By reading this Whitepaper, you agree to the following limitations and notifications and represent that you are a person who is permitted under applicable law and regulation to receive information of the kind contained in this Whitepaper.

This document has been prepared solely for providing background information on the Bucket.network (the “Company”) in the context of issuing the Company’s tokens. This Whitepaper does not constitute or form part of, and should not be construed as, an offer or invitation to subscribe for, or otherwise acquire, any securities of the Company, nor should it or any part of it form the basis of, or be relied on in connection with, any contract to purchase or subscribe for any securities of the Company nor shall it or any part of it form the basis of or be relied on in connection with any contract, investment decision or commitment whatsoever. If you decide to become Company’s token holder, please note that your contribution to the Company does not involve the exchange of cryptocurrencies or other currencies for any form of securities, investment units and/or form of ordinary shares in the Company or any other entity. Company’s token holder does not receive any form of dividend or other revenue right that is guaranteed, or it participates in profit sharing scheme.

It is not the Company's intention to provide, and you may not rely on this document as providing, a complete or comprehensive analysis of the Company’s financial or trading position or prospects. The information in this presentation has not been independently verified and is subject to verification, completion and change without notice. The Company is under no obligation to correct, update or keep current the information contained in this presentation or to publicly announce the result of any revision to the statements made herein except where they would be required to do so under applicable law. Accordingly, no representation or warranty, express or implied, is made or given by or on behalf of the Company or any of its directors, officers, employees, members, attorneys, advisors, affiliates or any other person as to the correctness, accuracy, currency, completeness, adequacy, usefulness, reliability, fairness or otherwise of the information communicated, and any reliance you place on such information will be at your sole risk. Neither the Company nor any of its directors, officers, employees, members, attorneys, advisors, affiliates or any other person shall have any liability whatsoever in negligence or otherwise for any loss howsoever arising from any information or opinions presented or contained in this presentation nor shall they accept any responsibility whatsoever for, or make any representation or warranty, express or implied, as to the truth, fullness, accuracy or completeness of the information in this presentation (or whether any information has been omitted from the presentation) or any other information relating to the Company, its subsidiaries or associated companies, in any form whatsoever, howsoever transmitted or made available or for any loss howsoever arising from any use of this document or its contents or otherwise arising in connection therewith.

Some of information may constitute projections or other forward-looking statements regarding future events, future investments or future financial performance of the Company, which can be identified from the context in which the statements are made. These statements involve numerous assumptions regarding the present and future strategies of the Company and the environment in which it operates and will operate in the future and involve a number of known and unknown risks and other factors that could cause the Company's or its industry's actual results, levels of activity, performance, investments or achievements to be materially different from any future results, levels of activity, performance, investments or achievements expressed or implied by such forward-looking statements. Accordingly, the Company provides no assurance whatsoever that its or its industry's actual results, levels of activity, performance, investments or achievements will be consistent with the future results, levels of activity, performance, investments or achievements expressed or implied by such forward looking statements. Neither the Company nor any of its directors, officers, employees, members, attorneys, advisors, affiliates or any other person intends or has any duty or obligation to supplement, amend, update or revise any of the forward-looking statements contained herein to reflect any change in the Company's expectations with regard thereto or any change in events, conditions or circumstances on which any such statements are based. Disclaimer 1
Table of Contents

Executive Summary ........................................................................................................... 3
1. Market Opportunity ......................................................................................................... 4
  1.1 Sports Industry: Global Economic, Social and Cultural Outlet .................................. 4
    1.1.1 Market Size ........................................................................................................ 4
    1.1.2 Sports Events Market Ecosystem ....................................................................... 5
    1.1.3 Bucket.network Target Market: The Largest Team Sports .................................. 7
  1.2 The Market For Sports Talent ..................................................................................... 11
    1.2.1 Player Career Roadmap In TOP5 Team Sports .................................................. 11
    1.2.2 Sports Agency .................................................................................................... 13
  1.3 Scope of The Problem: Highly Inefficient Current Sports Talent Acquisition Model .... 14
2. The Solution: Bucket.network ....................................................................................... 16
  2.1 Overview ................................................................................................................... 16
    2.2 Bucket.network Platform ....................................................................................... 16
      2.2.1 Bucket.network Player Marketplace ................................................................... 17
      2.2.2 Bucket.network Wallet .................................................................................... 20
      2.2.3 Bucket.network Smart Contracts ...................................................................... 20
      2.2.4 Bucket.network Smart Depository ...................................................................... 20
      2.2.5 Bucket.network API ......................................................................................... 20
      2.2.6 Bucket.network Collectibles ............................................................................. 21
  3. Token Economy .............................................................................................................. 21
    3.1 Blockchain technology ............................................................................................. 21
    3.2 BCK Token ............................................................................................................... 22
    3.3 BCK Token Circulation Model ............................................................................... 22
    3.4 Bucket.network pricing and revenue model ........................................................... 23
  4. Token Generation Event ............................................................................................... 24
  5. Roadmap ....................................................................................................................... 27
  6. Team ............................................................................................................................... 28
    6.1 Bucket.network Team ............................................................................................. 28
  7. Risk Factors .................................................................................................................. 29
    7.1 Business Risks ......................................................................................................... 29
      7.1.1 Macro Risk ........................................................................................................ 29
      7.1.2 Development Risk .......................................................................................... 29
      7.1.3 Strategy Implementation Risk ........................................................................ 29
      7.1.4 Human Resource Risk ................................................................................... 29
      7.1.5 Competition Risk ........................................................................................... 30
      7.1.6 Operational Risk ............................................................................................ 30
      7.1.7 Technological Risk ......................................................................................... 30
      7.1.8 Financing Risk ............................................................................................... 30
      7.1.9 Third Party Risk ............................................................................................. 30
      7.1.10 Force Majeure Risk ....................................................................................... 30
    7.2 Risks Related to BCK Tokens .................................................................................. 31
      7.2.1 General Suitability Of Token Purchase .............................................................. 31
      7.2.2 Lack Of Governance Rights ............................................................................. 31
      7.2.3 Liquidity Risk .................................................................................................. 31
      7.2.4 Risk Of Losing Access To Purchased Tokens .................................................... 31
    7.3 Technological Risks ................................................................................................ 32
      7.3.1 Ethereum Protocol Risk .................................................................................. 32
      7.3.2 Security risks .................................................................................................. 32
      7.3.3 Risks of technological changes in the future .................................................... 32
    7.4 Legal and Taxation Risks ......................................................................................... 32
      7.4.1 Regulatory Uncertainty Risk ............................................................................ 32
      7.4.2 Taxation risk .................................................................................................... 33
EXECUTIVE SUMMARY

The global sports industry is estimated to generate up to 700 billion USD per year. **Sports talent is the centerpiece of the whole industry**, which drives the competitiveness of sporting events, which generates fan excitement, which in turn translates into ticket sales, sponsorship deals, broadcasting rights, sporting goods sales and other numerous sources of revenue for the industry players.

The TOP 5 most popular team sports (soccer, basketball, football, baseball and ice hockey) dominate the industry. However, the players of the TOP 5 team sports face numerous development and career options from a very early age. Therefore, agents and other experts are instrumental in navigating the career path in such a competitive industry. However, **few players get access to top level representation and services**. Moreover, scattered data about players and information asymmetry in the current sports talent acquisition model lead to extra costs and compromised accessibility and transparency issues for all stakeholders involved (players, teams, agents, industry experts).

As a solution, Bucket.network will be the most comprehensive global resource for navigating the complex path of an athlete’s career, covering the full school-to-professional athlete cycle. **Bucket.network aims to disrupt a huge industry:**

<table>
<thead>
<tr>
<th>SPORTING EVENTS INDUSTRY</th>
<th>TOP 5 TEAM SPORTS MARKET SHARE</th>
<th>BUCKET.NETWORK TARGET MARKET SIZE</th>
</tr>
</thead>
<tbody>
<tr>
<td>$80B</td>
<td>80%</td>
<td>4+ billion fans</td>
</tr>
<tr>
<td></td>
<td></td>
<td>131 million players</td>
</tr>
<tr>
<td></td>
<td></td>
<td>7.7 million sports teams</td>
</tr>
</tbody>
</table>

Bucket.network provides leading technology and blockchain smart contract implementation solutions for the team sports community. It’s the world’s first decentralized platform geared to the team sports community, providing trusted connectivity amongst clubs, agents, players and third-party service providers, smart contract-based agreements and unique player data screening solutions.
Market Opportunity

Sports Industry: Global Economic, Social and Cultural Outlet
The phenomenon of sports has been a part of human lives since the ancient times. It encompasses the natural need for physical activity in every human being and serves as the ultimate test of one’s physical abilities in a competitive environment. Due to its competitive nature, sports have proven to be one of the most entertaining events for spectators. As a result, sports have grown into a significant global economic, social, cultural and even political outlet that spans far beyond the field of play.

Market Size
According to leading consultancies A.T. Kearney and KPMG, the global sports market generates 600-700 billion USD per year, or almost 1% of global GDP. The major share of global sports revenue comes from sporting goods sales and sporting clubs, driven by the rising awareness and importance of sports activities among consumers worldwide. Infrastructure, food and beverage, betting and other sports-related revenue is estimated to amount to 100-200 billion USD. On average, the sports industry is growing at a faster pace than global GDP with North America and EMEA regions driving the market growth.

Global sports industry market size (2014), bnUSD

Source: KPMG
Although amounting to only 13% of global sports industry revenue, the sporting events market is arguably the centerpiece of the entire industry, having a significant impact on all other industry segments. Sporting events are the ultimate source of fan excitement. By engaging the sports fans, sporting events basically drive the whole 700 billion USD industry.

The sporting event market itself generates revenue via ticket sales (27%), sponsorships (35%), media rights (35%) and merchandise (3%). The principal participants in the sporting events market ecosystem are rights owners (clubs, leagues, federations and athletes), sponsors (brands), broadcasters, sports agents and sports fans. However, team sports clubs play a central role in the sports ecosystem – the better the performance of the clubs – the more intense the competition and the more engaged the fans, which ultimately generate revenues for the stakeholders of the ecosystem.
The sporting events market ecosystem is comprised of various players, which participate in the ecosystem for various reasons:

**MEDIA**
- Sporting event broadcasting has become a solid way to attract viewers despite the trends of delayed viewing, video-on-demand and online streaming;
- Major sporting events are the most viewed televised events worldwide;
- Research shows that ratings depend on the number of premier matches broadcasted, which is “must-see” content for sports fans – therefore, the media are interested in maintaining the competitiveness of televised events.

**BRANDS**
- Some of the most valuable global brands see sporting events as one of the major target advertising segments, through which they can engage with their desired audience;
- Sponsorship is a key revenue source for the sporting events market, which comes in many forms (official partners, suppliers, stadium naming and other).

**LEAGUES**
- Within the sports ecosystem, leagues play a role in organizing the season games and championships and, in most cases, play an intermediary role in distributing revenues to clubs;
- Leagues create value by ensuring competitiveness, enforcing ethical values (such as fair play) and mitigating safety risks, all of which contributes to the “must-see” content creation for the fans.
CLUBS
• The centerpiece of the whole ecosystem which attract fans (which by extension attract media and brands);
• Generate revenue from ticketing, merchandising, sponsorships and media rights;
• **Protect and grow revenues in a virtuous cycle:** good team performance (winning) generates interest — interest generates revenue — team performance and revenue attract stars — stars drive team performance and revenues;
• **Various studies have shown that winning performances are the main factor in protecting club revenues** and while winning is a function of many factors, in general the best performing teams are those that invest the most to attract the best players (via transfers, free agents, drafts or home-grown systems (which vary depending on the sports and countries).

Key takeaway. In the sports world, it all boils down to attracting the best talent. Talents generate winning performances, which drives interest from all stakeholders in the whole sporting events market, which in turn drives the entire 700 billion USD industry.

[1.1.3] **Bucket.network Target Market: The Largest Team Sports**
According to World Sport Encyclopedia, there are 8,000 indigenous sports and sporting games. However, in terms of revenue, the global sporting events market is dominated by TOP 5 team sports: soccer, football, baseball, basketball and ice hockey, which is also reflected in the top earning professional sports leagues' ranking. Soccer is the dominant sport in the world, taking the largest share in EMEA region. Football, baseball, basketball and ice hockey are the most popular sports in North America. Therefore, Bucket.network will be tailor-focused on these 5 most popular team sports:

![Sporting events market (billion USD)](source: A. T. Kearney)
SOCCER
- With over 4 billion followers, soccer is the most popular sport in the world (FIFA World Cup being the most watched sports competition in the world);
- According to the most recent available FIFA member association survey FIFA Big Count (2006), there are 265 million soccer players in the world (both amateur and professional, both male and female);
- The same survey indicates that there are 38 million registered players worldwide (including amateurs and youth players) out of which 113 thousand are professional soccer players;
- The survey also suggests that there are around 1.7 million soccer teams in the world.

BASKETBALL
- According to FIBA, the International Basketball Federation, there are more than 450 million basketball players (amateur and professional) worldwide;
- FIBA does not collect detailed statistics about the number of leagues, teams and players worldwide;
- FIBA is comprised of 213 National Basketball Federations worldwide. Based on Bucket.network research, each member country has at least 1 professional basketball league, and each league consists of 8-10 teams. Every team has 12-15 players on its roster, therefore there are at least 20 thousand professional basketball players in the world;
- Based on Bucket.network research, there are up to 86 million basketball players worldwide in total (including amateurs and youth players), playing on 5.7 million basketball teams (assuming an average 15-player roster).

FOOTBALL
- The popularity of American football has been increasing all around the globe with the Super Bowl global viewership reaching 160 million;
- Football is the top sport in the United States with 17 million people playing the sport, among which 1.1 million are on high school teams, 73 thousand on college teams and 1.7 thousand in the National Football League (NFL) – the highest earning sports league in the world;
- The sport is also gaining more and more international exposure (International Federation of American Football includes federations from 71 countries), therefore, Bucket.network estimates that there are at least 2 million American football players in the world (including high school), which makes for 40 thousand teams, assuming an average 50-player roster.

BASEBALL
- The most attended sport in the United States and Japan, a major sport in Canada, Korea and Mexico;
- In 2011 the International Baseball Federation estimated that there are 35 million participants in organized baseball competitions worldwide;
- The sport is recognized globally – there are 141 national federations in the World Baseball Softball Confederation and at least 77 countries with a baseball league;
- Bucket.network estimates at least 3.5 million baseball players (including high school and professionals) on 140 thousand teams worldwide, assuming average 25-player rosters.
ICE HOCKEY
- The most popular sport in Canada and the most popular winter sport in Russia and some other European countries;
- According to the International Ice Hockey Federation there are 1.7 million registered ice hockey players worldwide (Canada and the United States leading the list with 631 and 556 thousand registered players, respectively);
- Bucket.network estimates that 1.7 million ice hockey players worldwide play on 88 thousand teams (assuming average 20-player rosters).

ESTIMATING TARGET AUDIENCE
The estimated Bucket.network target audience is summarized below (in thousands):

<table>
<thead>
<tr>
<th>Sport</th>
<th># of teams</th>
<th># of players</th>
<th># of pros</th>
</tr>
</thead>
<tbody>
<tr>
<td>Soccer</td>
<td>1 752</td>
<td>38 287</td>
<td>113</td>
</tr>
<tr>
<td>Basketball</td>
<td>5 710</td>
<td>85 645</td>
<td>30</td>
</tr>
<tr>
<td>Football</td>
<td>40</td>
<td>2 000</td>
<td>2</td>
</tr>
<tr>
<td>Baseball</td>
<td>140</td>
<td>3 500</td>
<td>10</td>
</tr>
<tr>
<td>Hockey</td>
<td>88</td>
<td>1 759</td>
<td>14</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>7 730</strong></td>
<td><strong>131 191</strong></td>
<td><strong>169</strong></td>
</tr>
</tbody>
</table>

Source: Market Watch
The market for TOP 5 team sports talent is huge and the competition for playing at a professional level is extremely intense – as illustrated by U.S. data, less than 0.05% of high school athletes eventually make it to a pro draft.

<table>
<thead>
<tr>
<th>Sport</th>
<th>High School</th>
<th>College</th>
<th>Drafted to pros</th>
<th>Odds of a U.S. high school athlete making it to the pros</th>
</tr>
</thead>
<tbody>
<tr>
<td>Football</td>
<td>1,083,617</td>
<td>72,788</td>
<td>256</td>
<td>1 in 4,233</td>
</tr>
<tr>
<td>Men’s Basketball</td>
<td>541,479</td>
<td>18,697</td>
<td>46</td>
<td>1 in 11,771</td>
</tr>
<tr>
<td>Women’s Basketball</td>
<td>429,504</td>
<td>16,589</td>
<td>33</td>
<td>1 in 13,015</td>
</tr>
<tr>
<td>Baseball</td>
<td>486,567</td>
<td>34,198</td>
<td>738</td>
<td>1 in 659</td>
</tr>
<tr>
<td>Men’s Ice Hockey</td>
<td>35,875</td>
<td>4,071</td>
<td>60</td>
<td>1 in 598</td>
</tr>
<tr>
<td>Men’s Soccer</td>
<td>432,569</td>
<td>24,477</td>
<td>75</td>
<td>1 in 5,768</td>
</tr>
</tbody>
</table>

Key takeaway. Bucket.network aims to disrupt a huge TOP5 team sports market:

- 4+ billion fans
- 131 million players
- 7.7 million sports teams
[1.2] The Market For Sports Talent
We have already established that the global market for sports talent is huge, as teams at various levels compete for diverse talents that would enhance their competitive positions in respective sports leagues. We have also established that breaking into professional team sports is extremely difficult and only a tiny percentage of players manage to make the leap from high school/college to professional sports. On top of that, the players trying to reach the professional level must navigate a rather complex sports recruitment ecosystem from an early age, which leads to the necessity of sports agents' services.

[1.2.1] Player Career Roadmap In TOP 5 Team Sports
Although every sport has subtleties with respect to recruitment systems, a general model can still be drawn. However, the principal difference between North American and other markets is the franchise and draft system.

A draft system regulates signing new players by teams taking turns and selecting from a pool of eligible players and receiving their exclusive signing rights. Players’ eligibility for the draft is determined by certain sets of requirements, which in most cases mean that the player cannot have previous professional playing experience. The teams (franchises) operate under salary cap regulations, meaning that there is a certain ceiling for players’ compensation. As a result, a single team cannot have all the stars and the talent is distributed more equally among the teams in a league, as the worst performing teams in a season get the priority to choose the best players in a draft.

Outside of North America, most leagues use promotion/relegation systems to maintain league competitiveness (worst performing teams are downgraded to lower level leagues and the best performing teams from lower leagues are given the chance to compete at a higher level). However, to be promoted to a higher-level league, a team usually must meet certain criteria, e.g. have a large enough home arena.

All the possible recruitment options during a player’s career are outlined below.
NORTH AMERICA

• **High School.** Players at a high school level play in amateur leagues and have several options to advance their careers: 1) go play on a junior team in a junior league (most common in ice hockey); 2) go play on a college team (most commonly in the NCAA); 3) join a youth academy/junior team overseas (most applicable to soccer); 4) go straight to a draft of a major North American league (however, most leagues impose certain restrictions on age, agency status and other); 5) become a professional by signing to a professional club overseas;

• **Junior teams.** Players on junior teams can be eligible for the draft, or can proceed to college or sign with (usually) lower league professional clubs;

• **College.** Players on college teams can participate in a major league draft or sign directly with a professional club (usually overseas). Signing with a professional club usually means losing eligibility to compete at the collegiate level;

• **Draft.** North American and international players eligible for a draft (requirements differ depending on the league) sign with major league teams, while undrafted players become free agents and can pursue opportunities in other professional leagues;

• **Professional teams.** Top league (NFL, NBA, MLB, NHL, MLS) teams sign players via drafts, player transfers or sign available free agents (both North American and international). There are very few other leagues besides the highest level leagues and their associated minor leagues (which usually host “farm teams”, where major league teams send players for development).

EUROPE AND THE REST OF THE WORLD

The great variety of sports and their respective leagues in different countries makes it difficult to draw a common model for an athlete's career roadmap, so we focus on the most popular team sports outside North America (soccer, basketball, hockey) in the largest market – Europe. Nevertheless, most countries have comparable systems and the best athletes from around the world ultimately compete at the highest level in European and North American leagues

• **High school.** The most talented players at the high school level join youth academies or even reserve/“feeder” teams of major professional clubs (most applicable to soccer and basketball). Players might also go play at the North American collegiate level or sign with lower league professional clubs straight out of school (and still be eligible for a draft in North America);

• **Youth academies/junior teams.** Players on youth academies have the same options as high school players, while players on “feeder” teams can proceed to play on the roster of the main team;

• **Professional teams.** Top league teams acquire talent by developing their young players on “feeder” teams (which often compete in dedicated leagues), player transfers from other clubs or signing free agents. As there are many lower level leagues across the world, a lot of players who do not make it to the top league have opportunities to play professionally in lower level leagues across the globe.
**[1.2.2] Sports Agency**

Agents play an especially important role within the sports ecosystem. The primary role of sports agents is to procure and negotiate employment and endorsement contracts on behalf of the athletes they represent, for which they earn a commission based on players' playing contract size, endorsement deals and transfer fees.

Oftentimes a relationship between an agent and an athlete forms during the very early years of an athlete's career, therefore sports agents have a huge impact on the success of the young talent. Some agents manage to acquire exclusive information about young players in certain markets and become a single point of information for teams looking for talent in that market. Such information asymmetry creates significant market inefficiencies and allows some market participants to accumulate disproportionate influence in the market.

Despite the potential information asymmetry in the current sports ecosystem, the services of sports agents are instrumental in navigating the complex sports player career roadmap and negotiating contract terms, therefore a lot of players do not envision their careers without professional representation. The largest sports agencies are also a one-stop shop for their clients, handling everything from public relations to wealth management, taxes and beyond. As a result, the TOP 10 largest sports agencies in the world earned 1.3 billion USD in commissions in 2017 based on the total of 26.2 billion USD in contracts signed.

<table>
<thead>
<tr>
<th>Rank</th>
<th>Name</th>
<th>Sports</th>
<th>Commissions</th>
<th>Contracts</th>
<th>Contract Years</th>
</tr>
</thead>
<tbody>
<tr>
<td>#1</td>
<td>Creative Artists Agency</td>
<td>Football, Baseball, Basketball, Golf, Hockey</td>
<td>$318 M</td>
<td>$8.5 B</td>
<td>1,420</td>
</tr>
<tr>
<td>#2</td>
<td>Excel Sports Management</td>
<td>Baseball, Basketball, Golf</td>
<td>$161.8 M</td>
<td>$3.4 B</td>
<td>264</td>
</tr>
<tr>
<td>#3</td>
<td>Wasserman</td>
<td>Football, Baseball, Basketball, Soccer, Golf</td>
<td>$135.5 M</td>
<td>$2.7 B</td>
<td>666</td>
</tr>
<tr>
<td>#4</td>
<td>Independent Sports &amp; Entertainment</td>
<td>Baseball, Football, Basketball</td>
<td>$117.7 M</td>
<td>$2 B</td>
<td>255</td>
</tr>
<tr>
<td></td>
<td>Octagon</td>
<td>Football, Baseball, Basketball, Hockey</td>
<td>$114.4 M</td>
<td>$2.7 B</td>
<td>435</td>
</tr>
<tr>
<td>#5</td>
<td>Boras Corp</td>
<td>Baseball</td>
<td>$108.3 M</td>
<td>$1.9 B</td>
<td>179</td>
</tr>
<tr>
<td>#6</td>
<td>Mondial Sports Management</td>
<td>Soccer</td>
<td>$107.8 M</td>
<td>$1.1 B</td>
<td>300</td>
</tr>
<tr>
<td>#7</td>
<td>Gestiftute International</td>
<td>Soccer</td>
<td>$76.9 M</td>
<td>$769.2 M</td>
<td>183</td>
</tr>
<tr>
<td>#8</td>
<td>Newport Sports Management</td>
<td>Hockey</td>
<td>$72.7 M</td>
<td>$1.8 B</td>
<td>400</td>
</tr>
<tr>
<td>#9</td>
<td>Aces</td>
<td>Baseball</td>
<td>$65.1 M</td>
<td>$1.3 B</td>
<td>155</td>
</tr>
</tbody>
</table>

Source: Forbes
[1.3] Scope Of The Problem: Sports Talent Acquisition is Highly Inefficient

SCATTERED DATA
Millions of athletes compete for spots on thousands of sports teams. However, both players and teams do not have complete and reliable information about one another due to extremely scattered data (especially at the player level). The sheer number of global market participants makes it very difficult to make informed decisions, which, coupled with the lack of a reliable and inclusive database, leads to a decision making process based on incomplete information.

INFORMATION ASYMMETRY
Some market participants (clubs, scouts, agents) are able to obtain and secure exclusive information about certain athletes in specific geographical areas, age groups, or other segments, which creates overall information asymmetry in the market. As a result, the already scattered data becomes inaccessible to everyone, creating significant market inefficiencies.

MARKET INEFFICIENCY
Due to scattered data and information asymmetry, significant market inefficiencies exist:
• **Accessibility** to information is limited for all the participants in the market (players, teams, agents, industry experts);
• **Extra costs** arise in the form of agent fees, time spent scouting for talent, and unsuccessful talent acquisition (bad hiring decisions due to incomplete information);
• **Transparency** is not properly enforced (adverse selection in recruitment, flawed contract enforcement).
Player issues:
• Players in most cases cannot approach teams directly and rely solely on agents who have the necessary contacts to get exposure;
• There are very limited opportunities to compare players’ performance (stats, skills, intangibles) among their respective peer groups;
• A player’s (especially young talent) access to coaches, physicians and other essential industry experts is often limited to their immediate environment (team/school/college/city), so oftentimes it is impossible to obtain the highest quality services;
• Young athletes have numerous options regarding their career path and often rely on agents for career advice due to limited information;
• There is no reliable mechanism for players to verify agents, teams, coaches and other industry experts who approach them;
• Players often are the more vulnerable side of a contract and they have limited power to enforce it.

Team issues:
• Teams don’t have all the information about all available talents, therefore they rely heavily on scouts and agents;
• Teams spend considerable resources on talent acquisition and even then they do not cover the entire available player sample;
• High school or lower league teams do not have large resources for scouting, therefore their selection sample is even more limited;
• Teams don’t have reliable mechanisms to validate a lesser known player’s credibility;
• Teams bear significant costs the case where a player doesn’t perform as expected (due to health, motivation or other issues) and do not have reliable mechanisms to mitigate such risk.

Agent issues:
• Agents, much like teams, do not have all the information about available talents, especially further away from their home market;
• Agents often face initial distrust when approaching new prospective clients and there is no uniformly reliable way to showcase their trustworthiness other than general reputation;
• In order to be successful agents must work with multiple clients, but managing them at once is difficult (especially when the clients are dispersed among various leagues in different countries).
The Solution: Bucket.network

[2.1] Overview
Bucket.network will be the first decentralized blockchain-based platform for sports recruitment, aiming to be the largest talent sourcing platform for the most globally popular team sports (soccer, basketball, football, baseball and ice hockey). It will involve all participants of the global sports ecosystem (players, teams, agents, fans, industry experts and third-party service providers). The blockchain-based technology will disrupt the current sports recruitment model by:

- Enabling unprecedented access to global sports talent;
- Ensuring full transparency with the help of smart contracts;
- Lowering talent acquisition costs for sports teams at all levels;
- Improving overall sports ecosystem competitiveness as a result.

[2.2] Bucket.network Platform
The key components of the Bucket.network Platform will be the Player Marketplace, Bucket.network Wallet, Bucket.network API and the Bucket.network Smart Depository.
[2.2.1] **Bucket.network Player Marketplace**

The Player Marketplace will be the core of the Bucket.network Platform. It will be a subscription-based networking platform for all stakeholders in the TOP 5 team sports ecosystem: Players, Teams, Agents, Industry Experts (analysts, scouts, coaches, physicians), 3rd Party Service Providers (lawyers, advertisers, wealth managers) and Fans.

**Profile management**
- Player profiles will include their current employment and agency status, playing history and achievements, detailed historical stats, including in-game metrics, physical testing data as well as historical physiological metrics (height/weight/wingspan etc.). They will also be able to upload videos from their games and practices, which can be used to get industry experts' coverage and feedback or get featured in the newsfeed;
- Team profiles will include their description, current and historical information about their roster (including current player contract info) and management, team stats and news;
- Agent profiles will contain their professional representation record and their current clients. Moreover, agents will be able to manage their clients' accounts on their behalf;
- Industry Expert and 3rd Party Service Provider profiles will include their credentials, description of services and their pricing. They will be able to upload their original content (blog posts, videos) in order to showcase their services;
- Fan profiles will include their followed players and teams, and their purchased crypto-collectibles.

**Database screening**
- Members of Bucket.network will be able to screen Player, Team, Agent, Industry Expert, 3rd Party Service Provider and Fan databases by any criteria based on the information available on Bucket.network profiles;
- The database will be fully transparent and available to all members of Bucket.network, providing powerful search tools and deep analytics for industry professionals.

**Networking**
- All members of Bucket.network will be able to network by following each other (much like on traditional social media platforms) and connecting via direct messaging.

**Newsfeed**
- Every member of Bucket.network will see a newsfeed, which will include status updates from other followed members, content from Industry Experts and featured content from Bucket.network.

**Promotional tools**
- All Bucket.network members will have access to various promotional tools for additional service-based fee;
The promotional tools include being featured by Industry Expert coverage (mostly relevant for Players), boosting positions on search results, and getting featured on the newsfeed.

**Rankings**
- Bucket.network will curate and publish rankings, based on the comprehensive database;
- The rankings will be divided into groups by sport, geography, leagues, player age groups, stat groups etc.;
- All members of the Bucket.network platform will be featured in their respective rankings. For example, Players and Teams will be ranked by various performance measures, Agents will be ranked by their client portfolio results (number of clients, sum and term of contracts negotiated etc.), Industry Experts and 3rd Party Service Providers will be ranked by the quality and quantity of services provided, while Fans will be ranked by their crypto-collectibles.

**Industry Experts’ Services**
- Players, Teams and Agents will be able to purchase services from Industry Experts, which are going to be offered exclusively on Bucket.network;
- The Industry Expert services include analyst coverage and video reviews, scouting reports, training and nutrition programs by leading coaches and physicians.

**3rd Party Services**
- Bucket.network will be open to various 3rd party service providers, who want to market their services to Players;
- 3rd party service providers include lawyers, PR managers, advertisers, wealth managers and other professionals or firms that target professional athletes;
- As a result, Players will be able to obtain all the necessary representation services on Bucket.network, much like being signed with a large sports agency, being a one-stop shop for all athlete-related professional services.

**Reviews, ratings and verification**
- In order to ensure maximum transparency, Bucket.network will include a ratings and review system, which will allow Bucket.network members to post public feedback and thus assure the reputation of Players, Teams, Agents, Industry Experts and 3rd Party Service Providers;
- Bucket.network will undertake all the necessary measures (either by itself or via blockchain-based 3rd party service providers) to authenticate its members, in order to avoid fake profiles and feedback.

**Fan Engagement**
- Fans will be able to obtain exclusive access to their followed athletes by paying additional fees for exclusive merchandise, conferences and other forms of limited direct communication;
- Bucket.network will also include exclusive crypto-collectibles (collectible player cards with crypto-signature), which will only be available for purchase on Bucket.network.
Key takeaway
Bucket.network will be the most comprehensive global education and guidance resource for navigating the complex path of a career in sports, covering full school-to-professional athlete cycle.

BUCKET.NETWORK PLATFORM

Networking
Bucket.network

Verified services

Networking

Evaluation

Promotion

SCHOOL → COLLEGE → PRO

Teams

Coaching

representation

Industry Experts

• Integrated wallet
• 3rd party API
• Crypto-signed collectibles

• Player marketplace
• Smart contracts
• Smart depository
[2.2.2] Bucket.network Wallet
The subscription to Bucket.network, and transactions between Bucket.network subscribers, will be executed via the Bucket.network wallet. It will serve as a gateway for all of the Bucket.network services and will directly communicate with the Ethereum blockchain and other helper services. The Bucket.network users will use Bucket.network tokens to pay for the Platform's subscription and additional services, such as getting featured on the newsfeed. The tokens will be transferred in between user wallets for transactions between users (for example, when players purchase analyst coverage).

[2.2.3] Bucket.network Smart Contracts
The transactions between Bucket.network users will be executed via smart contracts, based on Bucket.network tokens and blockchain technology. Smart contracts eliminate the need for any kind of an intermediary or exchange to validate contract terms and conditions. Blockchain-based smart contracts are fully executed when specified contract conditions are met by all parties. Therefore, smart contract users can establish a trusted relationship without any centralized authority.

The smart contracts on Bucket.network platform will be enabled between:

- Players and Teams;
- Players and Agents;
- Players and Industry Experts;
- Players and 3rd Party Service Providers;
- Agents and Industry Experts;
- Agents and Teams;
- Teams and Industry Experts;
- Teams and Teams.

[2.2.4] Bucket.network Smart Depository
A special use case of smart contracts on Bucket.network is the Bucket.network Smart Depository. When entering into a contract with a team or an agent, a player is usually the weak side of the contract. In order to mitigate contract enforcement risks and align incentives between the parties, players, agents and teams on Bucket.network will be able to enter into a smart contract, in which parties post a pre-determined amount of Bucket.network tokens into the Bucket.network Smart Depository. The tokens in the Smart Depository remain locked for the duration of the contract and are only returned to respective parties when all the conditions in the smart contract are met.

[2.2.5] Bucket.network API
The Bucket.network will be open to third-party developers who want to create more value-added solutions to the sports ecosystem. For example, AI and machine learning solutions to provide smart scouting on the Bucket.network player database, which could provide teams with “optimal” recruitment options, taking into account the data found in the most comprehensive sports talent database in the world.
Bucket.network Collectibles
A crypto-collectible is a digital asset, which is both non-fungible and cryptographically unique. In the case of Bucket.network, these assets will be cryptographically signed player cards. Much like real-life collectible player cards, these crypto-cards will be released in limited supply, will not be copied, and will have similar utility as traditional collectibles. As a result, Fans on Bucket.network will be more engaged, while players will have more earning opportunities.

Token Economy

Blockchain technology
The centerpiece of the Bucket.network platform is the blockchain technology, which will enable efficient, transparent and intermediary-free transactions between the stakeholders in the sports talent market.

Blockchain is a distributed system which records and stores transaction records, making it impossible to change the content of the transaction in a digital ledger. Each transaction block is stored in the ledger and chronologically linked to another block after the transaction records are verified by a distributed peer-to-peer network. End-to-end encryption makes an interaction like storing, exchanging and viewing information possible without established trust between the parties. Avoiding one central authority, blockchain relies on an anonymous network of participants, therefore preventing privacy and confidentiality breaches. Blockchain-based smart contracts represent contracts that can be fully executed when contract conditions are met. This system prevents the need for any kind of exchange with an intermediary checking contract conditions. Until now, intermediaries played a crucial role in exchange of value situations, thus earning from their role. Smart contracts enable users to enter into a trusted relationship without any other authority. Blockchain technology, as a whole, is viewed as a secure and effective payment and contract enforcement tool allowing micropayments and a contracts storing mechanism. By registering contracts to access data on the blockchain, users are empowered to control who can access their data, and under which conditions. This capability enables individuals to be the owners of their precious assets. In addition, further users will be able to demonstrate that the data owner gave them permission to use the data. With data protection regulations tightening around the world, this feature will enable third parties to give solid proof of data provenance on the blockchain.

The usage of Blockchain technology on Bucket.network will simplify integration, reduce fraud and costs for all participants in sports market. It will create a safe, transparent and competitive player marketplace that will open opportunities for thousands of sports enthusiasts, players, agents, clubs and other sports related parties all over the globe, increase target audience outreach and engage communication in the most relevant and efficient way. Such an open and agile platform that will create a new generation of recruitment in sports and be accessible to millions of new, up-and-coming market members will be achieved by using the full potential of blockchain technology.
[3.1] BCK Token
All transactions on Bucket.network will be carried out in BCK utility tokens. BCK will be ERC-20 compatible tokens, based on the Ethereum platform. A BCK token will not represent or confer any ownership right or stake, share, security, or equivalent rights, or any right to receive dividends, other payments, intellectual property rights, or any other form of participation in Bucket.network operations and management. The holders of BCK tokens will only be entitled to use tokens to obtain services on Bucket.network platform or transfer tokens to other token holders.

[3.2] BCK Token Circulation Model
Transactions on Bucket.network will be carried out **exclusively in BCK utility tokens**. The structure of transactions on the platform will ensure that a **growing number of users will indispensably reduce the supply of available BCK token** via tokens burning, thus stimulating the demand for remaining tokens. The total token pool will be divided into:

- **Tokens in circulation**. These include: 1) tokens on the market (bought during TGE or from token market participants after the TGE and Bucket.network team and advisors' tokens); 2) tokens in Bucket.network user wallets used for transactions between users (paying for industry expert services, such as analyst reviews, and other services from third parties or negotiating contracts between players/teams/agents (optional), or fans paying for digitally signed player cards);
- **Locked tokens**. Bucket.network platform will enable smart contracts between users and Smart Deposits will be introduced as an additional contract enforcement tool. Parties (usually a Player and a Team) entering into a smart contract will deposit an agreed upon sum of tokens in the Smart Depository until the conditions of the smart contract are fully met. The tokens in the Smart Depository will remain locked throughout the validity term of the contract;
- **Burnt tokens**. The tokens will be burnt (i.e. will not return into circulation) in two cases: 1) when a payment is made for a Bucket.network subscription; 2) when third-party service providers pay for access to Bucket.network API. Once used for these payments, a token will never be used again.

### [3.3] Bucket.network pricing and revenue model

In order to ensure stable prices for Bucket.network platform users, platform subscription prices will be quoted in selected fiat currency. The Bucket.network Wallet will ensure seamless user-friendly token-fiat exchange via an integrated third party service.

The Company will have multiple revenue sources (generated in BCK tokens):

- **Transaction fees (commissions)**. Bucket.network will charge a commission fee for all transactions between platform users (teams, agents, players, 3rd party service providers), for using Smart Depository services, and for purchasing Collectibles;
- **Marketing fees**. Bucket.network will attract a large and highly focused audience, which can be targeted by various advertisers. The companies that want to market themselves on Bucket.network will be charged marketing fees;
- **Premium service fees**. A Bucket.network subscription will provide access to the basic services of the platform (e.g. database screening, messaging, newsfeed, profile management), but in order to access premium services (such as being featured on newsfeeds), users will pay additional fees;
- **Subscription fees**. Players, teams and agents will pay fixed monthly, or annual, fees to access the platform.

TOKEN LAUNCH
Bucket.network will issue an ERC-20 compatible token, used to provide incentives to all parties in the team sports industry (players, coaches, experts, agents, scouts, clubs, fans etc.) within the platform. Bucket.network will not pay dividends, bonuses, or other payouts to token owners in any form. Our utility tokens are only used to purchase and sell various Bucket.network services. The primary goal of this token launch is to establish a working platform with a cash positive revenue stream in the shortest period possible, and to ensure stable growth of the company and community.

SUMMARY
- Token type: Utility token
- Token symbol: BCK
- Maximum financing: 23,500 ETH*
- Minimum financing: 2,200 ETH*
- Exchange rate: 1 ETH = 4,500 BCK + Stage bonus*
- Total Tokens: 243,225,000
- Tokens for public: 121,612,500 (50%)
- Token launch time-frame: 65 days
- Token launch completion: The token launch will conclude when either the maximum number of ETH is raised, or 65 days have passed. If less than the minimum amount of ETH is raised, ETH can be retrieved by BCK Token holders, but rates may change based on exchange rates at the time.

* may change due to exchange rate changes.

<table>
<thead>
<tr>
<th>Stage</th>
<th>1</th>
<th>2</th>
<th>3</th>
<th>4</th>
<th>5</th>
</tr>
</thead>
<tbody>
<tr>
<td>ETH:</td>
<td>1,500</td>
<td>6,250</td>
<td>8,000</td>
<td>6,250</td>
<td>1,500</td>
</tr>
<tr>
<td>BCK Tokens:</td>
<td>6,750,000</td>
<td>28,125,000</td>
<td>36,000,000</td>
<td>28,125,000</td>
<td>6,750,000</td>
</tr>
<tr>
<td>Bonus %:</td>
<td>25%</td>
<td>20%</td>
<td>15%</td>
<td>10%</td>
<td>5%</td>
</tr>
<tr>
<td>BCK Tokens with bonus:</td>
<td>8,437,500</td>
<td>33,750,000</td>
<td>41,400,000</td>
<td>30,937,500</td>
<td>7,087,500</td>
</tr>
</tbody>
</table>
TGE ORGANIZATION
Expenses for the ICO organization, legal services, incorporation, advisors, third party services, and marketing.

BOUNTIES AND REWARDS
Tokens allocated to incentivize the general public, influencers, and the project community to spread the word about the Bucket.network project.

FOUNDERS AND TEAM
• 20% locked and vested for 180 days
• 20% locked and vested for 360 days
• 30% locked and vested for 540 days
• 30% locked and vested for 720 days.

INCENTIVE FOR EARLY BIRDS
This token pool will be used to accelerate the worldwide adoption of the Bucket.network ecosystem in the early days of its operation. No new tokens will be created once the user growth pool is exhausted.

PUBLIC
Total pool of BCK tokens dedicated for the public crowdsale.

TOKEN DISTRIBUTION

- TGE organization 1%
- Bounties and rewards 2%
- Founders and team 21%
- Incentive for early birds 26%
- Public 50%
**BUCKET.NETWORK PLATFORM**
This financing allows us to develop the Bucket.network platform with a team of 20 engineers, managers and sports experts fulfilling key roles within the company (eg. sales, marketing, legal and others).

**MARKETING**
Marketing will focus on expanding brand awareness and broadening the adoption of the Bucket.network platform throughout all sports related parties (clubs, players, youth, coaches, scouts, experts, marketers, fans and industry related service providers etc.) through social media and conventional marketing channels, event sponsoring, partnerships etc.

**SCOUTING**
Budget will be directed to a Bucket.network professional scouting team that will organize private pitch meetings with leagues, federations, clubs, and athletes around the globe.

**OPERATIONAL**
Covers administrational costs as accounting, legal, security and others.

**RESERVE**
This part of the budget is set-aside for unforeseen expenditures.

---

**BUDGET ALLOCATION**
- **Bucket.network platform 35%**
- **Marketing 25%**
- **Scouting 25%**
- **Operational 10%**
- **Reserve 5%**
THE START

2018 JAN
Envisioned the ecosystem of BUCKET network.

PROOF OF CONCEPT

2018 MAR
Core Bucket.network team established;

2018 MAY
Expansion of the core team with business and technology advisors;

2018 JUN
Discussions and negotiations with sports professionals;

2018 JUL
Marketing campaign launch;

2018 SEP
Release of the BUCKET network Alpha version.

CROWDSALE

2018 SEP-OCT
Crowdsale begins.

PRODUCT DEVELOPMENT

2019 JAN
Release of the Bucket.network closed Beta;

2019 APR
Bucket.network Beta

2019 JUL-AUG
Official launch of Bucket.network platform.
[6] Team

[6.1] Bucket.network Team

MINDAUGAS KUZMINSKAS
Co-founder and global partnerships
• Pro Basketball player (12-year career, including NBA and Euroleague teams)
• Olympic athlete
• Active investor, influencer

AURIMAS NENORTA
Co-founder and COO
• Serial entrepreneur (4 profitable ventures over the past decade in diverse sectors)
• 12+ years experience in business from initial scoping to final testing and delivery.

ARVYDAS ŠIKŠNIUS
Co-founder and basketball strategy
• Pro Basketball player (11-year career)
• Played college basketball in US for 1 year
• 5 time Lithuanian league All-Star
• Cryptocurrency enthusiast and investor

EDGARAS ČESNAUSKIS
Soccer strategy
• Pro Soccer player (16-year career)
• Member of national soccer team of Lithuania for more than 10 years
• Former player of Dynamo Kyiv, Rostov, Dynamo Moscow

VYTIS PAPEČKYS
Head of community management
• Master of Business Administration certified
• Vast real project experience of community management
• Sports enthusiast

TADAS BULOTAS
Co-founder and CEO
• Certified (FIBA/NBPA) basketball agent
• Owner of BBaltics agency (Wasserman network)
• 30+ clients, 100+ deal experience
• MSc in Finance

LEONARDAS DIRŽYS
CFO
• 15 years experience in Finance
• Experience in managing 400+ mln. EUR assets
• 50+ mln. EUR of financing attracted in 2017
• Active investor and business funding specialist

STAN KULIAVAS
Co-founder and business strategy
• VP Sales & Business development at Levaero Aviation (12+ years of related experience)
• Investor and cryptocurrency enthusiast
• Advisor at lympo.io
• MSc Basketball Coaching

MARTYNAS KARPOVIČIUS
Marketing and PR advisor
• Member of the leading creative content marketing agency Clinic212 since 2011
• Author of easterneuropeansushi.com, #TinyRoadSign, museum of bullying
[7] Risk Factors

[7.1] Business Risks

[7.1.1] Macro Risk
Any adverse global events on a geopolitical, fiscal or financial stage may have a negative impact on the sporting events market, and by extension, on the demand of the platform’s services and tokens.

[7.1.2] Development Risk
The Platform is still under development and thus the final version might require unforeseen changes or upgrades to address arising business/user needs, which may impact the functionality of the Platform and the utility of the Tokens. Although the Company intends for the Tokens and Platform to function as described in the Whitepaper and intends to take commercially reasonable steps toward those ends, it has no control over how other participants will use the Platform, what products or services will be offered through the Platform by third parties, or how third-party products and services will utilize Tokens (if at all).

[7.1.3] Strategy Implementation Risk
The implementation of the Company’s strategy involves attracting large numbers of users into the Platform, including high profile stakeholders such as top sports teams, athletes and industry experts. In case the Company’s strategy, including, but not limited to, pricing, marketing, PR strategy and Platform’s functionality, fails to attract large enough user base, the utility of the Tokens might be compromised.

The Platform depends on the team of the top managers/founders and external experts, responsible for the development, growth and appropriate day-to-day activities of the Platform. Therefore, the Company’s ability to survive in the competitive environment and to implement its growth strategy is mostly determined by their experience, knowledge, personal relations and other characteristics. The Company’s ability to attract and hire highly competent employees, including developers, also contributes to the Platform’s success. As the competition for high qualification personnel is strong and constant, it is probable that the Company’s managers and main advisors/employees can decide to change their jobs. Loss of such employees or the Company’s inability to hire new personnel with appropriate knowledge and capabilities or shortage of such people in the market can have a negative effect on the prospects of the Platform’s development, and by extension, the utility of the Tokens.
[7.1.5] Competition Risk
The Platform is set to tackle challenges in the huge sports industry, comprised of various stakeholders. Emergence of a new significant player, especially the one with the aim to disrupt the industry, such as Bucket.network, might cause other market participants to take measures to respond by competing (directly or indirectly) with the Platform's services or actively interfere with its development. In case the Company does not respond adequately, the prospects of the Platform's development, and by extension, the utility of the Tokens might be compromised.

[7.1.6] Operational Risk
Despite the Company's best efforts to develop and maintain the Platform, it is still possible that the Platform will experience malfunctions or otherwise fail to be adequately developed or maintained due to a large number of reasons, including, but not limited to, human error or third-party malpractice, which may negatively impact the Platform and Tokens.

[7.1.7] Technological Risk
The Platform will be dependent on an efficient and uninterrupted operation of its IT systems, which are generally prone to failures, damage, power outages, computer viruses, fire and similar events. Failures or interruptions in the operation of these systems used by the Platform could result in loss of customers and/or cause reputational damage to the Company. This could have a material adverse effect on the Platform and the utility of the Tokens.

[7.1.8] Financing Risk
The development of the Platform and operations of the Company in general relies solely on the funds attracted during the TGE. The actual financing needs for developing the platform, including, but not limited to, employee compensation, marketing and administrative expenses, might exceed the initial estimate due to any unforeseen reasons, including, but not limited to, longer than expected Platform development time and slower user growth. In case the Company experiences shortage of funds, the continued operations of the Platform will depend on the Company's ability to attract additional funds, which might not be available due to lack of interest from equity investors or inability secure bank financing due to a high-risk profile of the Company. As a result, the operations of the Platform and the utility of the Tokens might be compromised.

[7.1.9] Third Party Risk
The Company might rely on certain third parties to provide services or products needed for the development, maintenance and operations of the Platform. In case these third parties fail to deliver their products or services as specified by their respective contracts with the Company, there might be consequential negative impact for the Platform and the utility of the Tokens.

[7.1.10] Force Majeure Risk
Events beyond the control of the Company, including, but not limited to, natural disasters, war, hostilities, civil unrest, acts or threats of terrorism might have a negative impact on the operations of the Platform and the utility of the Tokens.
[7.2] Risks Related to BCK Tokens

[7.2.1] General Suitability Of Token Purchase
The Tokens are a sophisticated digital asset that might not be suitable for purchase for all persons. The potential purchaser must be able to evaluate the merits and the risks of such a purchase individually or seek professional third-party advice regarding the purchase of the Tokens. Only persons with sufficient financial resources are eligible to bear potential losses that may arise from the purchase of the Tokens (which may be equal to the total amount spent for the purchase of the Tokens). Failure to adequately appraise the risks associated with purchasing the Tokens might result in lower than expected utility of purchased Tokens.

[7.2.2] Lack Of Governance Rights
The Tokens are not a financial security and do not confer any governance rights over the Company and the Platform. All decisions regarding the Company, including, but not limited to, development, promotion and maintenance of the Platform, decisions to issue additional Tokens or obtain external financing, make changes to or discontinue the Platform, relies solely on the Company and its shareholders. The decisions made by the Company could adversely affect the Platform and the utility of the Tokens.

[7.2.3] Liquidity Risk
The sole use of the Tokens will be to use them on the Platform. The Company does not undertake to provide liquidity in case the purchaser of the Tokens wants to sell them, therefore, the possibility to sell the purchased Tokens depends solely on the market conditions, i.e. whether the Token holder is able to find a buyer for the Tokens. In case the active demand for the Tokens does not emerge, the Token holder might experience difficulties in case he/she wants to sell them to some third party, including not being able to sell the desired amount of Tokens or not being able to sell the Tokens at desired price or not being able to sell the Tokens at all.

[7.2.4] Risk Of Losing Access To Purchased Tokens
Loss of requisite private key(s) associated with Token holder’s digital wallet or vault storing Tokens will result in loss of such Tokens. Any third party that gains access to such private key(s), including by gaining access to login credentials of a used hosted wallet service may be able to misappropriate the Tokens. Any errors or malfunctions caused by or otherwise related to the digital wallet or vault, including Token holder’s failure to properly maintain or use such digital wallet or vault, may also result in the loss of purchased Tokens. Also, Failure to follow precisely the procedures set forth for buying and receiving Tokens, including, but not limited to, provision of the wrong address or provision of an address that is not ERC-20 compatible, may result in the loss of purchased Tokens.
[7.3] Technological Risks

[7.3.1] Ethereum Protocol Risk
The Tokens and the Platform will be based on the Ethereum protocol. Therefore, any malfunction, breakdown of abandonment of the Ethereum protocol may result in material adverse effect on the Platform and the Tokens.

[7.3.2] Security risks
Hackers or other malicious groups or organizations may attempt to interfere with the Platform, Tokens or open source Ethereum platform in a variety of ways, including, but not limited to virus attacks, DDOS attacks, concerted attacks, network attacks, and denial of service attacks, and others. In case such malicious interventions succeed, the operations of the Platform might be undermined and the utility of the Tokens might be compromised or purchased Tokens might be lost perpetually.

[7.3.3] Risks of technological changes in the future
Blockchain technology is still fairly new and its applications are in a relatively early testing stages. relatively untested. Although at the moment they have largely proven their efficiency, reliability and security, there is no guarantee that in the future these technologies do not fail in any way. Furthermore, as technological progress develops, flaws can be found in these technologies, which might prevent their functioning in the way that they function at the moment. Advances in cryptography or development of quantum computing could present risks to the Tokens and the Platform by rendering the cryptographic consensus mechanism that underpins the Ethereum protocol ineffective. Also, there is no guarantee that these technologies will be compatible with any new technologies invented in future. As a result, the functionality of the Platform and the utility of the Tokens might be affected adversely.

[7.4] Legal and Taxation Risks

[7.4.1] Regulatory Uncertainty Risk
Regulatory status of cryptographic tokens, digital assets and blockchain technology still lacks clear definition under most jurisdictions. It cannot be excluded that the Tokens will in future become subject to new regulations and actions by various regulatory bodies around the world, including, but not limited to, the imposition of restrictions on the use or possession of digital tokens or requiring the Tokens to be regulated as financial instruments that require registration or compliance with other legal requirements and procedures. In case such risks materialize, the Company might undertake to seize the distribution of Tokens and/or the development of the Platform in any jurisdictions if the actions of regulatory authorities of the relevant jurisdictions make it illegal or not commercially viable to operate.
[7.4.2] Taxation risk
The tax requirements for Tokens might be uncertain in some jurisdictions. The Token holders are solely responsible for any tax duties related to the purchase and storage of the Tokens and keeping up with the potential changes in tax legislation in their respective jurisdictions. In addition, the proceeds of the Token sale (which include any funds that the purchasers have paid for the Tokens) may be taxable to the Company, which may adversely affect financial resources available to the Company and might negatively impact the development of the Platform and the utility of the Tokens.