



# SHOPIBLOCK

A Decentralized White-Label SaaS Software

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## Abstract

*We live in a world where everyone can publish an article, a song, or a video to create a discussion group. And even lead an online marketplace. We are already beginning to notice the proliferation of user-generated currencies. Various types of stored value (the above "currencies") have been issued and circulated for centuries in the form of banknotes, bonds etc. Bitcoin was the first decentralised digital currency, followed by a wave of new cryptocurrencies that have later been issued.*

*Recently, we have seen the rise of a new class of "token" assets, typically issued in crowd sales ("ICOs"), enabled by smart contracts.*

*In the age of smart contract blockchains, tokens can be automatically generated. We have realised that this could mean keeping tokens, creating and transferring credits from other token providers (i.e., "reserves") directly through intelligent contracts, which on the one hand have to be designed by their creators but, on the other hand, have to run programmatically. This is exactly where our service comes in. These new technological capabilities allow us to rethink of possible solutions for converting one currency into another and simplify market prices. Developing your own currency is the trend of the future. Additionally, it is necessary to create a decentralised system, where your token can be traded, sold and purchased.*

*The obstacles are, indeed, very big for individuals who want to create their currencies, and therefore we thought to create a decentralised white label product, the first of many ones from our portfolio. We are creating a whole new decentralised economy where anyone who wants to start a business can do it utilising the blockchain: they can create their own currency through our service, advertise and sell their products online and even create a new online shop. Our first white label product will be, indeed, a website / shop builder.*

*Our future customers will not only get their Blockchain shop through us, but also an ad hoc cryptocurrency, Shopiblock (SHB) or use their own currencies (Merchant Tokens). SHB is a new cryptocurrency that will be launched on the Ethereum main network. Each merchant will be able to use their own Merchant Tokens, which can be exchanged for other Merchant Tokens through the SHB Exchange, utilising SHB.*

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# Introduction

Starting a decentralised business is a very popular practice in the cryptocurrency space. The Shopiblock platform is designed for people to open a store and sell products using their own cryptocurrency. Our world's first integrated customer loyalty solution, based on crypto, offers great incentives like cash back, which will help merchants to expand their business, retain and also reward customers. Another feature is that merchants can accept altcoins in existing shop solutions like Magento, Prestashop, WooCommerce. Shopiblock delivers a secure crypto payment method from a counterparty risk perspective, safeguarding both buyers and sellers. All funds transacted using our escrow service are kept in a trust. Gone are the days of having to worry about setting up a decentralised website from scratch and running it. There is no need for the user to learn programming languages like HTML or CSS to create a decentralised website anymore. Shopiblock will allow users to have full control over the appearance and setup of their online store, and let them focus on what's really important: running their business! Shopiblock has the potential to reach millions of people and hundreds of millions of their customers from all over the world. By accepting cryptocurrency as the form of payment, Shopiblock will allow the platform to expand globally without the limitations imposed by payment providers.

Shopiblock will be the No.1 decentralised SaaS provider and ecosystem based on Blockchain. The ultimate goal is to make a platform that's user-friendly and compatible with both desktop and mobile browsers.

The Shopiblock platform will consist of several features:

- Fully-hosted Blockchain Shop builder
- Own Cryptocurrency / Token
- Escrow Service
- Loyalty Customer Solution
- Cryptocurrency Payment Gateway
- Shopiblock Exchange

## The Problem

While some economists may argue that low points utilisation is good for the merchant, we think this is terrible. There is no use, in our view, in spending thousands of dollars to set up your business online if you cannot profit from it. Before the digital information age, comparing different offers was a lot harder than it is nowadays with online price comparisons and reviews. Today, consumers are much more likely to switch to whichever is the cheapest or has the highest reviews. Brick-and-mortar merchants (offline stores) face an even tougher challenge because they cannot access data, as their online competitors do, to target consumer groups by demographics, spending preferences or geolocation. They, hence, spend a large amount of money on developing online stores that fail to increase the business profitability.

## The Solution

We provide a platform that allows for the secure exchange of Merchant's products with cryptocurrencies, low-cost cross-border payments and micro transactions: this will add liquidity to currently unused (and often discarded) shops not located in prime areas of town. In fact, being able to create tokens and to exchange them makes them valuable to the community. Doing this on the blockchain means anyone can see and verify transactions and check the total token supply. Merchant Tokens are issued in a closed system and, as digital tokens for a multitude of stores, brands and merchants, they can be stored on a smartphone, without the need to carry around loyalty cards etc. Eventually, exchanging and spending Merchant Tokens and performing transactions from your smartphone wallet creates a variety of valuable data.

SHOPIBLOCK is the first system specifically designed to enable merchants to issue branded cryptocurrencies to a mass consumer audience conveniently. Discount coupons, loyalty points, and gift rewards will also be "tokenised", meaning they're easily accessible from your smartphone, how convenient!

The key feature of the SHOPIBLOCK system is that branded Merchant Tokens can be freely traded for SHB, a public cryptocurrency like Bitcoin or Ethereum. Customers can exchange SHB anywhere in the world and trade them for real cash. The ability to convert incentive points into real money frees the customer from any single points ecosystem and allows them to achieve 100% utilisation of those points.

# Objectives

The primary objectives of the SHB System are:

- **Sofa-to-Store Marketing:** The SHB System puts power back in the hands of brick-and-mortar retail stores. SHOPIBLOCK allows merchants to set up online stores and create digital tokens. This is intended to drive real-time traffic into stores, at which point, in-store shopper marketing strategies can be used to orient the consumers' purchases.
- **Cryptocurrency Exchange for the Masses:** The SHB Exchange will be a full-feature cryptocurrency exchange that is purposefully built for a wide consumer audience. Each holder of Merchant Tokens is also a SHB Exchange account holder. SHOPIBLOCK seeks to drive mass consumer awareness and engagement with not just Merchant Tokens and SHB, but with all other cryptocurrencies that may be traded on the SHB Exchange in the future.
- **Reputational and Legal Security:** Merchant Tokens are issued in a closed system, and thereby avoid regulatory concerns associated with public offerings, as well as reputational risks associated with launching tokens on public main networks. The SHB System is designed specifically for merchants to accelerate mass enterprise adoption of digital tokens.
- **Drive Consumer Engagement:** The average consumer is currently a member of some 29 incentive programs. However, a staggering 76% of them won't take advantage of those incentives. This is a significant waste of corporate resources in an effort to engage their customers. A better strategy would be: know your customers, track the visits, and reward the most loyal ones. For merchants, issuing tokenised shopping incentives significantly enhances engagement, consumer satisfaction, and ultimately drives better business.
- **Eliminating Spam:** By tokenising shopping incentives that are tradable for SHB, Merchant Tokens could be monetised too. Whether a consumer "spends" them to activate incentives or not, Merchant Tokens will always be worth something. This eliminates the "spam" effect of traditional consumer mass marketing, as each Merchant Token can ultimately be traded for SHB. SHB, in turn, can be traded anywhere in the world for other cryptocurrencies such as Bitcoin or Ethereum.

# Unique Value proposition

The SHB System offers the following benefits to each of its users:

## **Merchants:**

- Can open a blockchain store with own cryptocurrency.
- Or use existing stores and add our crypto payment gateway to accept cryptocurrencies.
- Get a crypto payment customer loyalty solution.

## **Users:**

- They exchange fiat for cryptocurrency with Shopiblock Exchange and will be able to buy their favourites products in cryptocurrency.
- Shopiblock reduces the risk of fraud by acting as a trusted third-party that collects, holds and only distributes funds when both Buyer and Seller are satisfied.
- Transparent transactions between buyer and merchant since the blockchain is a public ledger.

## **Brands:**

- Brands can increase loyalty and sales: we have the perfect solution!
- Brands can increase their outreach with multiple store setups.
- Easy to use and able to help small business build loyal customer bases.

## Why Blockchain?

The basic idea behind the Shopiblock is to provide merchants with the opportunity to set up a webshop and accept cryptocurrencies. The systems need to be able to do this in a frictionless, yet verifiable secure way. As the Merchant Tokens will have real value, it is important that they cannot be copied or spent twice. Blockchain technology provides the solution to create a system which fulfils these requirements.

### **Why not a cloud solution?**

Storing this data in a cloud database, on servers owned and controlled by any centralised company or entity, offers nothing new in a truly decentralised idea of shoppers owning and controlling their data.

### **How will we achieve this goal?**

To achieve this goal Shopiblock offers, besides the blockchain shop software, plugins for all the popular webcarts used today. Or users can store their coins in our secure online wallet. Shopiblock members can send cryptocurrency to any email address (supported countries only) with our crypto payment gateway solution, and also buy or sell products securely thanks to our integrated escrow protection service. Shopiblock enables merchants with the world's first blockchain-based loyalty wallet and enables them to reward their most loyal customers in cryptocurrency.

Amongst the other ways the retailer will using Shopiblock:

- share their data, so that the retailer can better service the shoppers' needs through recommendations and marketing
- loyalty points integrated into tokens
- referral bonus as tokens
- push advertising
- pull advertising
- gifting through tokens



The shopper can also use the tokens as a store of value in the form of blockchain-secured incentives and profit from them in future purchases.

Because the tokens are a fungible and easily circulating asset, they can be exchanged with anyone. This enables gifting, donating and exchanging tokens between shoppers, retailers and third-party entities.

Additionally, by enabling Newsletters, shoppers will be able to control the way they receive information on products, and retailers can save on advertising costs and overcome the market entry barriers. This will allow retailers to redirect advertising budgets as rewards for shoppers who share their data and preferences with retailers in a targeted and secure way.

We plan to use Ethereum's Raiden implementation to manage the interaction with the blockchain and minimise the cost of recording and validating transactions between retailers and shoppers. Additionally, it allows for data storage and backup on both shopper's devices and on a decentralised file store.

# Payment Gateway

## **Shopiblock's integrated payment gateway for cryptocurrencies**

Stores can accept all cryptocurrencies built with Shopiblock. The integrated Auto Coin Conversion and many other features let our users get a fully customised crypto payment gateway solution. Shopiblock also offers a shopping cart plugin for its users as seen on Prestashop, Magento and others.

The Shopiblock payment gateway account is also a virtual account: the identity of the account is defined by the email address of the Shopiblock member with a \$, in example (\$johndoe@gmail.com) so there is no account number. The account holder can make payments to third parties and receive payments from them. Shopiblock payment gateway acts as a service provider for the transfer. Shopiblock doesn't act as a trustee though: it only processes the payment, and it is independent from the services provided by the seller.

A primary advantage of Shopiblock - as well as other micropayment systems - is that payments made via Shopiblock are credited immediately to the payee and thus, for example, cuts down the time usually needed by banks to process a payment. Purchases made in the online shop can, in fact, be paid very quickly. This shortens the delivery time if the seller ships the goods promptly after receiving the payment.

When Shopiblock payment gateway is used to pay at a Shopiblock online store, it collects transaction data that exceeds the scope of a normal wire transfer. If the online shop transmits this data to Shopiblock, this includes the delivery address and the individual items of the shopping cart.

Shopiblock members need to register with their details, but a bank account or credit card is not mandatory. If a Shopiblock Member adds a bank account, Shopiblock will perform a test transfer to the specified account to verify it.

After that, Shopiblock members can send money to any email address in supported countries. If the owner of the e-mail address does not have an account, Shopiblock notifies them that a payment has been received at their e-mail address. To be able to dispose of the amount sent, the payee must be registered with Shopiblock or register as a new member.

Furthermore, Shopiblock payment gateway can be used via a web-enabled mobile phone. TLS protects the information of the participants with every transfer. The financial details of the Shopiblock member, such

as the credit card or bank account number, remain hidden from the payee, which should prevent misuse of data.

There are several deposit options to send cryptocurrency with Shopiblock:

- You can send cryptocurrency directly from your Shopiblock balance. For example, the Shopiblock account can be charged in Europe via normal bank transfer using a specific deposit code with a credit balance. The Shopiblock-specified, account-specific code must be entered in the field "Purpose" of the transfer. Charging via bank transfer usually takes about three days, but sometimes it takes much longer, and the amount will be turned to the desired cryptocurrency.
- A credit card can be used for payment. The cryptocurrency does not have to be paid into the Shopiblock account but is collected and converted from the credit card account and credited to the recipient.

For German Shopiblock accounts, there are additional deposit options:

It is possible to make direct debit payments from their accounts. In this case, the amount is immediately credited to a payee's Shopiblock account, and Shopiblock will deduct the amount from the payer's bank account within the next few days.

Furthermore, some payments are only possible via direct debit with a security check. If the amount of Shopiblock is debited successfully from the payer's bank account, the value date after the receipt of payment takes place on the payee's Shopiblock account.

Payments via bank transfer bypassing the charging process are also possible. Here, a transaction-specific code is released. If the transaction-specific code is entered in the "Purpose of Use" window, the value is wired to the payee after the transfer has been received.

It is also possible to transfer money via giro pay to a Shopiblock account. Via a special loading portal or via the option "deposit with giro pay" into a Shopiblock account, direct credit can be charged with the help of the online transfer giro pay. The advantage over a normal bank transfer is that the credit is transferred immediately after the successful giro pay transferring in the Shopiblock account is available and - as usual with giro pay - the transfer is completely pre-filled. The operation with giro pay is free of charge for Shopiblock customers. Withdraw credits from a German Shopiblock account (transfer to reference account): a credit balance on a German Shopiblock account can be "transferred" to the German reference account stored in the Shopiblock account. This is done by a "reversible direct debit", which means that the home bank of the reference account is allowed to collect the money via direct debit from the user account at Shopiblock.

## Consumer Targeting

One of marketing's most fundamental questions is who to target. Shopiblock answers this question with built-in capabilities that will enable merchants to reach beyond their existing customer base and target them with offers, based on demographic criteria like gender, age, interests (like football or fashion), user behaviours like previously redeemed coupons and most important of all, location. This means merchants will be able to send out offers to people in the immediate surrounding of their shops and easily convert them to customers since all offers are based on personal profile information and interests.



*Merchants can easily set up their target Audience in the Shopiblock platform*

### Creating the Decentralised SHB Exchange

Our end goal is to provide the user with a highly secure and scalable platform to trade their Merchant Tokens. The ideal solution here would be to build a decentralised exchange that can match the scaling demand. From a user standpoint, a decentralised exchange provides numerous benefits, but the most important one is that users will hold their coins/tokens in their wallets and do not have to trust a third party. However, decentralised exchanges are still undergoing rapid advancements, and building one requires careful planning and time.

As part of our roadmap, the SHB Merchant Token exchange will not start out as a decentralised solution but will be centralised, like all the leading cryptocurrency exchanges today such as Coinbase, Bittrex or Bitstamp. From a development standpoint, it makes sense first to build the product and add complexity to it later. Building a centralised solution first, so that the users and merchants can use the products much sooner means Shopiblock can be first to market and create the biggest network effect.

# Revenue Model

Shopiblock will have five major streams of income:

1. Merchant Fees, i.e. fees for issuing various types of Merchant Tokens
2. Brokerage Transaction Fees on the SHB Exchange
3. In-App / Online Advertising Fees
4. FIAT Transaction Processing Fee: In-App / Online FIAT transaction processing fees on the SHB Marketplace
5. Fees for the provision of Shopiblock Analytics

Details about each of the five major streams of income:

## 1. Merchant Fees

Shopiblock will charge fees for paid distributions of Merchant Tokens to customers on our platform. For example:

- Discount Merchant Tokens (promo points): fees calculated on a sliding scale based on the frequency of distributions and size of the target audience.
- Loyalty Tokens (loyalty points): subscription fees calculated on the number of loyalty members utilising our loyalty system.

## 2. Brokerage Transaction Fees

Brokerage fees on the conversion of SHB to FIAT or other publicly tradable cryptocurrencies listed on the SHB Exchange.

## 3. In-App / Online Advertising Fees

Fees charged for advertisements and promotions on the SHB Wallet and online SHB Marketplace.

## 4. FIAT Transaction Processing Fees

Processing fees calculated on each FIAT purchase of products and services through the SHB Wallet and SHB Marketplace. SHB will be sold on the platform for a slight premium to market prices. As the SHB inventory gets replenished and potentially added, it will create profits.

# Shopiblock Roadmap

We have an ambitious and realistic roadmap that is designed to provide value for the Shopiblock community, the Shopiblock company, the Shopiblock users and Shopiblock merchants alike. We have planned important milestones and are looking forward to giving you regular updates on the progress made.



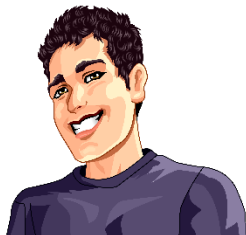
*The SHOPIBLOCK roadmap from October 2016 until Dec 2020*

## The Team

The concept for the Shopiblock System dates back to the beginning of 2017. We noticed the huge inefficiencies in the retail industry and saw that this sector was ready for a blockchain disruption. Focusing on the benefits of the Ethereum technology in combination with private chains for the Merchant Tokens, we saw an opportunity for both disrupting the traditional brick and mortar shops and expanding the user experience with cryptocurrencies.

## Core Team

### Serkan Secgin, Founder & CCO



Blockchain entrepreneur and brainchild of Shopiblock. Has been a project manager and entrepreneur for the past 10 years. Serkan specialises in SaaS and social media platform development, and he has been an investor in cryptocurrencies since 2016.

<https://www.linkedin.com/in/serkan-secgin-a37568a2/>

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<https://twitter.com/SirBennyBlue>



### **Rahel Baumgartner, Accounting Manager & CEO**

Finance expert for 31 years. Worked at different private companies and institutions. Manages the financial part of Shopiblock.  
<https://www.linkedin.com/in/rahel-baumgartner-586a73158/>  
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### **Benjamin Weber, CBDO**

Crypto entrepreneur and trader for the past 3 years. Extensive experience in Bitcoin, Ethereum, Blockchain and business development.  
<https://www.linkedin.com/in/benjamin-weber-8920a6159/>  
<https://www.facebook.com/shopiblocker>



### **Anthony Lange, CTO**

Expert in most IT related topics. Developer for 4 years. Manages the technical aspects of Shopiblock. □  
<https://www.linkedin.com/in/anthony-lange-a68a67158/>  
<https://twitter.com/anthonypaslange>



### **Özgür Arslan, CMO**

High-Level Business and Marketing at Shopiblock. Özgür provides professional business and marketing consulting and focus primarily on business planning, marketing strategy (online and traditional) and has additionally developed dozens of websites.  
<https://www.linkedin.com/in/özgür-arслан-518a73158/>  
<https://www.facebook.com/ozgur.arslan.10>



### **Christoph Wolf, CFO**

Christoph is a member of the top management at Shopiblock and has the entire financial apparatus under his responsibility. Experienced in managing his own company Public Eye Film Production, based in Germany, he deals with the administration of funds, the signing of checks, the keeping of books and the financial and liquidity planning of the Shopiblock company.

<https://www.linkedin.com/in/christoph-wolf-046b956/>

<https://www.facebook.com/christophmwolf>

## Token Sale

Total Supply 1,000,000,000 (one billion) SHOPIBLOCK ERC-20 compatible Tokens (SHOPIBLOCK Tokens) will be distributed according to the schedule below:

### **SHOPIBLOCK Tokens Distribution Schedule**

#### **EARLY ADOPTERS**

250,000,000 SHB

Airdrops, Bounty Program, Private Sale

#### **FUTURE ACTIVITIES**

550,000,000 SHB

Future ICO, Referral program, Bounty Program, Rewarding active users

#### **EXISTING TEAM**

100,000,000 SHB

Reserved for team members and will be locked for 12 months

#### **FUTURE TEAM MEMBERS**

100,000,000 SHB

Used as employment incentives for future team members



## Distribution Schedule

AIRDROP: 01.04.2018 – 15.04.2018	40 MM SHB: CAP 40.000 USER = 1000 SHB PER PARTICIPANT
PRIVATE SALE: 17.04.2018 – 22.04.2018	MAXIMUM SUPPLY 100 MM SHB: 1 SHB = 0,03 USD
PRE-SALE: 28.04.2018 – 25.05.2018	MAXIMUM SUPPLY 100 MM SHB: 4 STAGE BONUS ROUNDS
MAIN SALE: 26.05.2018 – 23.06.2018	MAXIMUM SUPPLY 100 MM SHB: 4 STAGE BONUS ROUNDS
MINIMUM CONTRIBUTION IN PRIVATE SALE	\$1.000 EQUIVALENT IN CRYPTO
MINIMUM CONTRIBUTION IN PRE-SALE	\$250 USD EQUIVALENT IN CRYPTO
MINIMUM CONTRIBUTION IN MAIN SALE	\$10 USD EQUIVALENT IN CRYPTO
UNSOLD SHB TOKENS	WILL BE BURNED

100,000,000 one hundred million SHB distributed in Private Sale with a high bonus during a 5 days period beginning on April 17<sup>th</sup>, 2018 at 09:00 UTC and ending on April 22<sup>th</sup>, 2018 at 08:59:59 UTC.

100,000,000 one hundred million SHB distributed in Pre-Sale with bonus plan during a 27 days period beginning on April 28<sup>th</sup>, 2018 at 09:00 UTC and ending on May 25<sup>th</sup>, 2018 at 08:59:59 UTC.

100,000,000 one hundred million SHB distributed in the Main Sale with bonus plan during a 28 days period beginning on May 26<sup>th</sup>, 2018 at 09:00 UTC and ending on June 23<sup>th</sup>, 2018 at 08:59 UTC.

Of the total ICO supply of 300,000,000 SHB (Private Sale, Pre-ICO and Main Sale), 15% will be allocated to the SHB Foundation. 13% will be allocated for Research & Development, 15% will be allocated to staff expansions, 10% will be reserved for operations and 20 % for development. 25 % will be used for digital marketing and 2 % for legal.

**Soft cap:** Shopiblock set up a soft cap limit of 3,500,000 USD.

**Hard cap:** Shopiblock set up a hard cap limit of 45,000,000 USD.

# Bonus Plan in Pre-Sale

## Genius Entry Level

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Bonus: 1 SHB cost per 0,05 USD  
Available until 25,000,000 SHB sold

## Geeks Entry Level

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1 SHB cost per 0,10 USD  
Available until 50,000,000 SHB sold

## Smart Investors Sale

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1 SHB cost per 0,15 USD  
Available until 75,000,000 SHB sold

## Corporate Sale

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1 SHB cost per 0,20 USD  
Available until 100,000,000 SHB sold

# Bonus Plan in Main-Sale

## Genius Entry Level

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Bonus: 1 SHB cost per 0,25 USD  
Available until 125,000,000 SHB sold

## Geeks Entry Level

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1 SHB cost per 0,30 USD  
Available until 150,000,000 SHB sold

## Smart Investors Sale

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1 SHB cost per 0,35 USD  
Available until 175,000,000 SHB sold

## Corporate Sale

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1 SHB cost per 0,40 USD  
Available until 200,000,000 SHB sold

# Use Of Proceeds

## Business Expansion

Proceeds from the token sale will be used for the development of the SHB System as well as the global roll-out of the Shopiblock business. Marketing, sales and technical engineering offices will be established in the following major gateway cities:



*Shopiblock has chosen an expansion strategy focusing on the major global hubs, starting in America & Europe due to the excellent contacts and anchor client.*

# Risks

The risks associated with purchasing SHB are numerous and significant. In this section, we highlight some of the major known risks associated with SHB. The list below is not intended to be comprehensive.

## **Immaturity of the Ethereum Technology**

The Ethereum blockchain is at an early stage of development, and it is not fully known whether the Ethereum blockchain will be able to sustain long-term operation of large-scale D-apps such as SHB System. As recently as June 2017, the Ethereum blockchain experienced significant delays in processing block transactions due to extremely high volumes associated with similar token sales around that time. It is not certain whether the Ethereum development community will resolve these technical issues in the future.

## **Unknown Impact of Proposed Changes to Ethereum**

The Ethereum Foundation has laid out a roadmap for the improvement and development of Ethereum. While some of the future proposals offer promises to known technical issues, it is uncertain when these new improvements will be introduced, and whether they will be successful. In particular, proposals to "shard" the blockchain to greatly increase blockchain speeds is, at the time of publication, far from its implementation. A proposal to change the mining process from the current Proof-of-Work algorithm to a Proof-of-Stake algorithm will have a yet to be seen impact for the Ethereum network.

## **Prohibitively High Gas Prices for Transactions**

All transactions over the Ethereum blockchain, including the transfer of SHB have a real world cost in ETH ("Gas"). While at this point in time, Gas prices for basic transactions over the Ethereum network are nominal, there is no certainty that Gas prices will not increase, and thereby make the trading of SHB over the Ethereum network commercially unfeasible. Also, high volumes could lead to very high Gas prices for processing transactions, which can make using the blockchain prohibitively expensive.

## **Blockchain Risk**

On the Ethereum blockchain, the timing of block production is determined by proof of work so block production can occur at random times. For example, ETH contributed to the SHOPIBLOCK token sale smart contract (the "Smart Sales Contract") in the final seconds of a distribution period may not get included in that period. You acknowledge and understand that the Ethereum blockchain may not include your transaction at the time you expect, and you may not receive SHB the same day you sent your ETH. The Ethereum blockchain is prone to periodic congestion during which transactions can be delayed or lost. You acknowledge and understand that Ethereum block producers may not include your transaction when you want, or your transaction may not be included at all. Individuals may also intentionally spam the Ethereum network in an attempt to gain an advantage in purchasing cryptographic tokens.

### **Risk of Theft or Misuse of Private Keys**

The control of the SHB source code resides with the SHB Foundation, which holds the relevant private keys in cold storage. While all reasonable measures may be implemented to prevent unauthorised use of those private keys, there is no certainty that they will not be subject to theft, fraud or misuse. The unauthorised use of private keys could result in a significant disruption to the SHB, and in a worst-case scenario, cause the SHB to be unusable and, therefore, worthless.

### **Unknown Merchant Adoption Rates**

The success of the SHB System relies in large part on mass adoption of the SHB System by participating merchants. The developers are in advanced discussions with some global merchants for the deployment of the SHB System. It is not known whether any other merchants will adopt the SHB System. Furthermore, there is no guarantee that the merchants we are in advanced discussions with will ultimately adopt the SHB System.

### **Unknown Consumer Adoption Rates**

Mass consumer adoption of the blockchain technology has not yet occurred. Only a very small percentage of the consumers of incentive programs are familiar with it, let alone with Ethereum. Consumers may opt not to use Merchant Tokens which would impact the attractiveness of the SHB System to merchants.

### **Competition**

Utilising the blockchain technology to disrupt the consumer marketing industry has been seen as one of the earliest foreseen applications of the distributed ledger technology. Consequently, as of the time of publication of this Whitepaper, some other consumer marketing companies compete directly or indirectly with the SHB System. It is not known which company will prevail in the competition for consumer and merchant adoption. It is also not known how many other blockchain consumer marketing companies will enter the market before, or during the token sale.

### **Business Execution Risks**

The implementation of the SHB System roadmap and deployment of its related technological components requires a high degree of professional business and software engineering experience. While the developers have a proven track-record of software engineering and business development, it is not certain that the developers can fully deliver on the technical milestones outlined in the roadmap.

## **Changes to the SHB System**

The modules for the SHB System are under development and may undergo significant changes over time. Although Shopiblock intends for the SHB System to have the features and specifications outlined in this Whitepaper, Shopiblock may make changes to such features and specifications for any number of reasons.

## **Project Completion**

The development of the SHB System may be abandoned for a number of reasons, including, but not limited to, lack of interest from the public, lack of funding, lack of commercial success or prospects, or departure of key personnel.

## **Ability to Transact or Resell**

You may be unable to sell or otherwise transact in SHB at any time, or for the price you paid. By using the ERC-20 Shopiblock token contract (the "Smart Token Contract") or the Smart Sales Contract (collectively, the "Smart Contracts") or by purchasing SHB, you acknowledge, understand and agree that: (a) SHB may have no value; (b) there is no guarantee or representation of liquidity for SHB; and (c) Shopiblock and its affiliates are not and shall not be responsible for or liable for the market value of SHB, the transferability and/or liquidity of SHB and/or the availability of any market for SHB through third parties or otherwise.

## **Token Security**

SHB may be subject to expropriation and/or theft. Hackers or other malicious groups or organisations may attempt to interfere with the Smart Contracts or SHB in a variety of ways, including, but not limited to, malware attacks, denial of service attacks, consensus-based attacks, Sybil attacks, smurfing and spoofing. Furthermore, because the Ethereum platform rests on an open source software, and SHB is based on open source software too, there is the risk that Ethereum smart contracts may contain intentional or unintentional bugs or weaknesses. Those may negatively affect SHB or result in the loss of your SHB, the loss of your ability to access or control your SHB or the loss of ETH in your account. In the event of such a software bug or weakness, there may be no remedy and holders of SHB are not guaranteed any remedy, refund or compensation.

## **Access to Private Keys**

SHB purchased by you may be held in your digital wallet or vault, which requires a private key, or a combination of private keys, for access. Accordingly, loss of a private key(s) associated with your digital wallet or vault storing SHB will result in loss of such SHB, access to your SHB Token balance and/or any initial balances in blockchains created by third parties. Moreover, any third party that gains access to such private key(s), including by gaining access to login credentials of a hosted wallet or vault service you use, may be able to misappropriate your SHB. SHOPIBLOCK is not responsible for any such losses.

## **SHB are Non-Transferable Until Completion of the Token Sale**

You acknowledge and understand that SHB are not transferable until after the end of the SHB sale process.

## **Shopiblock May Modify or Stop the Sale at Any Time**

You acknowledge and understand that SHOPIBLOCK may modify the timing, sale price and number of SHB available for sale at any time during the SHB Distribution Period. You further acknowledge and understand that SHOPIBLOCK reserves the right to terminate the sale process at any time and withdraw any unsold SHB from the sale process. If the sale process has been stopped prematurely, SHB purchased by you may not be transferable.

## **Exchange and Counterparty Risks**

If you send ETH to the Smart Sales Contract from an exchange or an account that you do not control, under the Smart Sales Contract, SHB will be allocated to the account that has sent ETH; therefore, you may never receive or be able to recover your SHB. By using the Smart Contracts and/or by purchasing SHB, you acknowledge and agree that you send ETH to the SHB Token Contract through an exchange account and/or hold SHB on a cryptocurrency exchange or with another third party at your own and sole risk.

## **Uncertain Regulatory Framework**

The regulatory status of cryptographic tokens, digital assets and the blockchain technology is unclear or unsettled in many jurisdictions. It is difficult to predict how or whether governmental authorities will regulate such technologies. It is likewise difficult to predict how or whether any governmental authority may make changes to existing laws, regulations and/or rules that will affect cryptographic tokens, digital assets, blockchain technology and its applications. Such changes could negatively impact SHB in various ways, including, for example, through a determination that SHB are regulated financial instruments that require registration. Shopiblock may cease the distribution of SHB, the development of the SHB System or cease operations in a jurisdiction if governmental actions make it unlawful or commercially undesirable to continue to do so.

## **Currency Regulation Risks**

Governments are still grappling with public policy on the regulation of cryptocurrencies as a form of settlement in trade. Governments adverse to the proliferation of the use of cryptocurrencies in local commerce could issue laws and regulations deeming the use of cryptocurrencies a regulated activity. This could result in holders of SHB being unable to use their SHB without further regulatory compliance by SHOPIBLOCK.



## **Risk of Government Actions**

As noted above, the industry in which the company operates is new and may be subject to heightened oversight and scrutiny, including investigations or enforcement actions. There can be no assurance that governmental authorities will not examine the operations of SHOPIBLOCK and/or pursue enforcement actions against SHOPIBLOCK. Such governmental activities may or may not be the result of targeting SHOPIBLOCK in particular. All of this may subject SHOPIBLOCK to judgments, settlements, fines or penalties, or cause company to restructure its operations and activities or to cease offering certain products or services, all of which could harm SHOPIBLOCK's reputation or lead to higher operational costs, which may in turn have a material adverse effect on SHB and/or the development of the SHB System.

## **Risks Associated with the Token Sale**

SHB are not investment products. Rather, SHB serve a specific function within the SHB System, which is the means to access Merchant Tokens. Without SHB, the general public may not access the SHB Exchange to acquire Merchant Tokens. There is also no expectation of future profit or gain from the acquisition of SHB. SHB do not represent (i) any equity or other ownership interest in SHOPIBLOCK, (ii) any rights to dividends or other distribution rights from SHOPIBLOCK or (iii) any voting or other governance rights in SHOPIBLOCK. For these and other reasons, we believe the sale of SHB does not constitute a public offering of securities subject to prospectus registration requirements. However, public policy towards token sales is changing, and it is conceivable that regulators may in the future seek to broaden the scope of regulation of token sales. This could make token sales subject to registration requirements in the United States and similar jurisdictions. If the SHB token sale becomes subject to registration requirements, this would delay or potentially postpone the proposed SHB token sale indefinitely.

## **Taxation Risks**

The use of Merchant Tokens as a form of settlement currency may or may not be subject to local income tax, capital gain taxes, VAT or other forms of taxes. This uncertainty in tax legislation may expose merchants and customers alike to unforeseen future tax consequences associated with the use of Merchant Tokens as a settlement currency, and/or the trading of tokens or SHB for capital gains.

## **Capital Control Risks**

Many jurisdictions, such as China impose strict controls on the cross-border flow of capital. Holders of Merchant Tokens and SHB may be subject to these regulations and/or arbitrary enforcement of such regulations at any time. This would make the transfer of SHB out of the local jurisdiction to overseas exchanges an unlawful activity exposing the user of SHB to government fines or other regulatory sanction.

## Disclaimer

This whitepaper has been prepared by Shopiblock GmbH for the sole purpose of introducing the technical engineering aspects of the Shopiblock System, its associated platform components, and its underlying blockchain protocol, Ethereum. This document does not constitute an offer, solicitation, recommendation or invitation for, or in relation to, the securities of any company described herein.

The whitepaper is not an offering document or prospectus and is not intended to provide the basis for any investment decision or contract. The information presented in this whitepaper is of a technical engineering nature only and has not been subject to independent audit, verification or analysis by any professional legal, accounting, engineering or financial advisers. The whitepaper does not purport to include information that a buyer of SHB might require to form any investment decision, and, in particular, does not comprehensively address risks of SHB, which are numerous and significant.

Shopiblock (along with its directors, officers and employees), does not assume any liability or responsibility whatsoever for the accuracy or completeness of information contained in this whitepaper, or for correcting any errors herein. Furthermore, should you choose to participate in the initial sale of SHB does not assume any liability or responsibility whatsoever for any loss of market value of SHB.

The content of this whitepaper is technically challenging and requires a high degree of familiarity with distributed ledger technology to comprehend SHB and its associated engineering risks.

Recipients of this document are encouraged to seek external advice and are solely responsible for making their own assessment of the matters herein, including assessment of risks, and consulting their own technical and professional advisers.

### *Disclaimer "forward-looking statements"*

This whitepaper and material uploaded to [www.Shopiblock.io](http://www.Shopiblock.io) contain statements related to our future business and financial performance and future events or developments involving Shopiblock that may constitute forward-looking statements. These statements may be identified by words such as "expect," "look forward to," "anticipate" "intend," "plan," "believe," "seek," "estimate," "will," "project" or words of similar meaning. We may also make forward-looking statements in other reports, in presentations, in material delivered to shareholders and in press releases. Also, our representatives may from time to time make forward-looking oral statements. Such statements are based on the current expectations and certain assumptions of Shopiblock's management, of which many are beyond its control. These are subject to a number of risks, uncertainties and factors, including, but not limited to those described in this whitepaper. Should one or more of these risks or uncertainties materialise or should underlying expectations not occur or assumptions prove incorrect, the actual results, performance or achievements of SHOPIBLOCK may (negatively or positively) vary materially from those described explicitly or implicitly in the relevant forward-looking statement. SHOPIBLOCK neither intends nor assumes any obligation, to update or revise these forward-looking statements considering developments which differ from those anticipated.

## Contact details



For further inquiries on the token sale, please join our amazing Telegram community

and our other social channels:



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