively new and dynamic technology. In addition to the risks included in the above discussion of risk factors, there are other risks associated with your purchase, holding, and use of the Fluzcoins, including those that the Company cannot anticipate. Such risks may further appear as unanticipated variations or combinations of the risks discussed above.

PRIVACY POLICY

By purchasing Fluzcoins, you agree to your personal data, (i.e., your e-mail address, name, address and other details personal to you) being processed by the Company for its business purposes or the purposes of building, promoting, and communicating (about) the Company's business platform that is yet to be developed and the Fluzcoins. The Company agrees to keep your email address and other personal data private and not share it with the public (e.g., by including it on any external lists or selling to any third parties).

DISCLAIMER

The presentation of the Available Information is solely for informational purposes. Anyone interested in purchasing Fluzcoins and participating in the Coin Sale should

consider the various risks prior to making any kind of decision in respect of the Coin Sale. The Available Information does not comprise any advice by the Company or by the Company Representatives, or any recommendation to any recipient of the Available Information, by the virtue of any participation in the Coin Sale or otherwise. The Available Information does not necessarily identify, or claim to identify, all the risk factors connected with the Company, the Company's business platform that is yet to be developed, the Fluzcoins, the Coin Sale, any future Coin functionality or the Available Information. All the participants must make their own independent evaluation, after making such investigations as they consider essential, of the merits of participating in the Coin Sale and after taking their own independent professional advice. Any participant in the Coin Sale should check with and rely upon their own investment, accounting, legal and tax representatives and consultants in respect of such matters concerning the Company, the Company's business platform that is yet to be developed, the Fluzcoins, the Coin Sale, any future Coin functionality and the Available Information and to assess separately the financial risks, consequences and appropriateness of the purchase of Fluzcoins, or if in any doubt about the facts set out in the Available Information. A purchase of Fluzcoins comprises considerable risk and might involve extraordinary risks that may lead to a loss of all or a significant portion of monies or monetary value utilised to acquire Fluzcoins. Participants in the Coin Sale are urged to completely understand, be aware of and accept the characteristics of the Company, the Company's business platform that is yet to be developed, the Fluzcoins, the Coin Sale, any future Coin functionality and the Available Information. If you are not prepared to accept any or all of these Terms or the risks set out in these Terms then you are urged not to

participate in the Coin Sale. No guarantee or assurance is given by the Company or by the Company Representatives that the Company's proposals, objectives and/or outcomes set out in the Available Information will be achieved in whole or in part. You are urged to consider whether participation in the Coin Sale is suitable for you having regard to your personal and financial circumstances and your financial resources.

RESTRICTIONS ON DISTRIBUTION AND DISSEMINATION OF THE AVAILABLE INFORMATION

The distribution or dissemination howsoever of all or any part of the Available Information may be prohibited or restricted by the laws, regulatory requirements and rules of certain jurisdictions. In the case where any such restriction applies, you are responsible for informing yourself in respect of the same and for observing any such restrictions which are applicable to your possession and/or dissemination of all or any part of the Available Information at your own expense and without liability to the Company.

Persons to whom a copy of all or any part of the Available Information has been distributed or disseminated, provided access to or who otherwise have all or any part of the Available Information in their possession shall not circulate it to any other persons, reproduce or otherwise distribute any information contained herein for any purpose whatsoever nor permit or cause the same to occur.