Blockchain based,
Trusted Food Supply Chain Ecosystem
v1.0

Summary

Food is delivered to consumers through production, processing, wholesale and retail distribution. The network between its participants and processes is called the 'Food Supply Chain'. Currently, the 'Food Supply Chain' is operated on a trust-based relationship. However, trust has been undermined by opaque and complex supply chains, irresponsible participants, immorality, and delayed settlements. Lack of trust among participants leads to supply chain inefficiency, food safety, and quality sustainability issues. As a result, 1.6 billion tons or one-third of the world food production is wasted every year.

Blocery utilizes the distributed ledger data structure to provide a new generation of food supply chain ecosystem. Blocery allows participating producers, distributors, settlement service providers and consumers to exercise immutable data sovereignty. All food supply chain participants will be connected, and add values to a transparent and reliable value chain.

In addition, Blocery issues Blocery Token (BLY), a utility Token used in the Blocery ecosystem. BLY is a medium of motivation to strengthen economic values and to participate in the ecosystem. Blocery incentivizes ecosystem participants for generating and sharing data. Blocery data may include production history, distribution and quality management, pre-purchase, dApp participation, financial services and more. As such, the Blocery ecosystem brings new value to producers, consumers, manufacturers and distributers for its value chain.

BLY tokens can be used as a means of all contracts and transactions within the ecosystem, including compensation for data provision or data usage, mediation of disputes, and the use of decentralized applications(dApps). With the invigorating of a transparent and reliable food ecosystem, the volume of supply chain management, pre-purchase and smart contracts will increase, which means more BLY in stake. Therefore, growth of the platform will positively affect the value of the BLY token.

Ezfarm Co. Ltd., one of the key partner, is a leading domestic ag-tech company with agricultural technology expertise. In addition, Ezfarm provides big data solutions as a strategic partner of Elastic, big data search engine company. Ezfarm has accumulated its experience by establishing an ecosystem for food supply chains, including operating experience of 'Gyeonggi Market' and 'Garak E-mall', a farm network of 720 members, service development with GS1 standards. And also, Ezfarm has been building its expertise with patent on distribution, agricultural food production, and blockchain through government's blockchain joint research. With the expertise, Ezfarm has been developing a safe and trusted blockchain based food supply chain ecosystem.

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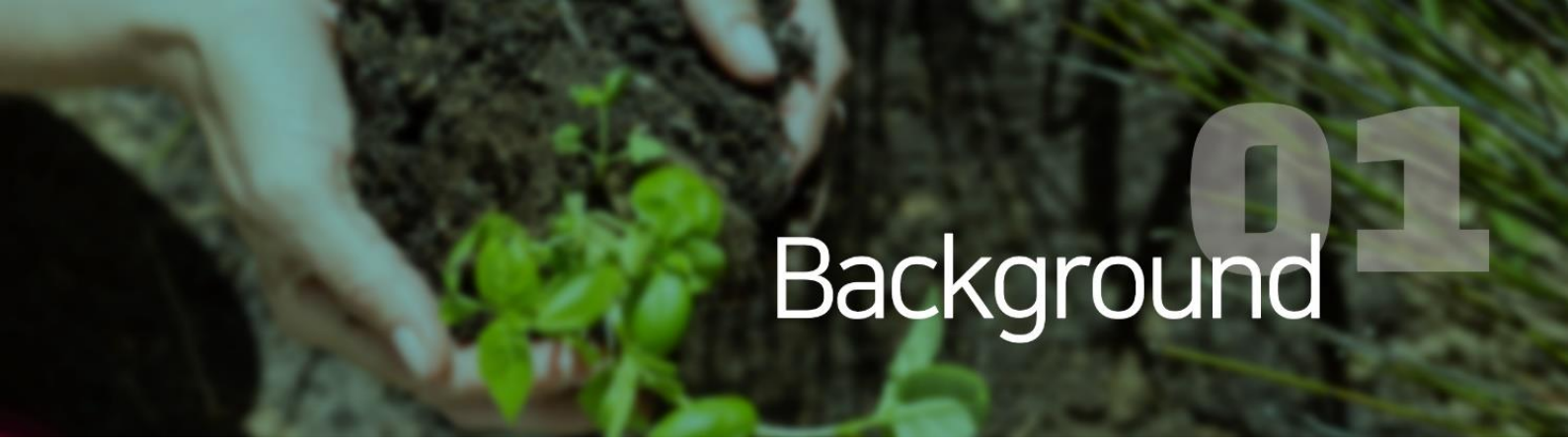


01 Background

Current Market

Inefficiency in Food Supply Chain

Globally, 1.6 billion tons of food (approx. $1.2 T) is being wasted every year in the process of production, storage, package, wholesale and retail distribution, and consumption. This is one-third of the world's food production. While some participants in the food industry are applying new technologies and data structure to streamline the value chain, most do not have an accurate understanding of supply chains, such as supply and demand forecast. This leads to inefficient time and stock management. According to the Boston Consulting Group (BCG) report, the application of supply chain technology could save up to $120 billion annually, and improved coordinates among participants can reduce the problem by $60 billion.[1]

Trust among participants

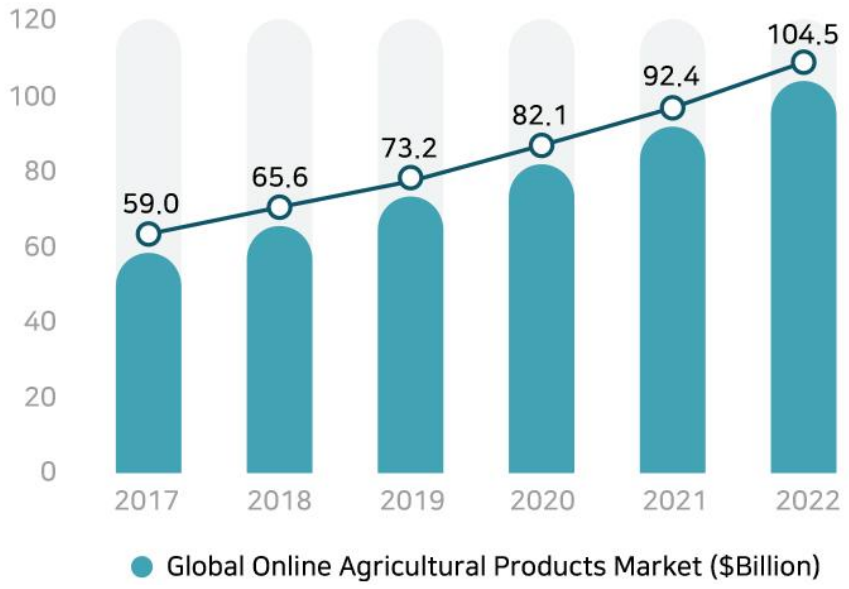
According to a recent survey, 84% of consumers answered the production and distribution history, including where and how the product was made, affects their purchase decision process. Number of food fraud cases has increased by 60 percent over the past few year, including the infamous Chinese milk scandal with hazardous melamine in powdered milk. Generally, food frauds are caused by opaque and complex supply chains, participants' moral hazards, costs, and etc. Participants in the food supply chain do not know other participants or processes. If someone manufactures or processes with ingredients produced by earlier participants, the

1 https://www.bcg.com/publications/2018/tackling-1.6-billion-ton-food-loss-and-waste-crisis.aspx

manufacturer encounters risks of the food ingredients. A total of 456 food recalls in the U.S. were recorded for 2017 with each recall estimated to cost an average $10 million. The main cause of recalls were unmarked and false ingrediants. Because of these incidents, participants are unable to meet each other's needs nor trust each other.[2].

Online Food Market Growth

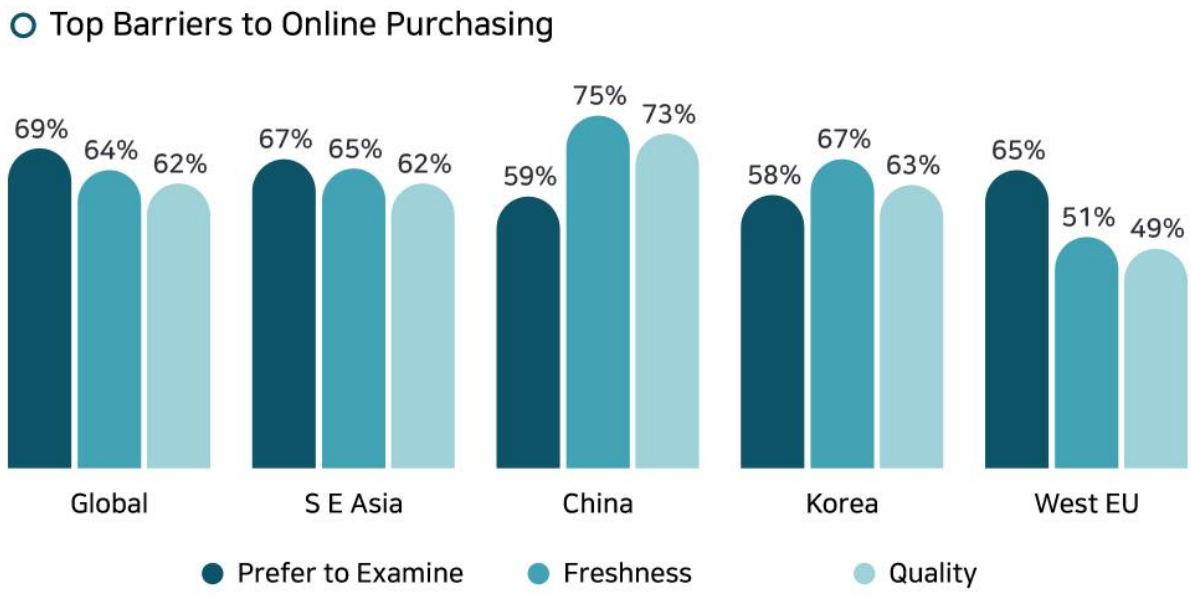
The online food market is growing rapidly worldwide. Based on the global online food market data surveyed by research firm Stasia, the global online food market continues to grow, reaching $104.5 billion in 2022, with an annual growth rate more than 10%. Experts predict that the spread of smartphones will allow access easier anytime anywhere which will further increase the volume.



2 https://www.foodsafetymagazine.com/enewsletter/a-look-back-at-2017-food-recalls/

Unreliable Online Food Market

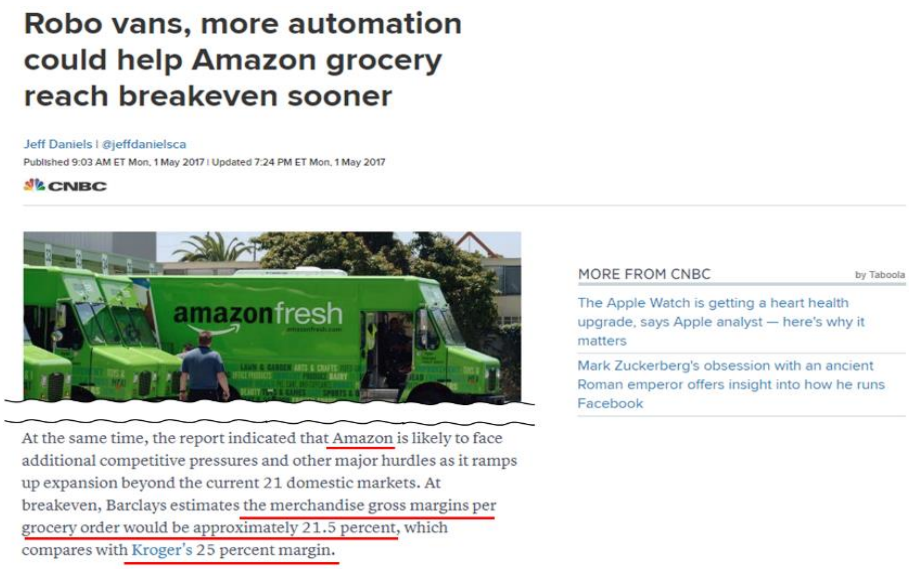
Unlike mature manufactured goods online market, online food market is still lagging behind in its maturity. According to Nielsen's report, the main obstacle for consumers to buy agricultural products online is the reliability of products. In addition to difficulties to see the product itself, major concern was difficulties to buy safe and reliable food. For the active penetration of online agricultural products purchase, it is necessary to provide reliable information on the production history of agricultural products within the online platform



Excessive gross margin per grocery order

Although the global food market is growing rapidly, there are a variety of problems behind the scenes that consumers are not aware. Distributors in the online food market have become big middlemen, setting high gross margin. According to Barclays reports, Amazon Fresh, a leading U.S. food e-commerce, has the merchandise gross margins per grocery order 21.5 percent approximately, which compares with Kroger's 25 percent margin. Gross margin of agricultural products registered on the market is established in various participants in the value chain, including multiple distributors and retailers.

With characteristics of agricultural products, they are exploiting the producers' insecure sales and inventory. According to a press release in 2017[3], a large retailers who specializes in agricultural products purchased large quantities of cabbage at a price of $1.2 per unit and sold at $6. Such retailers made a profit of $4.8 through large-scale purchasing at the production phase. In other words, consumers are losing the opportunity to purchase at a lower price due to large retailers.



Robo vans, more automation could help Amazon grocery reach breakeven sooner

Jeff Daniels | @jeffdanielsca
Published 9:03 AM ET Mon, 1 May 2017 | Updated 7:24 PM ET Mon, 1 May 2017
CNBC

At the same time, the report indicated that Amazon is likely to face additional competitive pressures and other major hurdles as it ramps up expansion beyond the current 21 domestic markets. At breakeven, Barclays estimates the merchandise gross margins per grocery order would be approximately 21.5 percent, which compares with Kroger's 25 percent margin.

[1-1 CNBC Article on Agricultural market problems]

3 http://news.hankyung.com/article/201711272383g

Financial Exclusion of Small and Medium Enterprises in Supply Chain

Perishable properties and necessity of inventory management justifies prevalence of credit transaction. This form of transaction is highly favored by restaurants and small sized merchants. Problem lies in that their size is not big enough to assess the credibility thus traditional finance didn't cover the factoring market per their transactions. SMEs' lack of credibility puts them required return excessively high from factoring or reject any requests for loans. Thus low market power leads them into working capital management problem.

Despite the governmental policy on primary suppliers, small-sized of them are excluded from financial support from institutions. If size and trust is built for farms, they don't need extra financial support as they can enter into contract farming where they can get pre-payment with costs(fertilizer, seed) paid in advance. Nevertheless small-sized can't see the merit of the reservation-based farming which puts majority of primary suppliers under the category of financial misfit.

Solution

In order to improve the current food supply chain and its market, Blocery propose the following solutions.

Blocery provides secure and traceable food ecosystem and creates transparent, standardized and efficient food supply chain with blockchain and big data engines.

To maintain transparency in the process, Blocery uses IoT devices and distributed ledger database to establish a quality control system that cannot be forged or altered. Blocery provides modules, which includes Data Entry and Access, Trace and Certifications to maximize its efficiency. Participants - from producers, manufacturers, distributers, retailers and consumers – are given the opportunity to leverage traceable and transparent data to predict real-time supply and demand and to scale through automated process. In addition, participants better collaborate with each other to operate more efficiently and reduce the cost.

Blocery launched MarketBly and Nicefood, which is a decentralized application

that enables complete DTC (Direct-to-consumers) to overcome the centralized distribution system that takes excessive gross profit. The blockchain-based DTC service is a peer-to-peer network. When both producers and consumers contribute to revitalizing the ecosystem, they are incentivized and voluntarily participate in the Blocery Food Supply Chain Ecosystem.

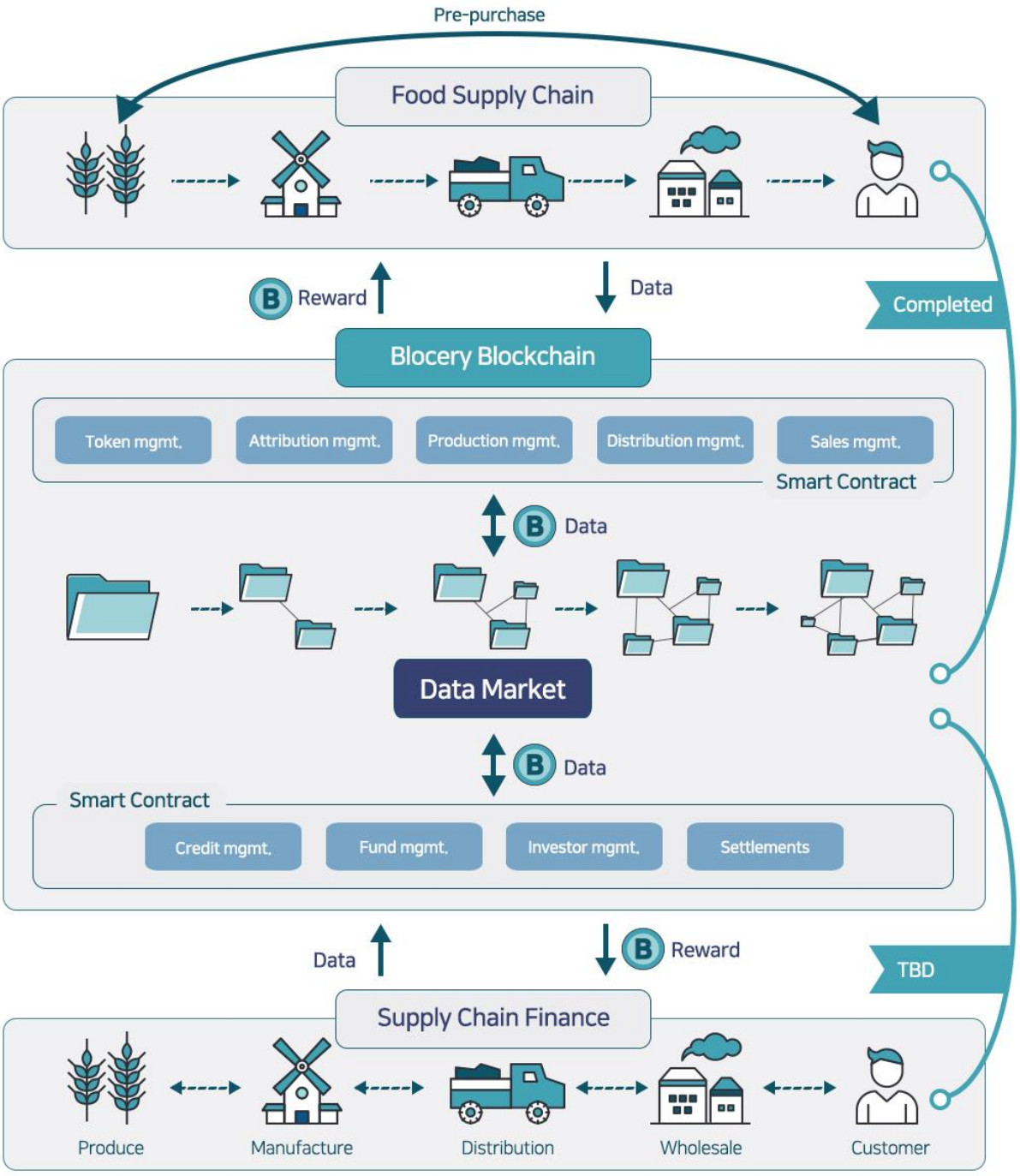
For active growth in online purchase of agricultural product, the production history of agricultural products and sales information should be provided transparently to ensure the reliability of products. Blocery provides consumers with data of production history and sales information in accordance with international standards(GS1) on blockchain. Because blockchain is designed to be tamper-proof and transparent to all participants, putting production history and sales information of the agricultural products on blockchain makes it easier for consumers to buy agricultural produces.

Blocery's dApp, MarketBly, allows consumers and wholesalers to pre-purchase agricultural products at any stages of the value chain through Smart Contract. This reduces the risk of sales and stock for producers, and also prevents non-fulfillment of a contract. Delivered with safe and traceable food, consumers can purchase at much lower price through pre-purchase.

Blocery plans to advance ecosystem into Supply Chain Finance and Decentralized Finance with regulatory compliance.

02 Business Flow

Service



[2-1 Business Flow]

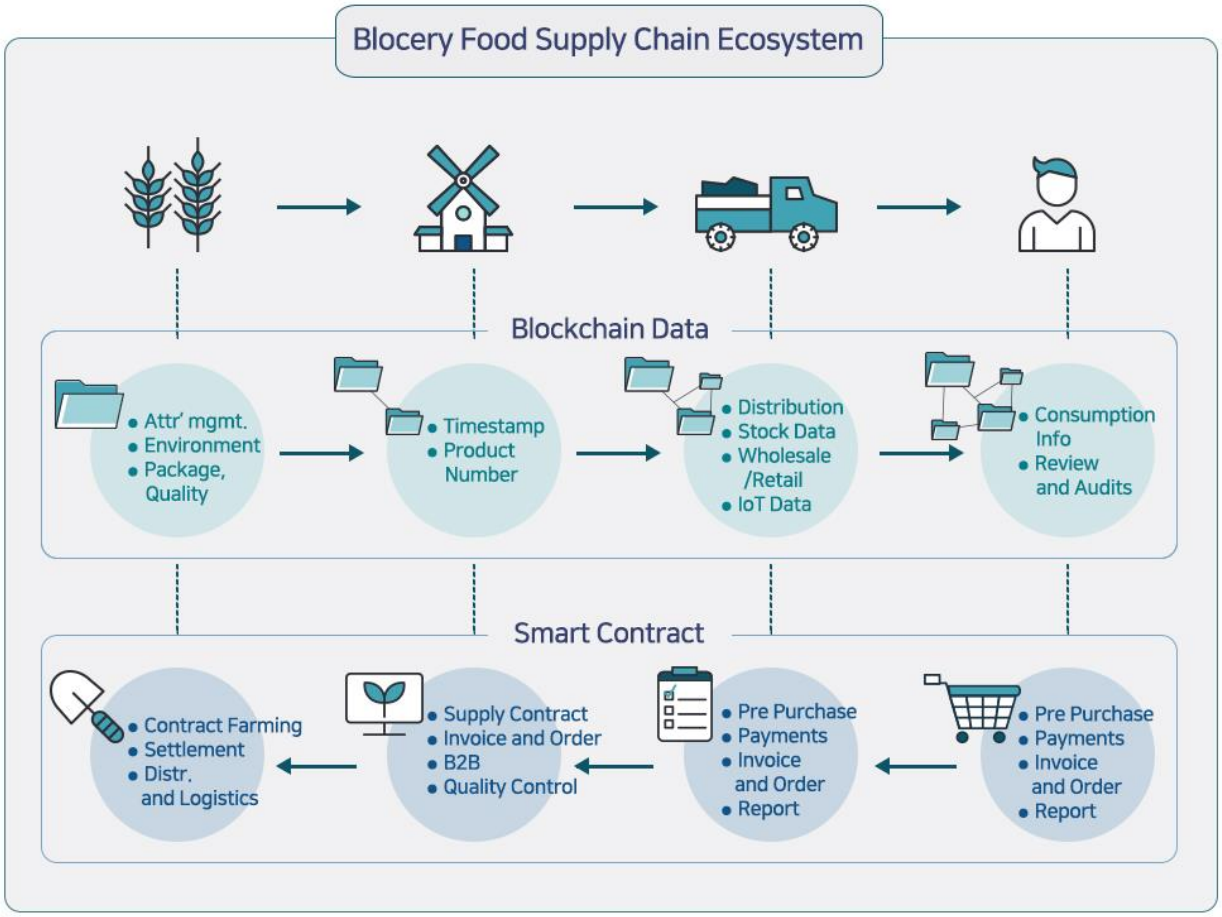
Blocery records immutable and trusted data onto the blockchain such as the production, distribution, and sales history of agricultural products. blockchain provides transactions that establishes trust and transparency, while streamlining current process. Consumers can purchase safe agricultural products at lower prices through pre-purchase at earlier stages, and producers can ensure stable demand and revenue through strong contract implementation. Blocery provides more efficient way of working across the food supply chain and benefits all participants with safer, smarter and more sustainable food supply chain ecosystem.

Blocery Food Supply Chain Management Platform

Blocery Food Supply Chain Management Platform establishes more secure and efficient environment with Blocery IoT devices, big data solutions and blockchain. Ecosystem participants - from producers, manufacturers, distributers, retailers and consumers – adds value to its value chain for efficiency and security.

- Wholesalers and retailers pre-purchase and contracts with producers
- Register production history on-chain
- Verify production and growth data, and register manufacturing data on-chain
- Record all IoT data automatically produced in the process on-chain
- Automatically register all monitored and analyzed data, such as expiration date, stock, storage, and production, on-chain
- Identify and certify product and register all data activities such as reviews, evaluations, and purchase.

Newly established platform provide all participants database of location, inventory, timestamps, distribution data, logistics in the process and more. Also, they can trace its value chain, which builds reliability and trust between participants.



[2-2 Blocery Food Supply Chain Management System]

New consumption trend, Pre-Purchase

Large online food e-commerce platforms are able to maintain competitive price despite high gross margin per grocery order because they purchase large quantities at lower price through direct contracts with producers.

Blocery will provide ordinary consumers with large-scale pre-purchasing, so-called lump sum purchases, that only a small number of large distributors can offer. Consumers can pre-purchase agricultural products at low prices at the production stage, or any stage of supply chain, without a limit on the quantity. For example, with Pre-Purchase, consumer can purchase a cabbage from the seedling stage, and

monitor all process until it's delivered to the table. The discount rate varies depending on the time of purchase.

Producers must deposit and stake BLCT token to sell their products at the production stage. If the production history, sales information or any data provided is different when received, producer's deposited token will be deducted as a penalty. All process are recorded and processed on blockchain and smart contracts. If the contract is not fulfilled by any participants, it will not be processed.


주의 요함 | news.hankyung.com/article/2017112723839g

한국경제 경제 | 금융 산업 재계 중기/벤처 글로벌경제 생활경제 일반 | 검색

[노정동의 가격의 비밀]

배추 1포기 적정 가격은 얼마일까

입력 2017-11-28 09:00
수정 2017-11-28 11:36

노정동 기자

생활경제
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실시간 인기기사 10초

1 "軍부품사 줄도산 막자" 뒤늦게 나선 정부
2 "신규택지 제1조건은 서울 접근성... 광역교통망도 ...
3 커지는 e스포츠 시장... '종주국' 한국은 뒷걸음
4 "한반도 북부 부동항을 확보하라"... 中·러, 나진港 ...
5 최소 수조원 드는 '판문점선언 비용'... 1년짜리 '청...
6 통상전쟁 밀리는 中 '인플레 위험'까지... 시진핑 2...
7 김현아 "유은혜, 국민 세금으로 남편 회사 직원 월...
8 [집코노미] 남산 아래 달동네에서 루프탑의 성지된...

[2-3 Pre-purchase in agricultural market][1]

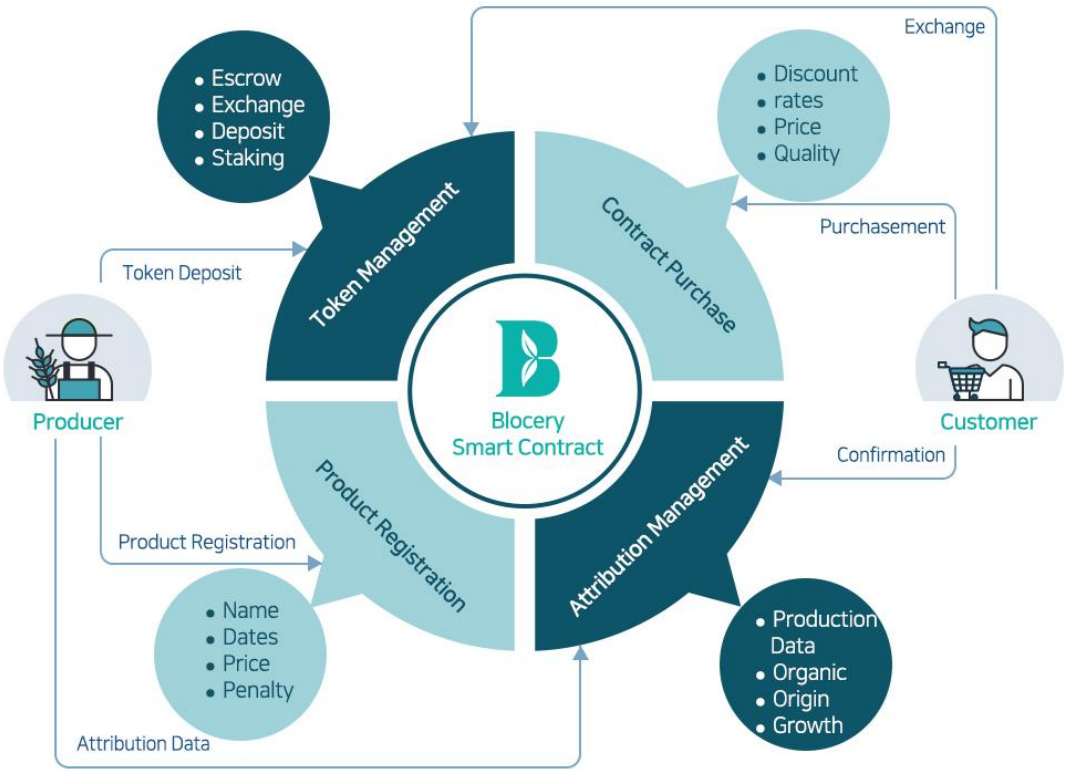
Once the Pre-Purchase of Blocery is stabilized, Blocery may consider to provide agricultural futures trading that can be traded between consumers in the Pre-Purchase process. This allows consumers to sell their rights of agricultural products purchased cheaply at the production stage to other consumers in demand.

Automated Transaction with Smart Contracts

For ideal DTC ecosystem, Blocery uses Smart Contracts to ensure that transactions between producers and consumers are fulfilled. Also, sets up a penalty in the case of problems occur, and provides consumers with the reliable production history and sales information.

The token, paid by the consumer, is safely escrowed through the smart contract until contract is fulfilled. In case the price surge during the contract, contract will have deposited tokens from both parties to defend as a function for the consumer preventing the producer terminating the contract automatically.

Blocery's reliable, automated approach to smart contracts allows consumers to trust producers and trade agricultural products directly with producers.

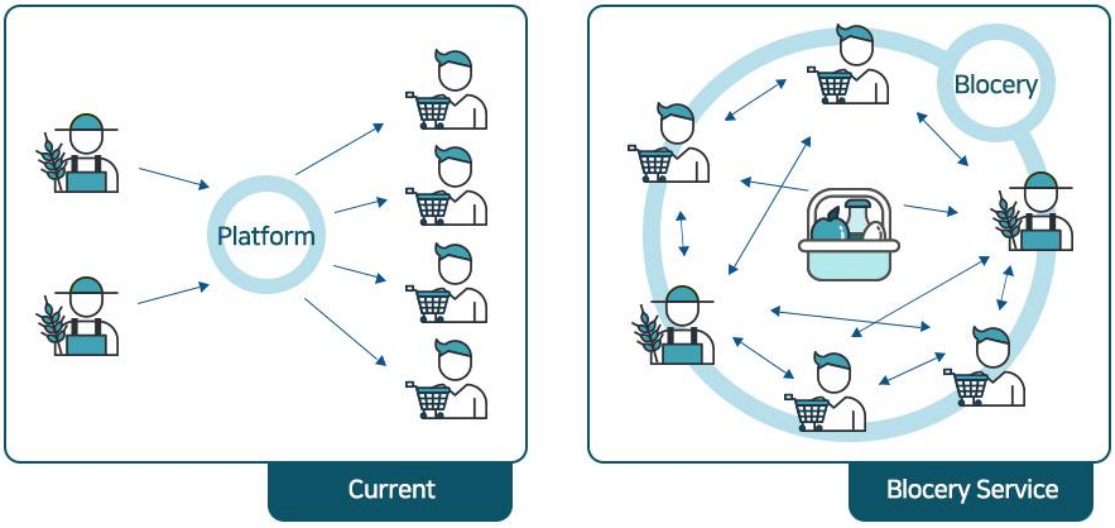


[2-4 Blocery Smart Contract]

Direct-to-consumer (DTC)

Blocery transforms existing online food e-commerce ecosystem into complete Direct-to-consumer, bypassing any third-party retailers, wholesalers, or any other middlemen. Blocery provides ecosystem with transaction guarantees, arbitrator, quality control, and other services through incentivized token economy.

Blocery significantly reduces distribution process and costs such as duplication of overhead costs, damage to agricultural products, and atmospheric volume, etc., allowing producers to make more profits and consumers to purchase agricultural products at lower prices.



Supply Chain Finance

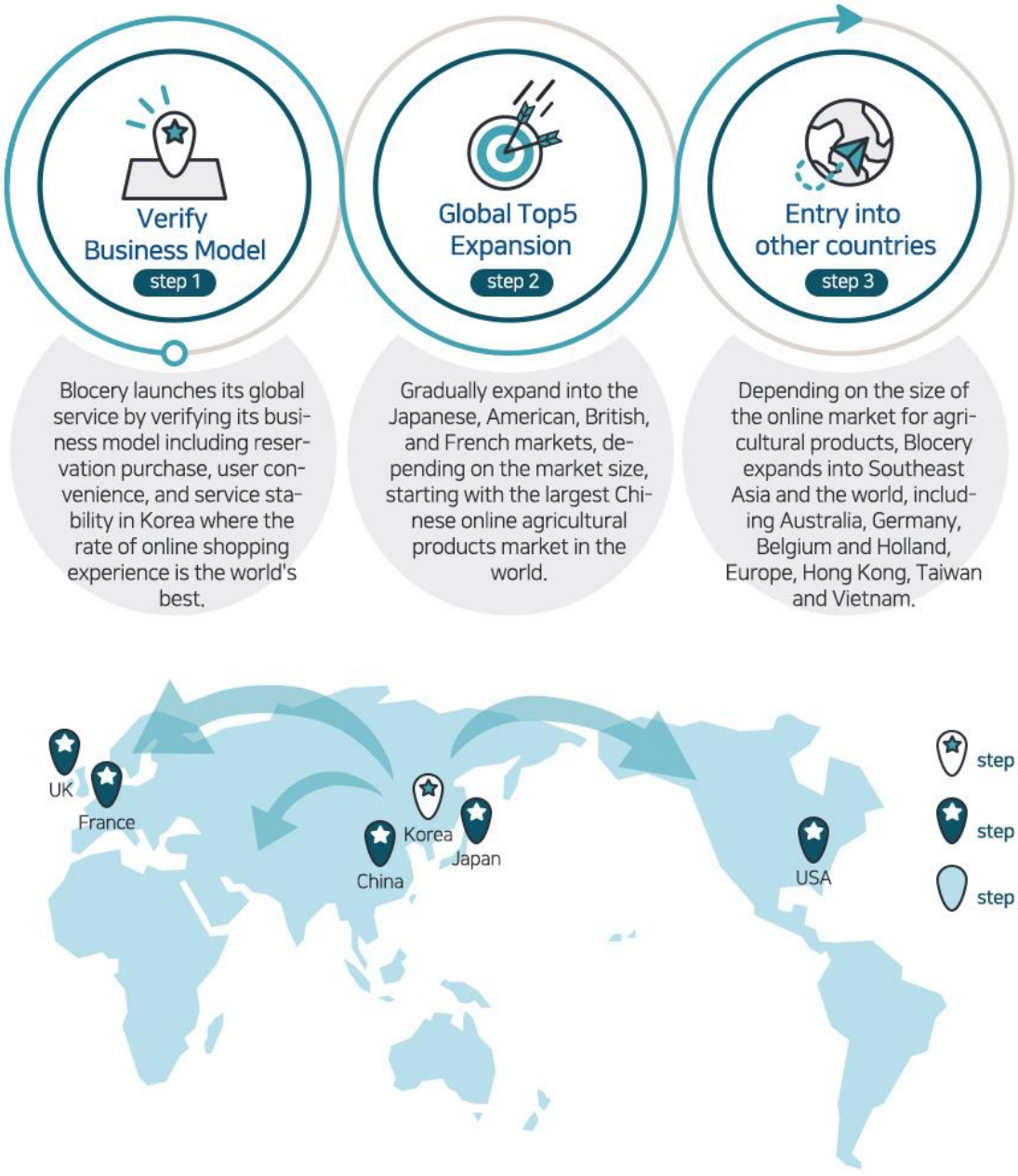
Blocery plans to advance ecosystem into Supply Chain Finance and Decentralized Finance with regulatory compliance. To establish trusted and transparent food supply chain ecosystem, Supply Chain Finance (SCF) has to be supported. With primary supplier or participants connected to stable value chain from finance services, credit gets assessed based on value chain history thus to let supplier receive escrowed funds. Blocery ecosystem with Supply Chain Finance completes

its value chain to all participants and provide stable production and supply.

Global Market

According to the Nielson report, Korean consumers have the highest rate of online food shopping experience in the world at 39%. Also, Korea is found to be suitable as a test market for global services due to its proximity to urban and rural areas and high population density. Blocery will launch from Korea, and ensure that pre-purchase for transparent food supply chain are properly made between participants, and develop to reduce inconvenience during transactions and stabilize the ecosystem. Korea will be a bridgehead in entering the global market.

Once Blocery Ecosystem is verified and stabilized in Korea, Blocery plans to expand its ecosystem to China, the largest online agricultural market, then to Japan, US, Britain and France according to the size of the market and needs.



[2-5 Blocery Global Market Plan]

Blocery can easily expand its ecosystem globally with blockchain and token economy.

- **Expansion without a separate server** – In order for existing online ecommerce platforms to expand its market, it was necessary to establish and operate the local office and/or server. However, the blockchain does not keep transaction records on the central server. Distributed ledger allows individual servers participating in a transaction to aggregate and maintain a network, providing services at speeds anywhere in the world. In addition, there are no problems such as service outage caused by a central server failure. so participants can cooperate with other participants without any trouble. In fact, the Bitcoin has never failed. Operationally, smart contracts perform transactions according to the rules set by the design, so services can be delivered without an operator present.

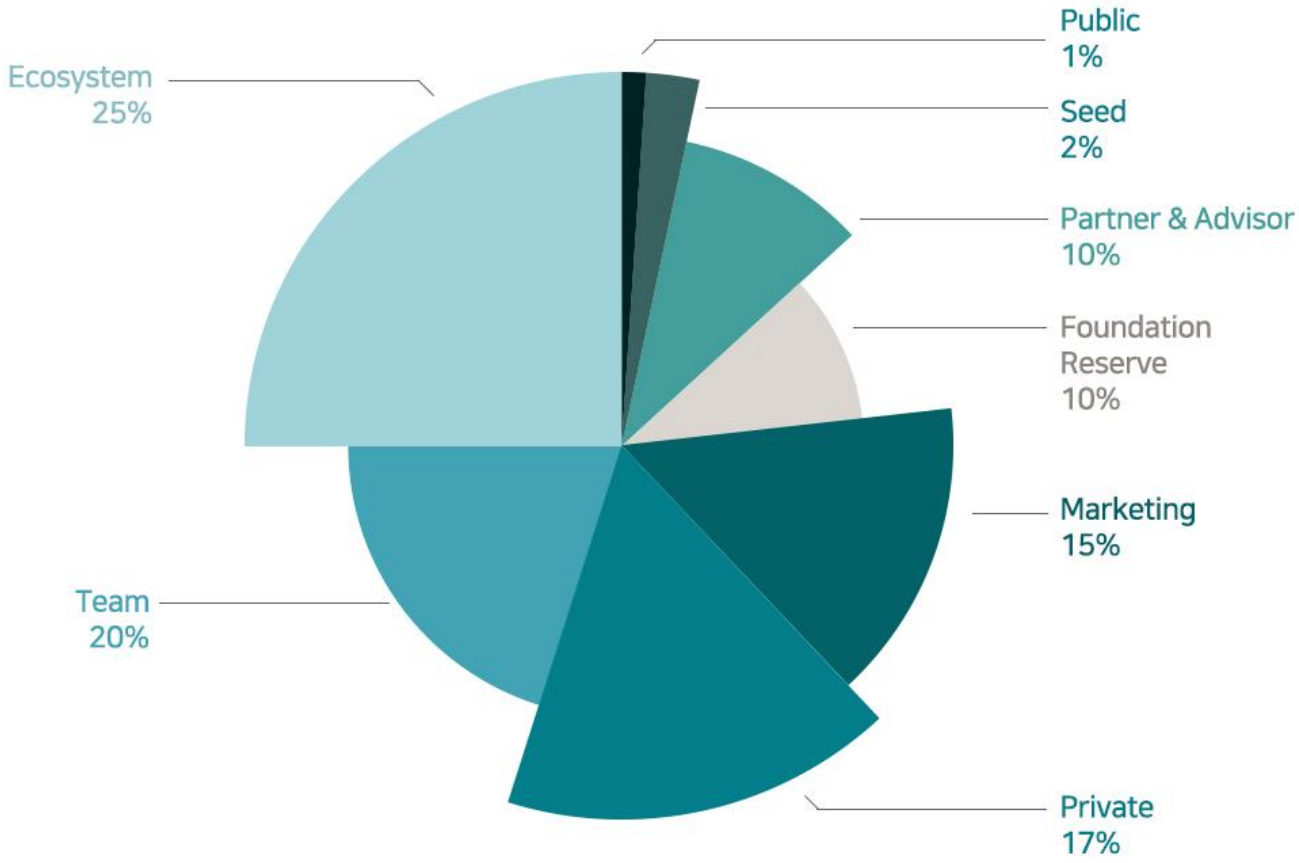
- **Trade in a single currency** – Traditional online ecommerce platforms have the hassle of having to exchange money into the country's legal currency when making international transactions or starting services abroad. In this process, there is an inconvenience that you have to calculate and check in order not to suffer losses depending on the exchange rate. However, cryptocurrency does not require legal tender. Token is used in the ecosystem anywhere and without currency exchange.

03 Token Economy

BLY Token

Token Allocation

Total Supply : 1,000,000,000 BLY



Blocery Token (BLY), a utility token, is used as a medium of motivation to participate and enhance economic activities within the Blocery Food Supply Chain Ecosystem. A total of 1 Billion Token is issued and no additional tokens will be issued. Yet, Blocery foundation may buyback or burn BLY, if necessary.

BLY Token can be used as means of all transactions and contracts, including data provision, payment for data usage, dispute mediation, and guarantees for contract fulfilment, within the Blocery ecosystem.

As the Blocery Food Supply Chain Ecosystem grow, the volume of product history and pre-purchase contracts will increase, which means more staked BLY on the contract less circulating supply. The value of BLY token will increase in proportion to the ecosystem's growth. Additionally, all participants may stake the token for additional services, such as fee structure, discount rates, monthly subscriptions, or risk hedging.

Token USE

Bilateral Escrow

Pre-purchase in the Blocery Supply Chain Ecosystem uses the Blocery's 'Bilateral Escrow' service. Consumer, or the buyer, escrows the price of the product and producer, or the seller, escrows the deposit to the Blocery Smart Contract. The price of the product will depend on its risk. Earlier stage of production the buyer purchases, higher discount rates apply. And deposit for the seller is 10% of the purchase fee. The seller will be recognized based on contribution to the various smart contract conditions, such as attribute management, production log, packaging management, and etc. As the seller fulfill the contract and contribute more, the platform fee will decrease automatically, which means greater profit for the seller. On the other hand, certain percentage of the platform fee from non-contributing sellers is reserved in the ecosystem pool; and it is used as incentives for consumers purchasing from greater contributing producers.

All BLY in the process of Bilateral Escrow will be staked. As the volume of smart contracts and Bilateral Escrow grow, the value of the ecosystem and token will increase in proportion.

Data Market

The data on Blocery ecosystem can create immense value, specially to credit and financial firms, agricultural research institutions, government, manufacturing companies, etc.

Blocery provides a data transaction market that can trade value according to the demand and supply in the market. All data generated in the ecosystem is owned by the data provider, and only the data owner can set a scope of disclosure. In other words, owners can independently exercise data rights.

Incentive

In order to vitalize the Blocery ecosystem, voluntary provision of data and activity by participants is necessary. Such data is registered on-chain and thus, data is immutable. All data generated in the ecosystem can be rewarded for contribution. The producer may be incentivized for registering production log, growth data, and attributes. And also participants in the supply chain can register production procedure, logistics info, distribution conditions on-chain to receive incentives. Consumers writing reviews, purchasing food, asking questionnaire to producers are all also part of immutable data generated in the ecosystem. Incentives for contributed data and activities expand the Blocery ecosystem and build the trust among participants. Also, immoral and unethical behavior in the ecosystem is managed through deposits, reporting and governance, and also Blocery uses data that can be verified and trusted through smart farm and Internet of Things (IoT). Also, staking allows you to gain in-platform governance and expand the incentive for activities.

Incentives are distributed from the ecosystem pool, which is established with tokens from transaction fees, revenues and partially from reserve. The amount of incentives is determined by the contribution algorithm that takes the relative value into account. Before the initial compensation system is sufficiently established, a portion of the initially issued token is allocated to the ecosystem pool.

dApp services

Blocery provides various dApp services which are necessary to build the secure and trusted Blocery Food Supply Chain Ecosystem; DTC market, B2B network service, and supply chain management modules. BLY can be used as a payment method along with cash and card. Additionally, BLY can be staked within dApp services discount rates, ecosystem ratings and such.

In order to hedge the token price volatility, other modes of payment or collaboration with stable coins are under consideration to seek ecosystem participants' convenience and ecosystem vitalization. Also, due to the nature of agricultural products, overseas import and export activities are frequent which will lower the barrier for the Blocery ecosystem to venture out into the overseas market and expand its business.

Supply Chain Finance

Blocery will follow regulatory compliances and monitor market trends to expand its business to Supply Chain Finance, including dynamic discount, reverse factoring, and futures trading with NFT.

Participant

Producer

- Contract Fulfilment through Smart Contract
- Stable supply with revenue guarantee through Pre-purchase and DTC
- On-chain Production history for additional revenue
- Certificates and DID for trust

- Quality improvement with data analysis
- Minimize wasted food
- Freshness and Expiration Date Check

Manufacturer and Production

- Quality and Sustainability improvement
- Improved brand identity and trust
- Contract fulfilment and settlements
- Minimize cost and streamline the food supply chain
- On-chain manufacturing and processing data for additional revenue

Distributor

- Quality control and risk management
- Invoice and settlement through smart contract
- Expanding and improving logistics value chain
- Cost-efficiency and value added
- Transparency and stability
- On-chain distribution data for additional revenue

Consumer

- Verified and trusted safe food
- Cost saving through pre-purchase
- Reporting Immoral participants
- On-chain consumer data for additional revenue

Technical Solution & Experience

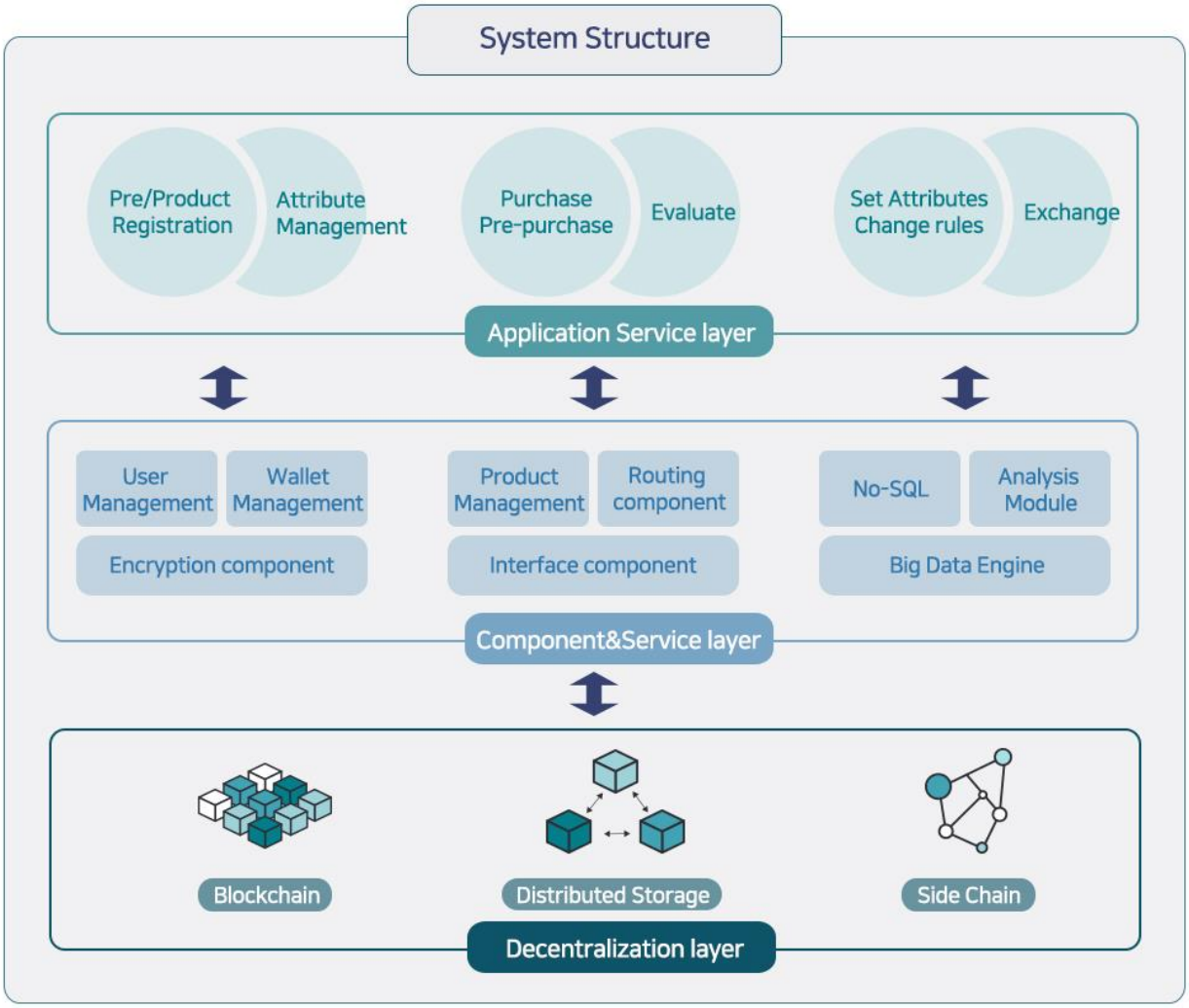
System Structure

The System structure for Blocery services consists of three layers:

- **Application Service Layer:** The layer where the user connects directly to perform the service
- **Component and Service Layer:** Connection and analysis engine between Blockchain and User layer
- **Decentralization Layer:** Layers on which smart contracts are excuted directly using blockchain and side-chains

Through the above mentioned three layer structure, Blocery develops with improving the participants' convenience as the utmost so the participants can use the platform despite not knowing the service being on blockchain and imrove on the shortcomings such as gas fees and transaction rate.

In the future, Blocery may consider a transition to other blockchain layer and protocol after considering user experience, transaction rate, gas fees, node operation and management, consensus algorithm, on-chain data and big data platform connectivity. In this case, pre-exisiting BLCT Tokens that have already been issued will be converted into a token based on the new protocol. The data on the component and service layer will also be transferred to other blockchain.



[4-1 Blocery System Structure]

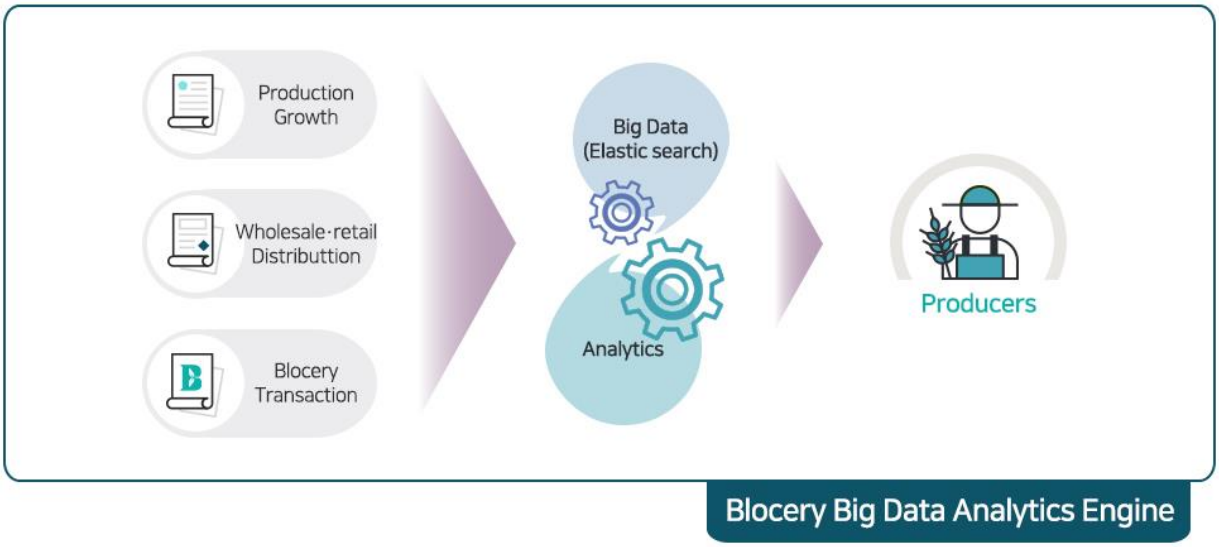
Agricultural Food Distribution Data and Big Data Solutions

▶ Ezfarm, Lead Partner's technology

Ezfarm Co. Ltd. is a leading Korean Ag-Tech company with agricultural-specialized technology combining IT Solutions on agriculture since the year 2000 after realizing the importance of agricultural data. For the last 20 years, Ezfarm has supplied IT solutions to the Korean agricultural market, including ERP system and agricultural supply-and-demand stabilization system to nearly 30 agricultural products distribution center nationwide. Ezfarm conducted various information system projects such as management, ICT service and production history information

service of not only Agricultural Processing Center(APC)s but also local agricultural businesses such as integrated marketing organizations, Rice Processing Centers and Local Food Business groups. ERP and Business Intelligence serviced by Ezfarm checks the produced volume, past price history and real-time wholesaler price and weather variables to help market predictions and assisted in management of corporations.

Also, Ezfarm as a Korean market strategic partner for enterprise big data engine Elastic, can materialize a customized solution for the Blocery service. Using Elastic Search, abnormal movements, market price during the harvest season and demand & supply information in the market can be pre-emptively predicted than market developments to minimize operation risk in the early stage of the intermediary service. Elastic Search can utilize EZ Farm infrastructure-based information, price information and seeding status information.



[4-2 Blocery Big Data Analytics Engine]

With a base on rich experience in agri-food and data solution, blockchain and IoT technology will be used to optimize data input, tracking and management module etc. so an agri-food supply chain uniquely from Blocery will be established

Agricultural Distribution Experience and Catalyst for Initial Blocery Service

Ezfarm assisted local farms with business development, customer management and marketing and pioneered the Korean DTC while experiencing the value in trading. Ezfarm also managed nearly 720 local Seoul metropolitan farms in direct-to-consumer market and led 'the Gyeonggi Cyber Market'. Also, EZ Farm operates the "Garak e-Market", the online market for 'Garak Market', Korea's largest wholesale market with an annual transaction volume of 5.4 billion dollars. Partnered with an approx. 200 intermediary wholesalers, it becomes a catalyst when interacting with distributors and purchasing merchants who are main target customers during initial fin-tech business stages. Also, Ezfarm operated nearly 10 local DTC markets in the past few years.

As a supervisor of online DTC service, the know-how, experience and network of EZ Farm has all melted into operating Blocery, a secure and transparent food supply chain platform whereby farms and consumers both will benefit from.

Patents and Projects

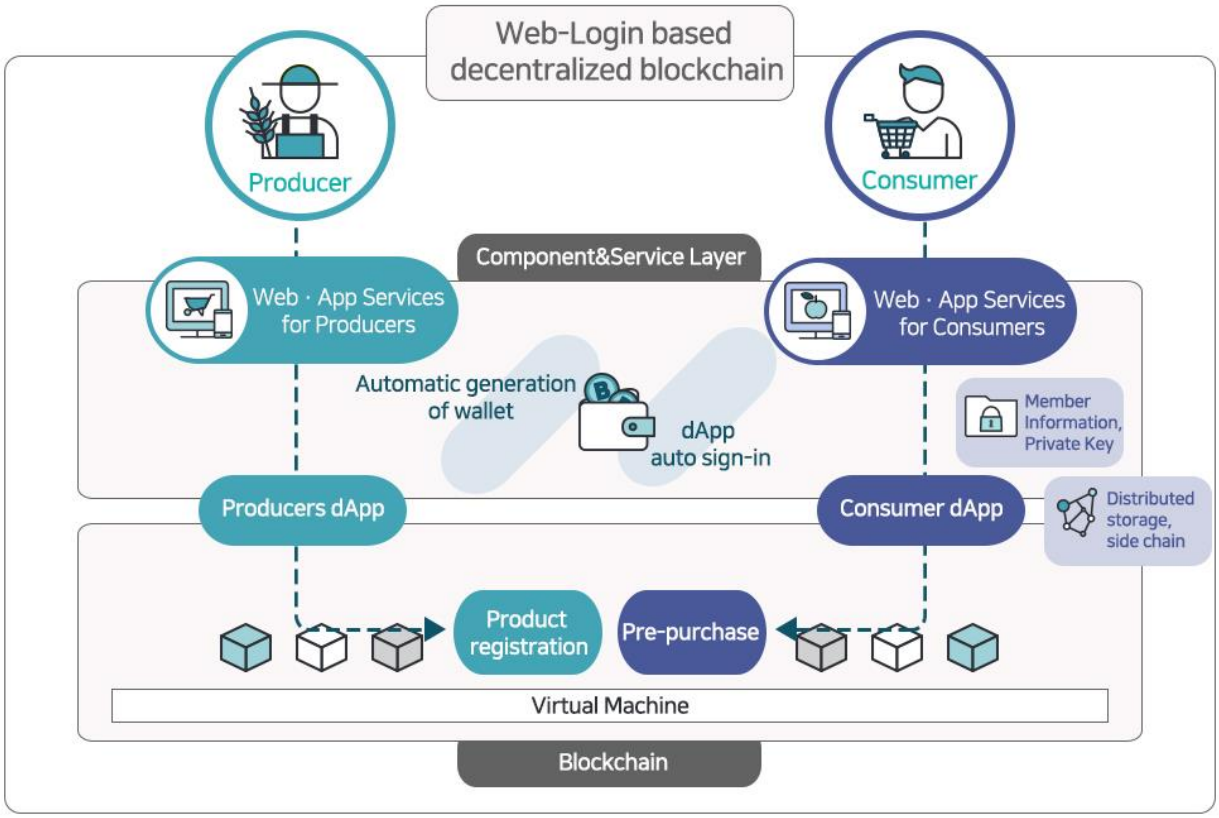
Web Login based Decentralized Blockchain Account

Pure Blockchain service would have high learning curves to slow down the entry of users who are familiar with web services. The biggest discomfort is the concept of wallet and how to use it. A wallet in a Blockchain is a concept of an address to store a token. To use it, users have to create a dedicated account for the Blockchain and use a dedicated browser or install a plug-in to a specific browser.

This inconvenience can be felt even more to farmers who are slow to acquire IT

skills. So Blocery uses her own patented technology in the same way as the web method, so that anyone familiar with the web can use it easily. Upon signing in the servicer creates decentralized blockchain account, using the server-based decentralized wallet method Of automatically topping up blockchain use fee(gas) to enhance User experience.

Upon access to wallets for withdrawal, payment or exchange, users are required to input payment PIN or mobile KYC for double authentication.



[4-3 Web Login based decentralized blockchain]

18 Patents related to Blockchain and Agricultural Industry

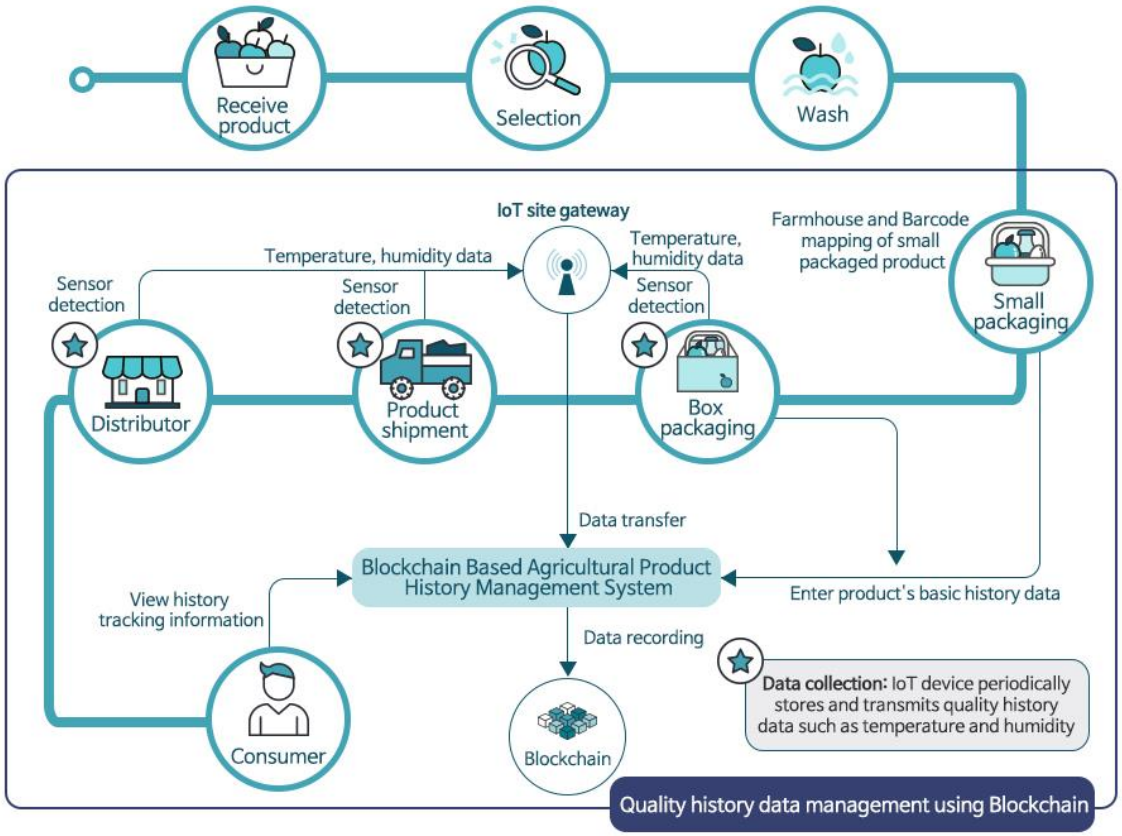
- Web Session Blockchain Interworking service provision system
- Blockchain with Web-based login
- A system and method of disease diagnosis based on deep learning

- Visualization Device and Method for Agricultural and Rural Disease Information Based on Social Network Graphs
- GS1 based farmer processing center system and method
- A system and method of pig water supply
- Automatic pig sorting machine
- Automatic feed machine
- Sensing information processing devices and methods in Ubiquitous sensor network
- Loose communication module type IoT Controller for smart farm
- Measurement of effective water content of soil using genetic factor sensors
- Etc.

Government Institution Research Projects - IPET & KISA

▶ IPET (Korea Institute of Planning and Evaluation for Technology in food, agriculture and forestry & Ministry of Agriculture, Food, Rural Affairs) 2018.04 ~ 2019.12

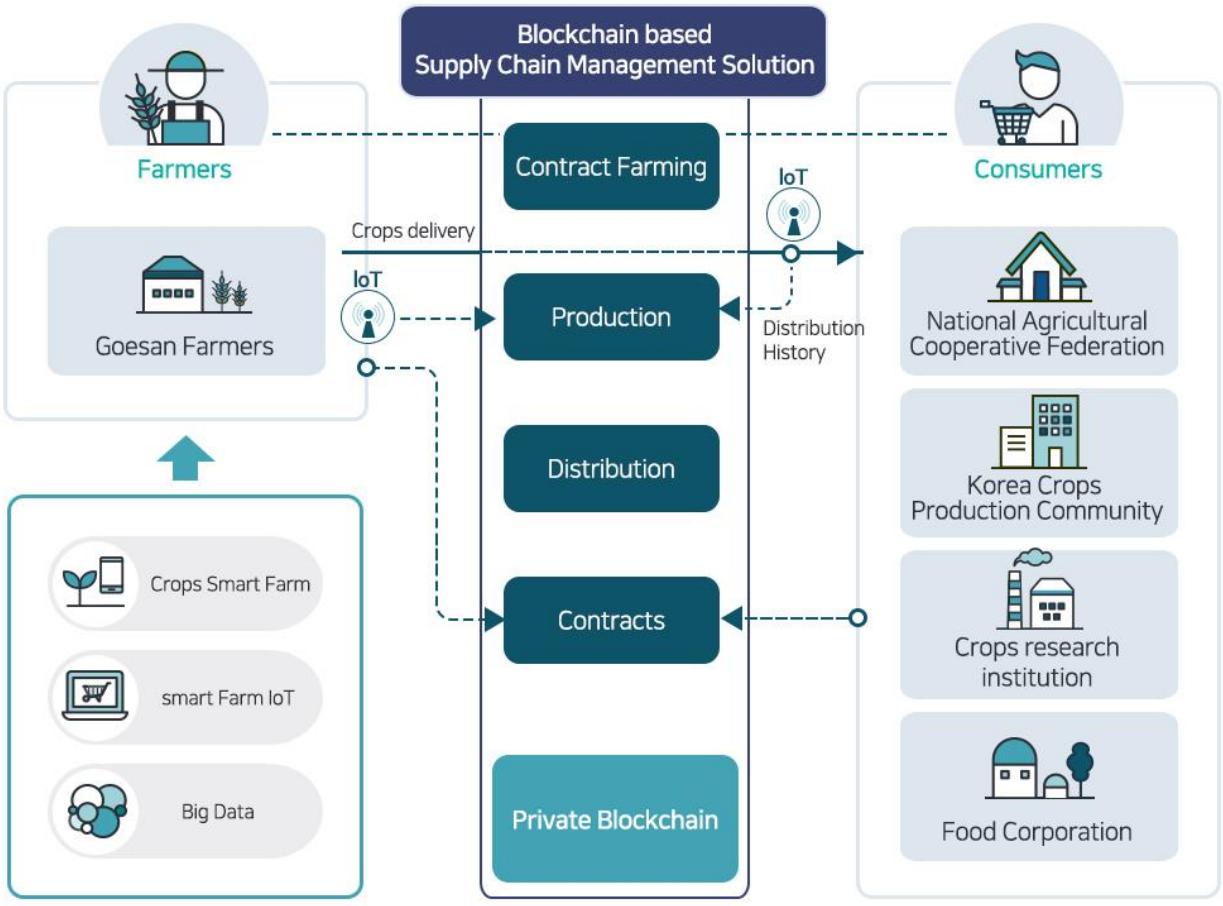
- Quality control using IoT equipment to prevent forgery by human intervention in the distribution/consumption process
- Token ecosystem with a fee structure and incentives using public block chain-based token
- Production/distribution/consumption management impossible to forge with a transparent transaction after applying blockchain technology of distributed ledge
- Operate trial service through actual agricultural and livestock distribution market



[4-4 Blockchain based Quality Management]

▶ KISA (Korea Internet and Security Agency & Rural Development Administration) : 2020.04 ~

- Trustable information sharing and quick history tracking by managing production, distribution and contract history based on private blockchain (Hyperledger fabric)
- Agri-farm income increases through simplifying distribution structure such as contract cultivation, direct transaction service etc.
- Agri-farm income increases by reduced production activity time and crop damage prevention through outdoor smart farm and smart farm machine controlling



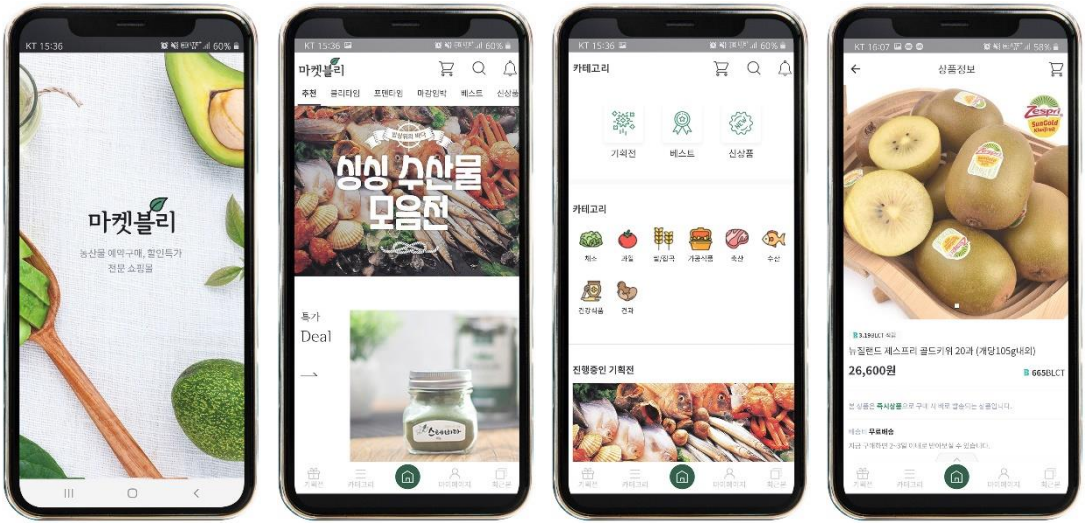
[4-5 Blockchain-based Production and Distribution Management]

dApp services for Blocery Ecosystem

▶ Pre-purchase the Pre-ferred food, MarketBly

[March, 2020 Service Launch, Approx. 2,000 transactions in a month]

MarketBly is a blockchain-based Food Direct-to-consumer platform that provides a pre-purchase features whereby the consumer can be directly connected to the producer and reserve fresh food while its produced. Pre-purchase is carried out with a bilateral crow function between the producer and the consumer. During the contractual period, the producer will record the producing and background history on the blockchain., Once smart contract is fulfilled, fee settlement is processed. The producer can estimate demand of his products consistently and extra profit is generated by providing data. Also, future application with big data & IoT, food supply chain participants would allow producers to improve accuracy in demand and supply estimation and reduce unnecessary costs to maximize profits. The Blocery food supply chain formed through such measures by participants allow consumers to make a smart spending based on trust.

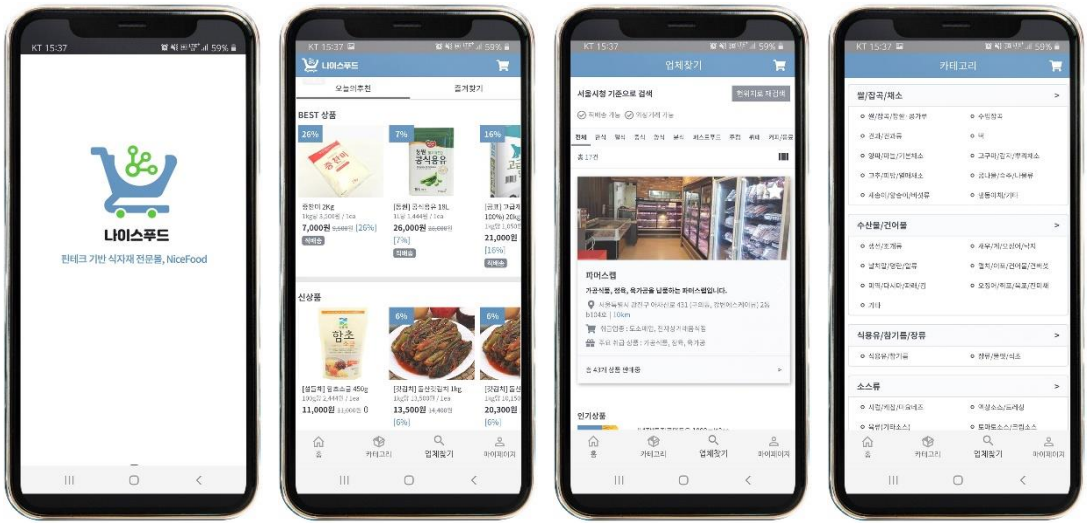


[4-6 MarketBly dApp]

▶ Nicefood : Food B2B Distribution Market

[Sept. 2019 Alpha MVP Launch, Dec. 2020 Service Launch planned]

Nicefood is a blockchain based food distribution platform for businesses, such as wholesalers and retailers. Nicefood is attempting to visualize a dream of establishing a blockchain-based food supply distribution platform that would integrate the entire supply chain through establishing a value-chain allowing a smooth flow in distribution history management & logistics and funds which are weak spots in the distribution industry. Nicefood will further expand into Decentralized Finance(De-Fi) services for business owners vulnerable in financial services such as wholesalers and restaurants.



[4-7 Nicefood dApp]

05 Achievements & Roadmap

2018

- 03 : Patent – Visualization Device and Method for Agricultural and Rural disease information
- 04 : IPET Project (Distribution and consumption management technology development with blockchain)
- 07 : Patent – A system and method of disease diagnosis Based on Deep Learning
- 08 : Blocery Development
- 09 : Whitepaper and Website Release
- 10 : MVP Design
- 10 : Patent – GS1 based farmer processing center system and method
- 10 : Patent - Measurement of effective water content of soil using genetic factor sensors and method
- 11 : Patent – Blockchain with Web-based Login
- 12 : Patent - Smart farm control using remote sensor and method
- 12 : Patent – Loose communication module IoT controller for smart farm

2019

- 02 : Partnership and Business Development
- 03 : Hybrid Blockchain-based MVP Completed
- 04 : Patent –Web session Blockchain interworking service provision system.
- 06 : MVP Alpha Launched
- 07 : Ontology based dApp developed
- 09 : GS1 interlocking development – 2-dimensional data matrix-based history management technology applied
- 10 : automated production history registering using RFID chip and recognizer device developed
- 11 : BLCT Token issued
- 12 : IPET project – Service Launch

2020

1Q
- Token Sale and IR
- Marketbly, DTC Pre-purchase Service Launch

2Q
- Korea Internet & Security Agency (KISA) Project – Blockchain Based production And Distribution Contract history management platform

3Q
- NIicefood, Blockchain-based B2B Food Supply Service Beta Launch

4Q
- Blockchain integrated Food History Management service integration

2021

1Q
- Food Supply Chain Platform expansion

2Q
- Big Data Search Engine integration

3Q
- Data Market Released

4Q
- Big Data Search Engine and Blockchain based Food Supply Chain Ecosystem

2023

1st half
- Global Market
- Supply Chain Finance Business Development

2nd half
- De-Fi Business Development

06 Team and Advisor

Team

Young-Kook Kim

Chairman & Co-founder

- BS in Physics, Korea Univ.
- Chief of Presidential Secretary of Trigem Computer
- Vice President of Cybertek Holdings
- (Current) CEO, Ezfarm
- (Current) CEO, SmartNet Technology

Grant Jin

CEO & Co-founder

- BS in Computer Science, Seoul National Univ.
- Software Dev.at Samsung Electronics
- Founding member of Cybertek Holdings
- Founder of Ivilesoft (IPO)
- (Current) President, Ezfarm

Gary Kim

CTO

- BS in POSTECH (Pohang University of Science and Technology)
- Software Dev. Realnetworks(APAC), Korea Telecom(R&D), Line Japan
- R&D in Blockchain and Big Data

Danny Hwang

COO

- BS in Mathematics, University of Washington
- Cobak Co-founder / BD Director

Dong-Ho Shin

Agricultural Distribution Specialist

- BS in Agricultural Economics, Korea Univ.
- Chief Merchandiser of Lotte-Mart
- Chorocmaeul, Homplus
- PB product development

Andrew Kim

Business Developer

- BSc Banking and Finance, University of London
- Business Development and Blockchain Enthusiast

Dylan Kim

Project Manager

- BS in Information Computing at Honglk Univ.
- PM at SK and Thinkware

Sunny Chung

Lead SW Engineer

- Experience in SW Engineering, Blockchain Development

Hailey Park

Content Editor

- Contents Creator
- Exp. in UX/UI Design

Hekken Jun

Service Architect

- Exp. In Agricultural Food E-commerce operation

Seung-Yeob Beik

MD

- Product Merchandiser and operation

Lauren Ahn

MD

- Product Merchandiser and operation

Yeong-Jin Lee

Agricultural Enterprise Specialist

- MBA in HUFS
- Exp. In Distribution of Agricultural and livestock products, GS1, ERP solutions

Jaden Cho

Blockchain Developer

- ReactJS & Front End development exp.
- Exp. In Blockchain Development

Lydia Lee

Blockchain Developer

- Exp. In Ethereum smart contract and wallet development

Seung-Wook Lee

Back-end Dev.

- 15+ exp. In Back-end system dev.
- Spcialist in data mining and big data

Zoey Kwon

Software Dev.

- System design, Web/App development

HyunTaek Lim

UX/UI Designer
Publisher

- Web/App UX/UI Design
- Exp in Publisher

Advisor

Seung-Kyu Min

Agricultural Ecosystem Advisory

- Former Vice Minister of the Ministry of Agriculture, Forestry, and Fishery
- (Current) President of Korea Venture Agriculture College

Kyung-Pil Kang

Legal Advisory

- Former Chief Prosecutor
- (current) Representative Attorney of Lee Hun Law Firm

Stefan Meyer

IoT Technology Advisory

- (현) Ambrosus CTO

Dai-Won Hyun

Digital Marketing Advisory

- Prof. of Communication at Sogang Univ.
- Senior presidential secretary for future strategy

Dae-Yong Jung

Payment System Advisory

- Visa/MasterCard internet based payment protocol set development
- Bank co-management PIN pad prepaid credit card settlement system and operation

김재훈

E-commerce 자문

- CEO of Tablewhitelife INC.
- CEO of SeasonLab Inc.
- Agriculture advisor in Economic Review Weekly Journal

Jinwoo Ro

Investment Advisory

- CEO of Hexlant

07 Disclaimers

DISCLAIMERS

Please read this entire section carefully. If you are in any doubt as to the action you should take, please consult your legal, financial, tax or other professional advisor(s).

1.1 Legal Statement

(a) This Whitepaper ("Whitepaper"), in its current form, is circulated for general information purposes only in relation to the platform and applications described in the Whitepaper ("Platform") as presently conceived and is subject to review and revision. Please note that this Whitepaper is a work in progress and the information in this Whitepaper is current only as of the date on the cover hereof. Thereafter, the information, including information concerning Blocery Inc. (the "Company") business operations and financial condition may have changed. We reserve the right to change, modify, add or delete parts of this Whitepaper or website without notice for any reason or at any time.

(b) No person is bound to enter into any contract or binding legal commitment in relation to the sale and purchase of the tokens native to the Platform ("BLCT" or "Token") and no payment is to be accepted on the basis of this Whitepaper. Any sale and purchase of the Token will be governed by a legally binding agreement, the details of which will be made available separately from this Whitepaper. In the event of any inconsistencies between the abovementioned agreement and this Whitepaper, the former shall prevail.

(c) This Whitepaper does not constitute or form part of any opinion on any advice to sell, or any solicitation of any offer by the issuer/distributor/vendor of the Token to purchase any Token nor shall it or any part of it nor the fact of its presentation form the basis of, or be relied upon in connection with, any contract or investment decision.

(d) The Tokens are not intended to constitute securities, units in a business trust, or units in a collective investment scheme, each as defined under the Securities and Futures Act (Cap. 289) of Singapore, or its equivalent in any other jurisdiction. Accordingly, this Whitepaper therefore, does not, and is not intended to, constitute a prospectus, profile statement, or offer document of any sort, and should not be construed as an offer of securities of any form, units in a business trust, units in a collective investment scheme or any other form of investment, or a solicitation for any form of investment in any jurisdiction.

(e) No Token should be construed, interpreted, classified or treated as enabling, or according any opportunity to, purchasers to participate in or receive profits, income, or other payments or returns arising from or in connection with the Platform, the Token, or products, or to receive sums paid out of such profits, income, or other payments or returns.

(f) This Whitepaper or any part hereof may not be reproduced, distributed or otherwise disseminated in any jurisdiction where offering coins/tokens in the manner set out this Whitepaper is regulated or prohibited.

(g) No regulatory authority has reviewed, examined or approved of any of the information set out in this Whitepaper. No such action has been or will be taken in any jurisdiction.

(h) Where you wish to purchase any Token, the Tokens are not to be construed, interpreted, classified or treated as: (a) any kind of currency other than cryptocurrency; (b) debentures, stocks or shares issued by any entity; (c) rights, options or derivatives in respect of such debentures, stocks or shares; (d) rights under a contract for differences or under any other contract with the purpose or pretended purpose to secure a profit or avoid a loss; or (e)

units or derivatives in a collective investment scheme or business trust, or any other type of securities

1.2 Restrictions on Distribution and Dissemination

(a) The distribution or dissemination of this Whitepaper or any part thereof may be prohibited or restricted by the laws or regulatory requirements of any jurisdiction. In the case where any restriction applies, you are to inform yourself about, to obtain legal and other relevant advice on, and to observe, any restrictions which are applicable to your possession of this Whitepaper or such part thereof (as the case may be) at your own expense and without liability to the Company or its representatives, agents, and related companies ("Affiliates").

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

1.3 Disclaimer of Liability

(a) The Token, the Platform and related services provided by the Company and its Affiliates are provided on an "as is" and "as available" basis. The Company and its Affiliates do not grant any warranties or make any representation, express or implied or otherwise, as to the accessibility, quality, suitability, accuracy, adequacy, or completeness of the Token, the Platform or any related services provided by the Company and its Affiliates, and expressly disclaim any liability for errors, delays, or omissions in, or for any action taken in reliance on, the Token, the Platform and related services provided by the Company and its Affiliates.

(b) The Company, its Affiliates and its directors, officials and employees do not make or purport to make, and hereby disclaim, any representation, warranty or undertaking in any form whatsoever to any entity or person, including any representation, warranty or undertaking in relation to the truth, accuracy and completeness of any of the information set out in this Whitepaper.

(c) To the maximum extent permitted by the applicable laws and regulations, the Company and its Affiliates shall not be liable for any 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, and loss of use or data), arising out of or in connection with any acceptance of or reliance on this Whitepaper or any part thereof by you.

1.4 Cautionary Note on Forward-Looking Statements

(a) Certain information set forth in this Whitepaper includes forward-looking information regarding the future of the project, future events and projections. These statements are not statements of historical fact and may be identified by but not limited to words and phrases such as "will", "estimate", "believe", "expect", "project", "anticipate", or words of similar meaning. Such forward-looking statements are also included in other publicly available materials such as presentations, interviews, videos etc., information contained in this Whitepaper constitutes forward-looking statements including but not limited to future results, performance, or achievements of the Company or its Affiliates.

(b) The forward-looking statements involve a variety of risks and uncertainties. These statements are not guarantees of future performance and no undue reliance should be placed on them. Should any of these risks or uncertainties materialize, the actual performance and progress of the Company or its Affiliates might differ from expectations set by the forward-looking statements. The Company or its Affiliates undertake no obligation to update forward-looking statements should there be any change in circumstances. By acting upon forward-looking information received from this Whitepaper, the Company or its Affiliates' website and other materials produced by the Company or its Affiliates, you personally bear full responsibility in the event where the forward-looking statements do not materialize.

(c) As of the date of this Whitepaper, the Platform has not been completed and is not fully operational. Any description pertaining to and regarding the Platform is made on the basis that the Platform will be completed and be fully operational. However, this paragraph shall in no way be construed as providing any form of guarantee or assurance that the Platform will eventually be completed or be fully operational.

1.5 Potential Risks

By purchasing, holding and using the Tokens, you expressly acknowledge and assume the risks set out in this section if any of these risks and uncertainties develops into actual events, the business, financial condition, results of operations and prospects of the Company or its Affiliates may be materially and adversely affected. In such cases, you may lose all or part of the value of the Token. Such risks include but are not limited to the following:

Risks Relating to the Tokens

(a) There may not be a public or secondary market for the Tokens

The Tokens are intended to be native tokens to be used on the Platform, and the Company and its Affiliates have not and may not actively facilitate any secondary trading or external trading of Tokens. In addition, there is and has been no public market for the Tokens and the Tokens are not traded, whether on any cryptocurrency exchange or otherwise.

In the event that the Tokens are traded on a cryptocurrency exchange, there is no assurance that an active or liquid trading market for the Tokens will develop or if developed, be sustained. There is also no assurance that the market price of the Tokens will not decline below the purchase amount paid for the Tokens, which is not indicative of such market price.

A Token is not a currency issued by any central bank or national, supra-national or quasi-national organization, nor is it backed by any hard assets or other credit. The Company and its Affiliates are not responsible for nor do they pursue the circulation and trading of the Tokens on the market. Trading of the Tokens merely depends on the consensus on its value between the relevant market participants, and no one is obliged to acquire any Token from any holder of the Token, including the purchasers of the Tokens, nor does anyone guarantee the liquidity or market price of the Tokens to any extent at any time. Accordingly, the Company and its Affiliates cannot ensure that there will be any demand or market for the Tokens, or that the price upon which the Tokens were purchased is indicative of the market price of the Tokens if they are made available for trading on a cryptocurrency exchange.

Risks Relating to the Company, its Affiliates and the Platform

(a) Limited availability of sufficient information

The Platform is still at an early development phase as of the date of this Whitepaper. Its governance structure, purpose, consensus mechanism, algorithm, code, infrastructure design and other technical specifications and parameters may be updated and changed frequently without notice. While this Whitepaper contains the key information currently available in relation to the Platform, it is subject to adjustments and updates from time to time, as announced on the Company's website. Purchasers will not have full access to all the information relevant to the Tokens and/or the Platform. Nevertheless, it is anticipated that significant milestones and progress reports will be announced on the Company's website.

(b) The digital assets raised in the sale of the Tokens are exposed to risks of theft

(i) Whilst the Company and its Affiliates will make every effort to ensure that the [ETH] received from the sale of Tokens are securely held through the implementation of security measures, there is no assurance that there will be no theft of the cryptocurrencies as a result of hacks, mining attacks, sophisticated cyber-attacks, distributed denials of service or errors, vulnerabilities or defects on such blockchain addresses, 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 sale of okens is completed, the Company and its Affiliates may not be able to receive the cryptocurrencies raised and the Company and its Affiliates may not be able to utilize such funds for the development of the Platform, and the launch of the Platform might be temporarily or permanently curtailed. As such, the issued Tokens may hold little worth or value. The Tokens are uninsured, unless you specifically obtain private insurance to insure them. In the event of any loss or loss of value of the Tokens, you may have no recourse.

(c) The blockchain address (es) may be compromised and the digital assets may not be able to be retrieved

(i) The blockchain address(es) are designed to be secured. However, in the event that the blockchain address(es) for the receipt of purchase amounts or otherwise are, for any reason, compromised (including but not limited to scenarios of the loss of keys to such blockchain address(es), the funds held at such blockchain address(es) may not be able to be retrieved and disbursed, and may be permanently unrecoverable. In such event, even if the sale of

the Tokens is successful, the Company and its Affiliates will not be able to receive the funds raised and the Company and its Affiliates will not be able to utilize such funds for the development of the Platform, and the implementation of the Platform might be temporarily or permanently curtailed. As such, distributed Tokens may hold little worth or value.

(d) There is no assurance of any success of the Platform and the Company and its Affiliates may cease the development, launch and operation of the Platform
The value of, and demand for, the Tokens hinges heavily on the performance of the Platform.
There is no assurance that the Platform will gain traction after its launch and achieve any commercial success. The Platform has not been fully developed, finalized and integrated and is subject to further changes, updates and adjustments prior to its launch. Such changes may result in unexpected and unforeseen effects on its projected appeal to users, and hence impact its success. There are no guarantees that the process for creating the Tokens will be uninterrupted or error-free.

While the Company has made every effort to provide a realistic estimate, there is also no assurance that the cryptocurrencies raised in the sale of Tokens will be sufficient for the development and integration of the Platform. For the foregoing or any other reason, the development and integration of the Platform may not be completed and there is no assurance that its systems, protocols or products will be launched at all.
As such, distributed Tokens may hold little or no worth or value.
Additional reasons which may result in the termination of the development, launch or operation of the Platform includes, but is not limited to, (aa) an unfavorable fluctuation in the value of cryptographic and fiat currencies, (bb) the inability of the Company and its Affiliates to establish the Platform or the Tokens' utility or to resolve technical problems and issues faced in relation to the development or operation of the Platform or the Token, the failure of commercial relationships, (cc) intellectual property disputes during development or operation, and (dd) changes in the future capital needs of the Company or its Affiliates and the availability of financing and capital to fund such needs. For the aforesaid and other reasons, the Platform may no longer be a viable project and may be dissolved or simply not launched, negatively impacting the Platform and the potential utility and value of the Tokens.

(e) There may be lack of demand for the Platform and the services provided, which would impact the value of the Tokens. There is a risk that upon launching of the Platform, there is a lack of interest from consumers, merchants, advertisers, and other key participants for the Platform and the services, and that there may be limited interest and therefore use of the Platform and the Tokens. Such a lack of interest could impact the operation of the Platform and the uses or potential value of the Tokens. There is a risk of competition from alternative platforms that may have been established, or even from existing businesses which would target any segment of the potential users of the Platform fulfilling similar demands, e.g. corporations targeting advertisers seeking purchase consumer data and market analysis. Therefore, in the event that the competition results in a lack of interest and demand for the Platform, the services and the Tokens, the operation of the Platform and the value of the Tokens may be negatively impacted.

(f) The Company and its Affiliates 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 or its Affiliates' infrastructure network, or the Platform

(i) The Company and its Affiliates are unable to anticipate or detect when there would be occurrences of hacks, cyber-attacks, mining attacks (including but not limited to doublespend attacks, majority mining power attacks and "selfish-mining" attacks), distributed denials of service or errors, vulnerabilities or defects in the Platform, the Tokens, or any technology (including but not limited to smart contract technology) on which the Company, its Affiliates, the Platform, the Tokens, rely on or the Ethereum Blockchain or any other blockchain. Such events may include, for example, flaws in programming or source code leading to exploitation or abuse thereof. The Company and its Affiliates may not be able to detect such issues in a timely manner, and may not have sufficient resources to efficiently cope with multiple service incidents happening simultaneously or in rapid succession.

(ii) Although the Company and its Affiliates will be taking steps against malicious attacks on its appliances or its infrastructure, which are critical for the maintenance of the Platform and its other services, there can be no assurance that cyber-attacks, such as distributed denials of service, will not be attempted in the future, and that any of such security measures will be effective. Any significant breach of security measures or other disruptions resulting in a compromise of the usability, stability and security of the Company and its Affiliates' network or services, including the Platform.
Risks Relating to the Participation in the Sale of Tokens

(a) You may not be able to recover the purchase amount paid for the Tokens

(i) Except as provided under any applicable terms of sale or prescribed by applicable laws and regulations, the Company is not obliged to provide you with a refund of the purchase amount. No promises of future performance or price are or will be made in respect to the Tokens, including promises of inherent value or continuing payments, and there is no guarantee that the Tokens will hold any particular value. Therefore, the recovery of the purchase amount may be impossible or may be subject to applicable laws and regulations.

(b) You may be subject to adverse legal and/or tax implications as a result of the purchase, distribution and use of the Tokens

(i) The legal character of cryptocurrency and cryptographic assets remain uncertain. There is a risk that the Tokens may be considered securities in certain jurisdictions, or may be considered to be securities in certain jurisdictions in the future. The Company and its Affiliates does not provide any warranty or guarantee as to how the Tokens will be classified, and each purchaser will bear all consequences of the Tokens being considered securities in their respective jurisdictions, and bear the responsibility of the legality, use and transfer of the Tokens in the relevant jurisdictions.

(ii) Further, the tax treatment of the acquisition or disposal of such cryptocurrency or cryptographic assets might depend on whether they are classified as securities, assets, currency or otherwise. As the tax characterization of the Tokens remains indeterminate, you must seek your own tax advice in connection with the purchase, acquisition or disposal of the Tokens, which may result in adverse tax consequences or tax reporting requirements for you.

(c) The loss or compromise of information relating to the purchaser wallet and your Platform ID may affect your access to and possession of the Tokens

(i) There is a risk that you may lose access to and possession of the Tokens permanently due to loss of unique personal ID created on the Platform, and other identification information, loss of requisite private key(s) associated with the purchaser wallet or vault storing the Tokens or any other kind of custodial or purchaser errors.

(d) Blockchains may face congestion and transactions may be delayed or lost

(i) Most blockchains used for cryptocurrency transactions (e.g. Ethereum) are prone to periodic congestion during which transactions can be delayed or lost. Individuals may also intentionally spam the network in an attempt to gain an advantage in purchasing cryptographic tokens. This may result in a situation where block producers may not include your purchase of the Tokens when you intends to transact, or your transaction may not be included at all.

Privacy and data retention issues

(a) As part of the Token sales, the verification processes and the subsequent operation of the Platform, the Company may collect personal information from you. The collection of such information is subject to applicable laws and regulations. All information collected will be used for purposes of the Token sales and operations of the Platform, thus it may be transferred to contractors, service providers and consultants worldwide as appointed by the Company. Apart from external compromises, the Company and its appointed entities may also suffer from internal security breaches whereby their employees may misappropriate, misplace or lose personal information of purchasers. The Company may be required to expend significant financial resources to alleviate problems caused by any breaches or losses, settle fines and resolve inquiries from regulatory or government authorities. Any information breaches or losses will also damage the Company's reputations, thereby harming its long-term prospects.

Macro Risks

(a) General global market and economic conditions may have an adverse impact on the Company and its Affiliates' operations and the use of the Platform
The Company and its Affiliates could 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 may have a negative effect on the Company and its Affiliates' business strategies, results of operations and prospects.

Suppliers on which the Platform 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 and its Affiliates' 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 and its Affiliates' business strategies, results of operations and prospects and hence the Platform, which may in turn impact the value of the Tokens

(b) The regulatory regime governing blockchain technologies, cryptocurrencies, Tokens, offering of Tokens, and the Platform remain uncertain, and any changes, regulations or policies may materially adversely affect the development of the Platform and the utility of the Tokens

(i) Regulation of the Tokens, the offer and sale of Tokens, cryptocurrencies, blockchain technologies, and cryptocurrency exchanges is currently undeveloped or underdeveloped and likely to rapidly evolve. Such regulation also varies significantly among different jurisdictions, and is hence subject to significant uncertainty. The various legislative and executive bodies in different jurisdictions may in the future adopt laws, regulations, guidance, or other actions, which may severely impact the development and growth of the Platform, the adoption and utility of the Tokens or the issue, offer, and sale of the Tokens by the Company. Failure by the Company and its Affiliates or users of the Platform to comply with any laws, rules and regulations, some of which may not exist yet or are subject to interpretation and may be subject to change, could result in a variety of adverse consequences against the Company and its Affiliates, including civil penalties and fines.

(ii) Blockchain networks also face an uncertain regulatory landscape in many foreign jurisdictions. Various jurisdictions may, in the near future, adopt laws, regulations or directives that affect the Platform, and therefore, the value of the Tokens. Such laws, regulations or directives may directly and negatively impact the operations of the Company and its Affiliates. The effect of any future regulatory change is impossible to predict, but such change could be substantial and could materially adverse to the development and growth of the Platform and the adoption and utility of the Tokens.

(iii) To the extent that the Company and its Affiliates may be required to obtain licences, permits and/or approvals (collectively, the "Regulatory Approvals") to carry out its business, including that of the creation of the Tokens and the development and operation of the Platform, but are unable to obtain such Regulatory Approvals or if such Regulatory Approvals are not renewed or revoked for whatever reason by the relevant authorities, the business of the Company and its Affiliates may be adversely affected.

(iv) There is no assurance that more stringent requirements will not be imposed upon the Company and its Affiliates by the relevant authorities in the future, or that the Company and its Affiliates will be able to adapt in a timely manner to changing regulatory requirements. These additional or more stringent regulations may restrict the Company and its Affiliates' ability to operate its business and the Company and its Affiliates may face actions for non-compliance if it fails to comply with any of such requirements.

(v) Further, should the costs (financial or otherwise) of complying with such newly implemented regulations exceed a certain threshold, maintaining the Platform may no longer be commercially viable and the Company and its Affiliates may opt to discontinue the Platform and/or the Tokens. 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 Platform and the Tokens. The Company and its Affiliates 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 distributed Tokens may hold little or no worth or value.

(c) There may be risks relating to acts of God, natural disasters, wars, terrorist attacks, riots, civil commotions widespread communicable diseases and other events beyond the control of the Company and its Affiliates

(i) The sale of the Tokens and the performance of the Company, its Affiliates and/or the Platform's activities may be interrupted, suspended or delayed due to acts of God, natural disasters, wars, terrorist attacks, riots, civil commotions, widespread communicable diseases and other events beyond the control of the Company and its Affiliates. Such events could also lead to uncertainty in the economic outlook of global markets and there is no assurance that such markets will not be affected, or that recovery from the global financial crisis would continue. In such events, the Company and its Affiliates' business strategies, results of operations and outlook may be materially and adversely affected, and the demand for and use of the Tokens and the Platform may be materially affected. Further, if an outbreak of

such infectious or communicable diseases occurs in any of the countries in which the Company, its Affiliates, and the participants of the Platform have operations in the future, market sentiment could be adversely affected and this may have a negative impact on the Platform and its community.

(d) Blockchain and cryptocurrencies, including the Tokens are a relatively new and dynamic technology. In addition to the risks highlighted herein, there are other risks associated with your purchase of, holding and use of the Tokens, including those that we cannot anticipate. Such risks may further materialize as unanticipated variations or combinations of the risks discussed herein.

1.6 No Further Information or Update

No person has been or is authorized to give any information or representation not contained in this Whitepaper in connection with the Tokens, the Platform, the Company or its Affiliates and their respective businesses and operations, and, if given, such information or representation must not be relied upon as having been authorized by or on behalf of the Company or its Affiliates.

1.7 Language

This Whitepaper may be translated into other languages. If any disagreement should arise due to different language translations, the version in English will prevail.

1.8 No Advice

No information in this Whitepaper should be considered to be business, legal, financial or tax advice regarding the Token, the Platform, the Company or its Affiliates. You should consult your own legal, financial, tax or other professional advisor(s) regarding the Token, the Company or its Affiliates and their respective businesses and operations. You should be aware that you may be required to bear the financial risk of any purchase of the Tokens for an indefinite period of time.