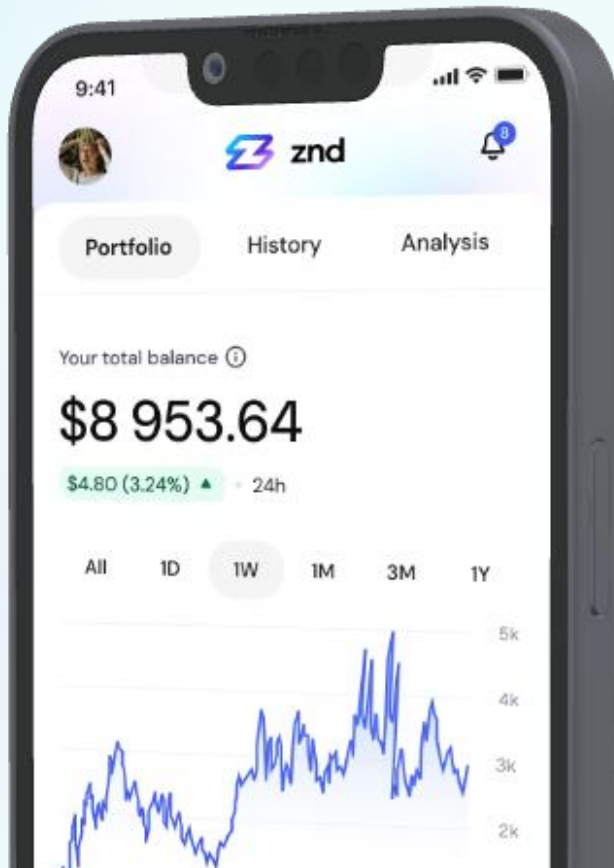


BB Trade Estonia OÜ

White paper of ZND Token

27.06.2024



This crypto-asset white paper has not been approved by any competent authority in any Member State of the European Union. The offeror of the crypto-assets is solely responsible for the content of this crypto-asset white paper.

Issuance of 700 000 000 crypto-asset tokens

This crypto-asset white paper (further **“White paper”**) has not been notified to any competent authority at the date of its publication, as the white paper relates to a crypto-asset other than an asset-referenced token or e-money token within the meaning of Regulation (EU) 2023/1114 of the European Parliament and of the Council of 31 May 2023 on markets in crypto-assets (further **“MiCAR”**) and at the date of the publication of this white paper there is no notification mechanism available.

This White paper complies with Title II of the MiCAR and follows the guidance of the draft regulatory technical standards available at the date of the publication. To the best of the knowledge of the management board of BB Trade Estonia OÜ, the information presented in the White paper is fair, clear and not misleading and the White paper makes no omission likely to affect its import.

The crypto-asset may lose its value in part or in full, may not always be transferable and may not be liquid.

The utility token may not be exchangeable against the good or service promised in the White paper, especially in the case of a failure or discontinuation of the crypto-asset project.



...

The crypto-asset is not covered by the investor compensation schemes under Directive 97/9/EC of the European Parliament and of the Council. The crypto-asset is not covered by the deposit guarantee schemes under Directive 2014/49/EU of the European Parliament and of the Council.

This White paper has been drawn up and published by BB Trade Estonia OÜ (an Estonian private limited company; registry code: 14814864; registered address: Tähesaju tee 9, Tallinn, 13917, Estonia), a virtual currency service provider authorised to provide services in the Republic of Estonia (further “**Issuer**” or “**zondacrypto**”), in connection with the intended listing and admission to trading of crypto-assets (further “**ZND Tokens**”) issued by zondacrypto on a virtual currency exchange operated by zondacrypto (further “**ZND token project**”).

This White paper should be read and construed with any amendment pursuant to Article 12 of MiCAR and with any other documents incorporated by reference herein. This White paper was drawn up in cooperation between the Issuer and ICEO Group (for more information on ICEO Group see section [Information about other entities involved in crypto-asset project](#), as part of mutual collaboration with the Issuer.

This White paper will be published in electronic form on the website of the Issuer (<https://assets.znd.co/token/en/whitepaper>). The White paper is also available on the ZND mobile app in the “ZND Token Tab” This version and any of its amendments shall be published on the same link.

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The summary should be read as an introduction to the White paper.

Summary

All prospective holders of ZND Token are encouraged to read the White paper in full, as this summary is merely an introduction and not a substitute. It's important to note that the offer of the ZND Tokens is not a solicitation for financial instruments, and the White paper itself is not a prospectus under EU Regulation 2017/1129 or any other legal framework. Decisions to purchase ZND Tokens should be based on the entire document and not on the summary alone, informed by a thorough understanding of the token's characteristics and potential risks.

The ZND Token is issued by BB Trade Estonia OÜ, operator of the trading platform on www.zondacrypto.com (further “**zondacrypto exchange**”) and the provider of services on the new platform www.znd.co (further “**Platform**”).

The ZND Token has been designed to ensure that the Platform continues to develop in the direction of becoming a key player in the digital assets market.

A total of 700,000,000 ZND Tokens will be created at the date of issuance of the ZND Tokens at October 2024 (further: “**Token Generation Event**” or “**TGE**”), of which a total of up to 189,000,000 ZND Tokens will be offered for purchase during various rounds starting at June 2024 and ending at October 2024. No new ZND Tokens will be created in the future. Tokens that do not sell by the time all sales rounds are completed will be irretrievably burned.

There are no minimum or maximum target subscription goals applicable to the offering. However, the following offering rounds and their expected targets are intended by the Issuer:

Offer phase	Subscription period	Subscription price	Estimated number of crypto-assets allocated during the phase	Estimated amount of crypto-assets allocated during the phase
Seed round ("Close collaborators")	June 2024 – October 2024	€0,056	9,80%	68 600 000
Private sale ("Early subscribers")	June 2024 – October 2024	€0,065	11,90%	83 300 000
Key Opinion Leaders (social media influencers)	June 2024 – October 2024	€0,065	1,00%	7 000 000
First public sale	July 2024	€0,074	0,80%	5 600 000
Second public sale	September 2024	€0,079	0,90%	6 300 000
Third public sale	September 2024	€0,084	0,90%	6 300 000
Fourth public sale	September 2024	€0,088	0,90%	6 300 000
Launchpads sale	October 2024	€0,093	0,80%	5 600 000

The ZND Tokens will be admitted to trading on zondacrypto exchange, i.e. the crypto-asset trading platform operated by the Issuer. The ZND Tokens may be admitted to trading on further trading platforms in the future.

The main utilities of the ZND token include:

- Payment of trading fees on the Platform and zondacrypto exchange
- Discount on trading fees for certain services on the Platform and zondacrypto exchange
- Access to an additional subscription service and to a smart assistant tool,
- Access to exclusive offers on the Platform, such as the opportunity to open subscriptions in Earn for longer durations with better rewards that are not available to other users,

For more information see the [Information about the crypto-asset](#) section. In addition to the public offering of the ZND Tokens for purchase, a proportion of the ZND Tokens is obtained by the Issuer to be offered for free as a reward through various activities on the Platform further described in section **Information on rights and obligations attached to the crypto-asset**.

In case of cancellation of the ZND Token issue by the Issuer, contributions made by subscribers will be repaid to them.

The ZND Token operates using Ethereum's distributed ledger technology and adheres to the ERC-20 technical standard. Transaction security on the ZND Token is maintained through the established incentive mechanisms of the Ethereum network. Users engage in transactions that are secured and validated by Ethereum's native processes. Storage and transfer of the ZND Tokens are managed through wallets created in Fireblocks—a secure platform for creating and managing digital wallets. This setup allows users to safely store, and transfer their ZND tokens using Ethereum's ledger technology.

Legal Notice

This White paper shall be governed by the laws of Estonia, except to the extent the rules of private international law applied by the competent court provide for the mandatory application of the laws of any other jurisdiction. Any disputes arising in connection with the White paper shall be settled by Harju County Court (Harju maakohus) in Estonia unless the exclusive jurisdiction of any other court is provided for by the provisions of law, which cannot be derogated from by an agreement of the parties. Each purchaser of the ZND Tokens must comply with all applicable laws and regulations in force in any jurisdiction in which he/she purchases, offers or sells the ZND Tokens, possesses or distributes this White paper and must obtain any consent, approval or permission required for the purchase, offer or sale of the ZND Tokens under the laws and regulations in force in any jurisdiction to which he/she is subject or in which he/she makes such purchases, offers or sales, and the Issuer shall have bear no responsibility for these obligations.

For the avoidance of doubt, the ZND Tokens do not qualify as securities and the issuance of the tokens does not qualify as issuance of securities within the meaning of the Estonian Securities Market Act (in Estonian: väärtpaberituru seadus). As a private non-listed entity, the Issuer has not been approved or disapproved by the financial supervision authority of the Republic of Estonia or any securities regulation authority of any jurisdiction nor has the financial supervision authority of Estonia or any securities regulation authority of any jurisdiction passed judgement upon the accuracy or adequacy of this White paper.



...

This White paper does not constitute an offer to sell or a solicitation of an offer to purchase the ZND Tokens in any jurisdiction in which such offer or solicitation is not authorised or to any person to whom it is unlawful to make such offer or solicitation. Each violation of such restrictions may constitute a violation of applicable laws of such countries. The purchasers are required to inform themselves of any such restrictions and return this White paper to the Issuer should such restriction exist. The Issuer reserves the right to approve each purchaser.

The contents of this White paper should not be construed as legal, tax or investment advice. The purchasers shall conduct their own investigation as to the potential legal risks and tax consequences related to the issue of and purchase of the ZND Tokens. Nothing in this White paper shall be construed as the giving of investment advice by the Issuer or any other person. If you are in any doubt as to whether to purchase the ZND Tokens proposed to be offered by the Issuer and described herein, you should consult an independent financial adviser who is qualified to advise on investments of this nature.

The ZND Tokens have not been, and will not be, registered under the U.S. Securities Act 1933, as amended (the “Securities Act”) or with any securities regulatory authority of any state of the United States. The ZND Tokens may not be offered, sold, pledged or otherwise transferred directly or indirectly within the United States or to, or for the account or benefit of, U.S. Persons (as defined in Regulation S under the Securities Act (“Regulation S”)), except to a person who is not a U.S. Person (as defined in Regulation S) in an offshore transaction pursuant to Regulation S.

An investment in the ZND Tokens involves certain risks. Prospective purchasers should read this entire White paper and, in particular “**Risk Factors**” when considering purchasing the ZND Token.

Information about the Issuer

The Issuer (offeror of the crypto-asset and person seeking admission to trading) of the ZND Token is **BB Trade Estonia OÜ**, an Estonian private limited company; registry code: 14814864; registered address and head office at Tähesaju tee 9, Tallinn, 13917, Estonia (office no. 10, 2nd floor), registered in the Estonian E-Business Register on 30.09.2019. The Issuer's commercial name is "zondacrypto".

The Legal Entity Identifier (LEI) of the Issuer is 984500LO5A5DOE66Q610. zondacrypto is an operator of the zondacrypto exchange, and authorised provider of various crypto-asset services under Estonian law, which include:

- Providing services of exchanging a virtual currency against a fiat currency;
- Providing a virtual currency wallet service;
- Providing services of exchanging a virtual currency against a virtual currency;
- Virtual currency transfer service.

zondacrypto exchange is one of the largest (in terms of the number of users) crypto exchanges based in Eastern Europe, aiming to operate under the highest standards of security and legal compliance. zondacrypto became Estonia's first fully licensed and regulated crypto exchange under a strict new regulatory framework imposed by the Estonian Financial Intelligence Unit (FIU) in Autumn 2020.

It is one of the small number of remaining crypto exchanges to remain authorised to provide virtual currency services in Estonia, following a legal reform under which the number of authorised entities reduced from around 1,300 in 2019 to 49 on the date of the publication of this White paper.



...

The Issuer is currently in the process of adjusting its system security measures and compiling and modifying its documentation in accordance with the new regulatory requirements arising from MiCAR and Regulation (EU) 2022/2554 of the European Parliament and of the Council of 14 December 2022 on digital operational resilience for the financial sector (further “**DORA**”). Every person interested in purchasing ZND Token can contact zondacrypto by email at tokensale@znd.co, telephone: **+372 5331 5926** or using a chat available at zondacrypto.com available Monday – Sunday from 8:00 am to 10:00 pm (CET). The Issuer undertakes to respond to any queries via these contact details within two business days.

The Issuer is represented by the members of its management board: the Chief Executive Officer Przemysław Janusz Kral (personal identification code 38006010296), Chief Compliance and Risk Officer Dawid Grzegorz Sendecki (personal identification code 39108310285) and Board Member Guido Bühler (personal identification code 36605170428). The common business address of all management board members is the head office of the Issuer.

The Issuer’s Italian Branch is registered in the special section of the Italian Register for operators in virtual currency managed by the Organismo Agenti e Mediatori (“OAM”) under number PSV48. Moreover, zondacrypto additionally was entered into the Polish Registry of Crypto–Asset Service Providers under number RDWW–893. It also has operating licences in Slovakia, Lithuania and Canada. The owner of all companies holding a licence / entry to the VASP register is DIVISIO HOLDING AG.

The parent company of the Issuer is DIVISIO HOLDING AG, a Swiss Limited Company, UID CHE–161.370.248, registered address: Baarerstrasse 78, 6300 Zug, registered in Kanton Zug Commercial Register on 24.06.2021, with a share capital of 100 000 CHF, represented by Dr. André Terlinden – a member of the board of directors. All of the Company’s shares confer the same voting rights.



...

DIVISIO HOLDING AG is owned by CEO of zondacrypto – Mr. Przemysław Kral. Other above-mentioned members of the Management Board do not have potential conflicts of interest between any duties to the Issuer and their private interests or other duties as of the date of this White paper. In particular, they don't have any principal activities performed by them outside the Issuer which are significant with respect to the Issuer. zondacrypto offers its services in the countries where it is authorised to do so. The share capital of BB Trade Estonia OÜ amounts to 350 000 EUR and is fully paid up. The shares were created pursuant to Estonian law. BB Trade Estonia OÜ has waived the formal requirement for a disposition for the transfer and pledge of a share. All of the Company's shares confer the same voting rights.

The BB Trade Estonia OÜ's fiscal year corresponds to the calendar year.

According to zondacrypto's financial report for 2022 – its financial stability is good. BB Trade Estonia OÜ has made a profit of 1 735 279 EUR in 2022. As for the previous years:

- In 2021: the net profit earned from the activities of BB Trade Estonia OÜ was 17 205 468 EUR;
- In 2020: the net profit earned from the activities of BB Trade Estonia OÜ was 6 626 090 EUR.

zondacrypto's profit varies each year, depending on the fluctuating situation on the crypto-assets market. However BB Trade Estonia OÜ financial position may be described as stable as it consistently proves its profitability.



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Everyone can access the aforementioned reports by using the following hyperlinks:

Financial report
for 2022

Financial report
for 2021

Financial report
for 2020

or by visiting the Estonian commercial registry website at:

https://ariregister.rik.ee/eng/company/14814864/BB-Trade-Estonia-O%C3%9C?search_id=032b9c9&pos=1#

Please be advised – financial reports were submitted in Estonian.

zondacrypto's report for 2023 isn't yet available to the public as it hasn't been submitted yet. Due date of the report for 2023 is 30.06.2024. However, according to current, unaudited estimates annual profit for 2023 will be 2 645 524 EUR. Once the audited version of the financial report will be published, this White paper shall be updated. It will also be available at the Estonian commercial registry website mentioned above.

The Issuer did not publish any profit forecasts or estimates. There has been no material adverse change in the prospects of the Issuer since 31 December 2022.

There are no and there have been no governmental, legal or arbitration proceedings (including any such proceedings which are pending or threatened of which the Issuer is aware), for the previous 12 months which may have, or have had in the recent past significant effects on the Issuer's financial position or profitability.

Information about the crypto-asset project

Name and brief description of the crypto-asset project

The ZND Token is issued by BB Trade Estonia OÜ, operator of the zondacrypto exchange. ZND Tokens are intended to be used as utility tokens within the meaning of MiCAR. The platform on which ZND Tokens can be used is www.znd.co and www.zondacrypto.com.

Token name	Ticker	Network / Standard	Total Supply
ZND Token	ZND	Ethereum / ERC – 20	700 000 000

The ZND Token is issued by BB Trade Estonia OÜ, operator of the zondacrypto exchange. ZND Tokens are intended to be used as utility tokens within the meaning of MiCAR. The platform on which ZND Tokens can be used is www.znd.co.

ZND Tokens may be issued at an issue price which is at par or at a discount to, or premium over, par, as stated in the document regulating the purchase of the token (e.g. SAFT agreement). ZND Token's supply will never exceed 700 000 000 units, out of which 189 000 000 tokens will be sold. The exact amount of tokens offered under each round is specified on pages 25–31.

Whenever someone acquires a ZND Token – it may be assigned to his/her ZND account on ZND Platform. Tokens bought in a private sale round will be transferred to the buyers ERC-20 wallet address.



...

ZND Token is an essential element of the ZND Platform. The ZND Token is designed to be the cornerstone of the ZND platform. It will act as a unit of settlement, a form of reward, and a motivator for users to engage with services available on the Platform. The Issuer's objective is to continually enhance the value of the ZND Token through various mechanisms embedded in the tokenomics model, aligning the growth of the ZND Token with the expansion and success of the Platform.

The Platform, with its array of core services including 'Earn', 'Explore', 'Trade', and 'Borrow' (those services are in details described below), is underpinned by a robust and strategically designed tokenomics structure. The components of this tokenomics framework are integral in driving the ecosystem's functionality and user engagement.

The **Explore** feature is ZND platform's hub, granting access to up-to-date news, detailed insights about specific assets, and analyses. The **Explore** feature will also in future equip users with an AI-driven assistant (further "**AI Smart Assistant**"), from which they can ask questions via the chat in order to be guided through the 'Explore' feature.

With **Earn** users may receive rewards in exchange for contributing to subscription plans available on ZND Platform. Contribution in a subscription plan means freezing one's cryptocurrencies for the settlement period.

[Example: User decides to freeze 1 ETH in a subscription plan lasting 30 days with an APR of 5%. During this time he cannot use his funds in any way. Every Wednesday he will receive rewards for the previous 7 days according to the set APR. After 30 days, his funds will be fully unblocked.]



...

Rewards are based exclusively on factors external to zondacrypto's activity, such as but not limited to the gross value of cryptocurrencies provided by all users in all subscription plans during the settlement period and the number of aforementioned users.

Trade simplifies buying and selling of crypto-assets. The Issuer is seeking the possibility to cooperate with a licensed investment firm in order to include a wider array of assets, such as shares, ETFs, metals, and fiat currencies within the **Trade** service in the future. **Trade** service will initially feature only the possibility of trading cryptocurrencies and fiat currencies. Users can monitor their portfolio's performance over time and swiftly execute transactions. **Trade** shall be integrated with an AI Smart Assistant. This integration will facilitate quick and informed purchase decisions.

The Issuer is seeking the possibility to cooperate with a licensed creditor in order to allow users to take loans in various assets, via **Borrow** feature in the future. It offers new financial opportunities to users. **Borrow** feature is intended to be used strategically for financial leverage or to hedge against expected declines in asset value.

Please be advised that all features mentioned above, apart from the Earn feature, are only planned and the Issuer cannot guarantee their implementation. The delivery and introduction of these features is dependent on acquiring appropriate licences or cooperation with licenced entities.

Details of all natural or legal persons involved in the implementation of the crypto-asset project

The Platform has been developed in cooperation between the Issuer and ICEO Group. With combined expertise, resources, and regulatory compliance, the Platform benefits from a solid foundation for growth and success.

The entity responsible for the development of the software licensed to the Issuer and used by the Issuer to operate the Platform is ZND.CO OÜ with its registered office in Tallinn, address: Harju maakond, Tallinn, Lasnamäe linnaosa, Tähesaju tee 9 (office no. 7, 2nd floor), 13917, Estonia, registered in the register of companies in Estonia (hereinafter referred to as “ZND”).

As part of the ZND Token and ZND Platform project, ICEO Group has assisted the Issuer with the technical and technological side (IT services, participation in the creation of tokenomics, technical issues related to the creation of the token, assistance in the preparation of the White paper). The Issuer is responsible for legal and compliance issues and any issues for which a licence is required by law, in particular the Issuer is the operator of the Platform where it offers the services described in this White paper.

ICEO Venture Builder is a conglomerate of companies. The main one is ICEO LAB Limited Company with its registered office at Office 407b, 182-184 High Street North, E6 2JA London, a company incorporated and operating under the laws of the United Kingdom, entered in the Register of Companies for England and Wales under the number: 11384164. The other companies which are part of the ICEO group are:

- ICEO RED O OÜ – with its registered office in Tallinn, address: Harju maakond, Tallinn, Lasnamäe linnaosa, Tähesaju tee 9, 13917, registered in the register of companies in Estonia under number 16536033;
- ICEO RED I OÜ – with its registered office in Tallinn, address: Harju maakond, Tallinn, Lasnamäe linnaosa, Tähesaju tee 9, 13917, registered in the register of companies in Estonia under number 16769599.



...

The only member of the Management Board in the above-mentioned companies is Wojciech Piotr Sroka (Personal identification code 39110240090). ICEO RED O OÜ is also a 50% shareholder of ZND.CO OÜ and Wojciech Piotr Sroka is also the sole management board member of ZND.CO OÜ.

Natural persons involved in the implementation of the crypto-asset project:

General management over the project: Przemysław Kral (zondacrypto) and Wojciech Sroka (ICEO)

Tokenomics: Ewelina Wasik (zondacrypto), Albert Marczyk (zondacrypto), Piotr Kubasik (ICEO)

Technical Side: Mateusz Kliś (zondacrypto), Michał Kościelniak (zondacrypto), Mateusz Konik (ICEO), Wojciech Paczuła (ICEO), Paweł Panek (ICEO), Marcin Szleper (ICEO)

Legal and Compliance: Karolina Gwóźdź (zondacrypto), Joanna Łongiewka (zondacrypto), Paulina Gomoła (zondacrypto), Dawid Sendecki (zondacrypto), Reet Jurik (zondacrypto), Aleksandra Górka (zondacrypto), Łukasz Pęczkowski (ICEO), Rafał Pietrzkiewicz (ICEO),

Employees of zondacrypto and ICEO can be reached by contacting their respective employers:

zondacrypto

Office nr 10 (second floor)
Tähesaju tee 9
13917 Tallinn, Estonia
email: support@zondacrypto.com

ICEO

Office 407b, 182-184 High Street
North,
E6 2JA London
email: hello@iceo.co

Key features of the utility token

ZND Token serves as a versatile utility token that enriches user experience on the Platform and zondacrypto exchange with multiple advantages. Users can use ZND Tokens to seamlessly cover trading fees. Notably, opting to pay trading fees with ZND Tokens results in discounted rates in comparison to trading fees in other currencies.

Holding ZND Tokens in a Platform's account opens the door to additional features and services. This includes access to premium subscription models within the 'Earn' service, ability to trade a wider array of crypto-asset pairs and entry to unique collections in the 'Trade' service.

Unique collections are various cryptocurrencies gathered in baskets. Each basket contains assets from one category.

[Example: User will be able to buy a basket of cryptocurrencies from the DeFi category in one step.]

Moreover, the ZND Token acts as a foundational unit of account across all mechanisms on the platform described in further points, streamlining transactions and value assessments. This integral role underscores the token's importance in harmonising the platform's economic environment, ensuring a cohesive and rewarding user experience.

The platform was established in December 2023. All resources intended for its creation were financed using the Issuer's own funds. The Platform was launched with one service available – 'Earn'. During the first 5 months, 6,500 users registered on the Platform. Past and future milestones of the ZND project can be summarised with the following roadmap:



Q4 2023

- Launch of the Platform
- 1st Pillar Launch – ‘Earn’



Q1 2024

- Announcement for plans for the ZND Token
- Launch of Airdrop Quests – Stage 1 intended for the zondacrypto community



Q2 2024

- Start of ZND Token subscription period intended for narrow group of buyers – Close collaborators¹ (further “**Seed Round**”) and Early subscribers² (further “**Private Sale**”).
- ZND Token’s subscription period for Key Opinion Leaders (further “**KOL’s Sale**”) – this round targets influencers with significant followings on social media platforms. In this token sale round, KOLs are offered a more favourable token price in exchange for promoting the project to their community



Q3 2024

- ‘**Trade**’ service launch – described on page 15
- First ZND Token’s public offering (further “**First Public Sale**”) intended for zondacrypto community conducted on ZND Platform
- Launch of Airdrop Quests – Stage 2 intended for wide community
- ZND Token’s 2-4 Public Sale are intended for the broader community and will be conducted sequentially on the ZND Platform



Q4 2024

- ✓ Launchpads round – This round is plan to be conducted on external platforms known as "launchpads," which are specialised platforms for conducting token sales. This round is aimed at reaching out to other communities within the cryptocurrency market to expand the reach of ZND Token sale
- ✓ Token Generation Event – inaugurates the token smart contract and initiates the tracking of parameters like Cliff periods and Vesting schedules for all token allocation groups
- ✓ Exchange Listings – opening markets for the ZND Token on the zondacrypto exchange and the decentralised Uniswap exchange³
- ✓ 'Explore' service launch – described on page 14
- ✓ **launch of ZND Token features:**
 - 'Loyalty Program' – described on pages 41 – 42
 - 'Farming' – described on pages 38
 - 'ZND Token Staking Program' – described on pages 40 – 41
 - 'Special Pool' – described on pages 41 – 42



Q1 2025

- ✓ 'Borrow' service launch described on page 15
- ✓ 'Affiliate Program' launch – described on page 45 – 46

¹ Close collaborator – an entity to which the Issuer has given this status on the basis of a significant business relationship

² Early subscribers – an entity to which the Issuer has given this status as an important investor who wanted to purchase tokens earlier, when the project is still mostly unknown to the general public

³ Uniswap – a decentralised cryptocurrency exchange enabling the purchase or sale of cryptocurrencies. Trading on it is based on liquidity pools, i.e. pools of two assets usually provided by the project in order to open trade in its own token.



The primary objective of the ZND Token is to collect funds for the future development of the Platform with its future utilities, mentioned in the roadmap above.

Airdrop Quests refers to a marketing campaign in which users perform specific tasks on the Platform in exchange for rewards in ZND Tokens from the marketing pool. For more information on how the first Airdrop Quest was performed, you may familiarise yourself with the Terms and conditions ZND Token Airdrop, available at <https://zondacrypto.com/en/legal/znd-token-airdrop-terms-conditions>

Collected funds are planned to be spent in accordance with the following table:

Allocation of funds	
Liquidity	43%
Marketing	22%
Token Sale Partners	5%
Token Features development	5%
ZND Platform Development	25%

The table above displays the distribution of funds collected during the issuance of the ZND Token. The above percentage division of funds applies regardless of the final amount of funds collected.

The primary goal of the fundraising is to acquire funds to provide liquidity for the ZND Token on both centralised exchanges like zondacrypto, where market makers require funds to ensure market depth and liquidity, and on decentralised exchanges such as Uniswap, where funds in the form of stable coins and the ZND Token are added to the liquidity pool, ensuring safe and stable trading for all market participants.



...

The Issuer aims to allocate up to 43% of the collection amount for this purpose. This pool to provide liquidity will be divided equally between decentralised and centralised exchanges. This cannot be confused with the allocation of ZND Tokens for the same purpose, which is 8%.

22% of the funds will be earmarked for marketing, which will be utilised for an extensive marketing campaign covering various activities such as media publications, partnerships with influencers, and online and offline ZND project banner placements. This effort is intended to bolster ZND project visibility and attract new users to the Platform.

25% will be designated for Platform development and 5% to ZND Token features development. The allocated amount is relatively modest, as a significant portion of the project's development activities is funded internally.

Additionally, 5% of the collection amount is allocated for remunerating Sales Intermediaries⁴ of the ZND Token.

⁴ Sales Intermediaries – Marketing Agents who present the token purchase offer to their own network of investors, charging commissions for it.

Information about the offer to the public of the crypto-asset and its admission to trading

This White paper can be regarded as an offer to the public of the ZND Token within the meaning of MiCAR – a communication presenting sufficient information on the terms of the offer and the crypto-assets to be offered to enable prospective holders to decide whether to purchase those crypto-assets. This White paper is also published for the purposes of admission to trading of the

ZND Token will be listed on the zondacrypto platform and the Platform for trading.

The reason for offering the ZND Token to the public is to obtain financing for the development of the Platform and in order to market it.

A total of 700 000 000 ZND Tokens will be created and no new tokens will be created in the future.

Fundraising Goal

€12 227 600

ZND Tokens for Sale

189 000 000 ZND

The end of the issuing is planned for October 2024. The ZND Token project does not have a soft cap, therefore the Token Generation Event will start regardless of the amount collected.



As the amount of ZND Tokens for sale is fixed, oversubscriptions are impossible because each sale round is closed at the moment where the number of subscriptions for ZND Tokens meets the number of allocated ZND Tokens.

If the level of ZND Token sales specified in the table above is not reached, all unsold ZND Tokens will be burned.

All token sale rounds except the launchpad round will be conducted on the Platform. In the case of purchasing ZND Tokens via the Platform during emission, there are no additional fees for purchasing ZND Tokens.

When the ZND Token is admitted to trading, a specific fee will be imposed on each purchase and sale transaction of the ZND Token on the Platform.

Whenever the ZND Token will be offered on third-party platforms – they may impose fees following their own policies.

There are no restrictions on the types of token holders. However to acquire it during the emission – one must have a verified account on the Platform (which is equivalent to verification on the zondacrypto exchange).

As specified in Article 13 of MiCAR – retail holders shall have a period of 14 calendar days within which they have a right to withdraw from their agreement to purchase ZND Tokens without incurring any fees or costs and without being required to give reasons. The period of withdrawal shall begin from the date of the agreement of the retail holder to purchase the ZND Tokens.

All payments received from a retail holder shall be reimbursed without undue delay and in any event no later than 14 days from the date on which the offeror is informed of the retail holder's decision to withdraw from the agreement to purchase the ZND Tokens.



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Such reimbursement shall be carried out using the same means of payment as that was used by the retail holder for the initial transaction unless the retail holder expressly agrees otherwise and provided that the retail holder does not incur any fees or costs as a result of such reimbursement.

Token Sale rounds

In the ZND Token issuance, 8 distinctive sales rounds are intended to take place, each distinguished by various parameters:

- Token price,
- TGE Unlock – percentage of tokens (out of the 189,000,000 subject to public and private offering) allocated for the given round, which the buyer will receive at the time of TGE,
- Cliff – Number of months during which no tokens will be distributed to the buyer,
- Vesting – The number of months during which the buyer will receive the purchased tokens until the total amount of tokens that the buyer purchased is completely distributed.

Token sale rounds have been designed to cater to various buyers profiles. We will begin with exclusive private rounds:

A Seed round for Close collaborators

B Private round for Early subscribers

These rounds boast the most favourable token price, albeit with a conservative TGE unlock percentage and extended Cliffs and Vesting periods. Scheduled for Q2 of 2024, these rounds will persist until all allocated tokens are sold or until the TGE event



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Following this, we introduce a round specifically curated for Key Opinion Leaders (KOLs) – individuals with significant influence and expansive communities. KOLs will benefit from an appealing token price and a higher TGE unlock rate in exchange for promoting the ZND project within their networks. This round commences in July 2024 and will continue until all allocated tokens for that round are distributed or until the TGE event.

Subsequently, we transition to the public sale rounds, denoted as Public Sale Rounds 1 through 4, occurring throughout Q3 2024. Each successive round offers a progressively higher token price, accompanied by an increased TGE unlock percentage and reduced Cliffs and Vesting periods.

Participants in the public sale rounds retain the flexibility to select their preferred round based on their risk appetite and investment preferences.

The inaugural public sale round kicks off in July 2024, spanning a maximum of 7 days, with the possibility of concluding earlier if the allotted tokens are fully subscribed before the deadline.

Rounds 2 through 4 follow suit in Q3 2024, sequentially lasting 7 days each, potentially concluding prematurely upon complete token allocation.

Tokens that are not sold in a given Round of Public sale move on to the next round. Tokens that are not sold in the last round will be burned.

Finally, culminating the series, we allocate a dedicated round for external launchpad platforms, facilitating broader access and exposure to the ZND Token ecosystem. All rounds will be conducted on the Platform except the Launchpad round.

Token Sale Round	Round duration	Token Price	TGE Unlock	Clif (Months)	Vesting (Months)	Expected amount of funds raised
Seed Round	June 2024 – October 2024	€0,056	12%	8	12	€3 841 600
Private Sale	June 2024 – October 2024	€0,065	14%	6	10	€5 414 500
KOL's Round	June 2024 – October 2024	€0,065	20%	2	10	€455 000
Public Sale – 1	July 2024	€0,074	16%	3	7	€414 400
Public Sale – 2	September 2024	€0,079	17%	3	7	€497 700
Public Sale – 3	September 2024	€0,084	18%	2	6	€529 200
Public Sale – 4	September 2024	€0,088	19%	1	5	€554 400
Launch pad Rounds	October 2024	€0,093	20%	1	7	€520 800

For the purpose of safeguarding the funds raised during all offer phases – such funds will be kept in the custody of zondacrypto who is a crypto-asset service provider authorised for the custody and administration of crypto-assets on behalf of third parties.

If the purchase of tokens takes place on the ZND Platform, users may pay in one of five currencies (PLN, EUR, USD, ETH, USDC), which must have been deposited on the user's ZND account with the use of methods currently available there. Currently (in June 2024) – the only possibility of depositing funds on a user's ZND account is via the zondacrypto platform.

If the purchase takes place on external launchpad platforms, these launchpads will be responsible for implementing adequate payment methods.

The tokens will be distributed to individual allocation groups according to the parameters specified in the table below. Most of them will receive some tokens during the token launch (TGE). The cliff period specifies the time after TGE during which the rest of tokens release will begin, while the vesting period specifies the time when all tokens will be released to a given allocation group. Vesting is linear and token distribution will take place once a month.

[Example: a 3-month Cliff followed by a 3-month linear monthly distribution Vesting period means that vested tokens will not be accessible until three months after the Token Generation Event (TGE). Vesting will then commence at the start of the fourth month and continue for the next three months. Tokens will be distributed once a month for 3 months]



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When purchasing ZND Tokens on the Platform, the buyer's account will reflect ZND Tokens to be acquired. This will be shown as entries on the user's balance on Platform, labeled according to the Token Sale Round in which the acquisition took place:

- Seed Sale: sZND
- Private Sale: pZND
- Public Sale 1: p1ZND
- Public Sale 2: p2ZND
- Public Sale 3: p3ZND
- Public Sale 4: p4ZND
- KOL's round: kZND

From the Token Generation Event (TGE) onward, the record on the user's balance will be updated with each transaction that adds ZND Tokens to the buyer's account. The amount of sZND, pZND, etc. will decrease while the number of distributed ZND Tokens will increase, following the cliff and vesting schedule.

Balance entries represent only an obligation of the Company to allocate ZND Tokens. Balance entries stated above (sZND, pZND, etc.) are not tokens and cannot be traded, withdrawn or in any other way used in Platform's functionalities.



Allocation Group	Allocation (%)	Amount of tokens	TGE Unlock	Clif (Months)	Vesting (Months)
Seed Sale	9,80%	68 600 000	12%	8	12
Private Sale	11,90%	83 300 000	14%	6	10
KOL's Round	1,00%	7 000 000	20%	2	10
Public Sale – Stage 1	0,80%	5 600 000	16%	3	7
Public Sale – Stage 2	0,90%	6 300 000	17%	3	7
Public Sale – Stage 3	0,90%	6 300 000	18%	2	6
Public Sale – Stage 4	0,90%	6 300 000	19%	1	5
Launchp ads round	0,80%	5 600 000	20%	1	7
Partners	8%	56 000 000	10%	3	24
Treasury	29%	203 000 000	0%	24	60
Liquidity	8,00%	56 000 000	20%	0	6
Marketing	5,00%	35 000 000	16,00%	0	24
Team	8%	56 000 000	0,00%	12	36
Ecosystem Incentives	15,00%	105 000 000	2,00%	0	48

According to the above Cliff and Vesting schedule, tokens will be distributed via smart contract to the wallet assigned to each Allocation group. The wallets are owned by zondacrypto, which will further distributes ZND Tokens to the individuals within the Allocation groups.

All ZND Token allocation groups are described below:

Ecosystem Incentives reserve token pool is a pool of ZND Tokens which will be held by zondacrypto, which may be used by zondacrypto to provide needed liquidity to the ZND mechanisms, including the following:

- **Staking** – tokens may be used as rewards for participants of the ZND Staking program (described in details on pages 40 – 42);
- **Farming** – tokens may be used as an additional bonus for people using the ‘Earn’ service who enabled the farming option – in case decided to convert their rewards into ZND Tokens (described in details on pages 38 – 39);

Marketing – Dedicated tokens reserved for fuelling the marketing campaign of the ZND platform. This pool of ZND Tokens will be held by zondacrypto. This initiative involves distributing tokens (airdrops) to incentivise users who register on the Platform, follow our social media channels, and actively engage within the Platform.

Liquidity – Essential funds allocated to bolster liquidity for the ZND Token across both centralised platforms like ZND and zondacrypto, as well as decentralised exchanges such as Uniswap. This pool of ZND Tokens will be held by zondacrypto. This pool is crucial for facilitating seamless and stable exchange of the ZND Token, ensuring smooth trading experiences for users across various platforms.

Treasury – Reserved funds designated for future development endeavours within the ZND project. This pool of ZND Tokens will be held by zondacrypto. This includes the creation of new mechanisms, ongoing financing of current initiatives like the ZND Staking program and Farming. The Treasury serves as a strategic resource to support the sustained growth and evolution of the project over the long term.



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Team Allocation – Tokens earmarked to reward and incentivise the dedicated team behind the ZND project. This allocation aims to recognise the team's contributions, foster commitment, and enhance motivation to drive forward the development of the project. This pool of ZND Tokens will be held by zondacrypto and subsequently distributed to the designated team members.

Partners Allocation – Reserved funds intended to recognise and reward the significant contributions of partners and advisers to the ZND project. This allocation acknowledges their substantive involvement and incentivises continued collaboration, fostering mutual success and growth. This pool of ZND Tokens will be held by zondacrypto and subsequently distributed to the designated Partners.

The Purchaser of the ZND Token is required to possess a user account on the Platform, understood as being a fully verified user account having met the KYC standards required on the Platform. This also means having an account on the zondacrypto exchange and being verified by the Issuer.

After issuance, the ZND Token is intended to be traded on the ZND Platform and zondacrypto exchange and on a decentralised exchange – Uniswap.

None of the platforms mentioned above charge fees for having an account, but all of them charge a commission for trade transactions made. The names of other exchanges on which the token might be listed are not known yet. There are no separate subscription fees. ZND Tokens bought on the Platform will be assigned to the purchaser's account.

Costs of ZND Token's issuance and of offering it to the general public were covered entirely by zondacrypto.



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Costs of ZND Token's issuance and of offering it to the general public were covered entirely by zondacrypto.

There are no significant conflicts of interest in the project. As it was stated in the "Information about the Issuer" – there is a parent company of the Issuer, which is owned by CEO of zondacrypto – Mr. Przemysław Kral.

The only relevant conflict of interests come from the separation of entities responsible for the development and maintenance of the software hosting the ZND Platform (being ZND.CO OÜ), from the one responsible for offering services on the ZND Platform (being zondacrypto) and from the one which was predominantly responsible for ZND Token's technical, economic and legal design (being ICEO). The risks related to this situation are described in the "Information on risks" section.

Information about the crypto-asset

ZND Token is a digital representation of value and rights that may be transferred and stored electronically, using distributed ledger technology. Hence it should be considered as a crypto-asset other than asset-referenced tokens and e-money tokens within the meaning of MiCAR. The ZND Tokens do not qualify as securities within the meaning of the Estonian Securities Market Act (in Estonian: väärtpaberituru seadus).

ZND Token neither refers to the value of a fiat currency that is legal tender nor to the value of several fiat currencies that are legal tender, one or several commodities, one or several crypto-assets, or a combination of such assets. Therefore it shouldn't be considered an electronic money token or asset-referenced token within the meaning of MiCAR.

The ZND Token provides access to services on the Platform, some of which are existing at the time of the offering and some of which are intended to become available following the offering. Therefore, ZND Token can be described as a utility token within the meaning of MiCAR. The digital access to utilities is further described in the section "Information on rights and obligations attached to the crypto-asset".

Information on rights and obligations attached to the crypto-asset

Description of the rights and obligations

As referred to above, ZND Token is a utility token, providing access to services and additional offers on the Platform. In order to purchase ZND Token during any of the private or public sale rounds and in order to obtain access to the utilities, it is necessary to possess a user account on the Platform, for which separate terms and conditions apply, as published on the website of the Platform.

If the ZND Token issuance is cancelled, contributors will have the right to be repaid.

All rights and obligations related to the token are intended to apply from the day of issuance. The overview of services available to ZND Token holders, followed by the description of the reward mechanisms, is described below.

ZND Tokens allow access to exclusive features and services on the Platform. This includes access to premium subscription models within the 'Earn' service, entry to unique collections in the 'Trade' service, and the ability to trade a wider array of pairs. These features were thoroughly described in the "information on rights and obligations attached to the crypto-asset" part.

Moreover, the ZND Token acts as a foundational unit of account across all mechanisms on the Platform, streamlining transactions and value assessments. This integral role underscores the token's importance in harmonising the platform's economic environment, ensuring a cohesive and rewarding user experience.



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The ZND Tokens can be purchased or sold after the offer to the public on the ZND Platform and zondacrypto exchange and on a decentralised exchange – Uniswap. We do not rule out the possibility of the ZND Token being listed on other exchanges, whose names can't be known yet.

There are no internal restrictions on the transfer and tradability of the token. However, some restrictions might be imposed by exchanges on which the ZND Token will be traded.

The ZND Token has a protocol for the decrease of its supply in response to changes in demand – being the token-burning mechanisms, which were described in detail on page 45. The whole tokenomics was specifically designed to protect the ZND Token's value.

Potential losses due to e.g. currency exchange risk are to be borne by purchasers. ZND Token doesn't have any additional compensation schemes.



Farming

The farming mechanism in the ZND ecosystem offers a unique and enticing opportunity for users holding various crypto assets who wish to acquire ZND Tokens without directly purchasing them from the market. This feature is integrated into the platform's 'Earn' service, where users can "freeze" their existing assets in a chosen subscription plan. A novel aspect of this mechanism is the flexibility it offers in reward distribution: users can choose to receive their rewards either in the same asset they originally froze, or in ZND Tokens.

Moreover, they have the freedom to set the reward proportion according to their preference, such as 40% in the frozen crypto-asset and 60% in ZND Tokens, or even 100% in ZND Tokens. When a user chooses to receive rewards in ZND Tokens, it signifies their request for an automatic conversion of their rewards into ZND Tokens on the market. The user receives the reward as per the schedule outlined in the earning service, in the same asset originally locked in the subscription plan. Simultaneously, the exchange order, as agreed upon by the user, is activated, initiating the conversion of the received asset into ZND Tokens.

Choosing to receive rewards in ZND Tokens not only diversifies the user's portfolio but also comes with an additional bonus. This bonus ranges from 1% to 20% of the reward's value in ZND Tokens, contingent on the proportion of the reward opted in ZND. The higher the percentage of ZND Tokens chosen for the reward, the greater the bonus. This structure is an attractive incentive for users to increase their engagement with the ZND ecosystem and its native token.



Summary of Benefits

User Benefits

Portfolio Diversification

The farming mechanism allows users to diversify their investment portfolio by converting part of rewards to ZND Tokens in addition to the “freezed” currency.

Flexible Reward Options

Users have the flexibility to choose their reward proportions between the “freezed” currency and ZND Tokens, catering to individual investment preferences.

Bonus Incentives

The farming mechanism allows users to diversify their investment portfolio by converting part of rewards to ZND Tokens in addition to the staked currency.

ZND Ecosystem Benefits

Long-Term Holder Creation

Encourages users to become long-term holders or ‘hodlers’ of ZND Tokens, fostering a committed user base within the ecosystem.

Controlled Market Impact

With a cap on the bonus amount, the mechanism ensures that it does not create excessive selling pressure on the ZND Token.

Enhanced Attractiveness of ‘Earn’ Service

The potential for higher rewards through bonuses makes the ‘Earn’ service more attractive to users, incentivizing greater participation.

ZND Token Staking Program

The Staking Program in the ZND ecosystem is a key mechanism encouraging token holders to engage with the Platform over the long term. Users can lock ('freeze') their ZND Tokens for a predetermined duration, during which they accrue rewards (as opposed to with the 'Earn' service, where the "frozen" tokens consist of other crypto assets than ZND Token). These ZND Tokens are sent to a dedicated wallet where they are frozen until the user orders their withdrawal. The rewards are calculated based on several factors, including the total amount of tokens staked and the length of the staking period. The purpose of this strategic function is to promote long-term commitment to the ZND Project and enhance the overall health and stability of the ecosystem.

Eligibility and Participation

Participation in the Staking Program requires users to hold a unique Loyalty Tier in Loyalty program, which acts as an access key. This Loyalty Tier can be acquired through different avenues:

- **Official ZND Token Sale** – Participants in any round of the ZND Token Sale are awarded Loyalty Tier in Loyalty program, which grant immediate access to the staking program.
- **Loyalty Program** – By completing specific tasks, users of the Platform collect points that can be exchanged for Loyalty Tiers in the loyalty program, even if they did not participate in any of the private or public sale rounds of the ZND Token.

There will be varying levels of Loyalty Tier, each unlocking different degrees of benefits within the staking program. The full terms of the Loyalty Program will be published on the website of the Platform.

Staking Options and Rewards

Users are presented with a variety of subscription options offering different durations for freezing their ZND Tokens. This flexibility allows users to select a staking plan that best aligns with their strategy and time preferences. The key highlight of these subscription options is the direct correlation between the freezing period and the rewards: The longer the token freezing period, the greater the reward, incentivizing users for their extended commitment.

Penalty Fee

The Staking Program in the ZND ecosystem includes an additional safeguard in the form of a Penalty Fee. This fee is applicable when users choose to withdraw their tokens earlier than the specified staking period. The rationale behind this mechanism is to encourage a commitment to the agreed staking duration.

The structure of the Penalty Fee is carefully designed to be proportional to the staking period. Essentially, the longer the duration for which the tokens are staked, the higher the penalty fee for early withdrawal. By imposing a higher penalty for longer staking periods, users are encouraged to seriously consider their capacity to commit for the full term before opting into a longer staking plan.

Additionally, early withdrawals can impact the market dynamics and overall health of the token ecosystem. The penalty fee thus acts as a deterrent against frequent and premature withdrawals, contributing to the ecosystem's overall stability and growth.

Penalty Fee will be collected in ZND Tokens and used to finance the Special Pool, the operation of which is described later in the document.

Funding of Staking Program

The funding of the ZND Token Staking Program is designed to ensure sustainability and robustness. It will be supported through a combination of sources, meticulously planned to provide a steady and reliable foundation for the program.

- At the core of the financing strategy is a dedicated pool of ZND Tokens called Ecosystem Incentives. These tokens are securely held in a smart contract and scheduled to be released gradually over several months. This methodical disbursement ensures a consistent supply of rewards for the Staking Program, maintaining its attractiveness and viability over the long term.
- Alongside the dedicated token pool, the Issuer will be adding from time to time an additional pool of ZND Tokens to the rewards, sourced from a portion of the fees paid by users on the platform in ZND Tokens.

Loyalty Program

The ZND ecosystem's Loyalty Program is a system that deeply values and rewards the active participation of its users. At the core of this program is an innovative points-based reward system, where users accrue points through various activities within the ecosystem. These activities encompass everything from trading assets to engaging with the 'Earn', 'Borrow', and 'Explore' services, with a particular emphasis on transactions involving the ZND Token, such as reaching certain trading volumes or participating in Staking programs.

As users gather points, they earn Loyalty Tiers. Aforementioned Loyalty Tiers serve as a gateway to accessing different benefits within the loyalty program. A user's loyalty level corresponds to the number of points that user has accumulated by performing certain activities on the Platform, ensuring that the most dedicated users are appropriately rewarded. The higher the Loyalty Level, the more benefits become available to the user. Points are awarded, among others, for the volume made in the Trade and Earn service or the purchased volume of ZND Tokens.

Balanced tiers and various benefits

The program is structured around five distinct tiers, each offering an increasing scale of benefits. To access these benefits, users must exchange collected points for a Loyalty Tier, which then places them in a specific tier for a specific time period. Upon expiration of that period, all benefits are taken away from the user, which incentivises constantly obtaining more points.

Notable exception is made for users who purchased the ZND Tokens during the official distribution. They receive lifelong Loyalty Tier without the need for exchanging points, as a gesture of appreciation for their early support and commitment to the ecosystem.

The benefits of being part of a specific tier in the loyalty program are diverse and substantial. They include additional rewards on 'Earn' service subscriptions, trade cashbacks, and access to special features on the Platform. The highest tier offers an exceptionally attractive benefit – participation in the distribution of rewards from a Special Pool.

The Loyalty Program is ingeniously designed to encourage a virtuous cycle of engagement and reward within the ZND ecosystem. As users become more involved, they receive better rewards, which in turn motivates them to engage further, enhancing the vitality and appeal of the ecosystem. This dynamic system ensures a continuously active and thriving community, driving the growth and success of the ZND ecosystem.

Special Pool

The Platform features a “Special Pool”, a unique mechanism designed to reward early supporters, long-term holders of the ZND Token, and active users who achieve high tiers in the Loyalty Program. This pool plays a crucial role in the overall tokenomics of the ZND ecosystem.

Composition of the Special Pool

The Special Pool is replenished from three primary sources:

- **Penalty Fees** – These are fees incurred for early withdrawal from the ZND Staking Program, with the amount of the fee depending on the freezing period of ZND Tokens. These fees are collected from the user in ZND Token and are fully directed to the Special Pool.
- **Trading fees** for trading ZND Tokens on Platform – All fees spend by users for buying or selling ZND tokens are fully directed to the Special Pool

Utilisation of the Special Pool

The tokens accumulated in the Special Pool are allocated in two primary ways:

- **Periodic Airdrops for Loyalty Program participants** – ZND Tokens are distributed periodically as airdrops to users with higher tiers in the Loyalty Program. The higher the tier, the larger the share in the prize distribution. This incentivises long-term engagement with the Platform, as users who purchased ZND Tokens from the official distribution get special Loyalty Tier and enjoy lifetime tier benefits in the Loyalty Program. Other users can obtain Loyalty Tiers through the Loyalty Program and activate them for a specific period to become eligible for these rewards.
- **Token Burning** – A portion of the tokens in the Special Pool is periodically burned, permanently reducing the circulating supply of ZND Tokens.

This innovative approach not only incentivises active participation in the ZND ecosystem but also strategically enhances the value and scarcity of the ZND Token over time, aligning with the Platform's long-term vision for growth and sustainability.

Burn Mechanism

Token Burning is a mechanism widely adopted by various cryptocurrency projects. The process involves permanently removing a certain number of ZND Tokens from circulation by sending them to a specially designated wallet address. This wallet is essentially a one-way vault; once tokens are transferred to this address, they are irretrievable and effectively removed from the market forever. The primary consequence of this action is that these tokens are permanently withdrawn from circulation, never to re-enter the market.

In the context of the ZND ecosystem, Token Burning is integrated as part of the strategy for managing the supply of tokens within the Special Pool. A portion of the tokens in this pool is periodically subjected to burning, aligning with the ecosystem's goal of creating a sustainable, long-term growth trajectory for the ZND Token.

Affiliate Program

The Affiliate Program is an effective and cheaper way to attract new customers. A suitable award provides motivation to promote the Platform. When this award is a ZND Token, the participant of the Affiliate Program automatically becomes the "Hodler⁵" of the project, and thus his commitment grows (Because they own the ZND Token themselves). In this light, the Affiliate Program is becoming not only a way to attract new customers but also a tool for building an engaged community. In addition, the selection of appropriate mechanisms may also bring benefits such as long-term maintenance of the token volume and its increase in value.

The main goals of the designed model of the affiliate program are:

- Effective encouraging of users to invite new people.
- Permanent maintenance of the token volume.
- Maximising the number of token hodlers.
- Support for the process of building an engaged project community.



On the Platform, users are presented with the opportunity to earn commissions, deriving from the margins generated through the 'Trade' and 'Earn' services. This commission system is an integral part of the Platform's user engagement strategy, providing a financial incentive for users to promote and support the growth of the ZND ecosystem. By joining an Affiliate Program, the user automatically orders the platform to convert any commission earned in the program into ZND Tokens when the commission is received. This happens automatically.

Enhancing Reward Percentages

One of the ways users can augment the percentage of their earned commissions is by referring more users to the Platform. The more successful referrals a user makes, the higher their commission rate becomes.

Additionally, the reward percentage is influenced by the user's Tier within the loyalty program. Higher Tiers in the program correlate with higher commission rates, providing an added incentive for users to engage more deeply with the platform and its various services.ct community.

Mechanism of the Affiliate Program

- Users send their unique referral links to potential new users. When someone registers on the Platform using this link, they become associated with the referrer as part of the Affiliate Program.
- These referred users, now part of the ZND ecosystem, engage in various activities such as trading on the 'Trade' service or freezing funds in the 'Earn' service.

⁵ A "Hodler" in the cryptocurrency world refers to an individual who holds onto their digital assets for the long term, regardless of market volatility. This term is uniquely born from crypto community culture and represents a strategy counter to frequent trading strategies such as swing trading.



- Whenever a referred user incurs a commission through their activities on the platform, a corresponding amount is credited to the referrer's account. This amount is given in ZND Tokens, calculated based on the closing rate of the token on the day the referred user's transaction took place. Upon the user's request, this amount is automatically converted into ZND Tokens on the market.

The Platform's Affiliate Program is strategically designed to enhance the ecosystem's dynamics, particularly in relation to its native ZND Tokens.

The amount of tokens retained by the Issuer is determined in the table (see page 30), overall 29% of the ZND Tokens remain in the treasury pool, i.e. are fully owned by the Issuer.

No future public issuings are planned. However, we do not rule out the possibility of launching further public offerings and OTC sales of ZND Tokens from the Treasury pool to individual or institutional buyers.

Applicable law and competent court

This White paper and the terms of the offering of the ZND Token shall be governed by the laws of Estonia, except to the extent the rules of private international law applied by the competent court provide for the mandatory application of the laws of any other jurisdiction. Any disputes arising in connection with the White paper shall be settled by Harju County Court (Harju maakohus) in Estonia unless the exclusive jurisdiction of any other court is provided for by the provisions of law, which cannot be derogated from by an agreement of the parties.

Information on the underlying technology

The ZND Token operates using Ethereum's distributed ledger technology and adheres to the ERC-20 technical standard. The ZND Token benefits from Ethereum's shift to a Proof of Stake (PoS) consensus mechanism, which is integral to maintaining network security and validating transactions.

Transaction security on the ZND token is maintained through the established incentive mechanisms of the Ethereum network. Users engage in transactions that are secured and validated by Ethereum's native processes, relying on the robust infrastructure provided by the network. As the token is built on this network, any applicable fees are also determined by the Ethereum network's protocols, ensuring transparency and predictability for users.

Underlying Ethereum blockchain's state changes regularly even after a block's successful mining (uncle blocks). Problems may happen even when many blocks have already been mined/created. Thus, the Issuer shall not be responsible for the finality of any Blockchain based events, including the transfer of ZND Tokens.

Regarding the storage and transfer of the ZND Tokens, these processes are managed through wallets created in Fireblocks, a secure provider of non-custodial solutions. This setup allows users to safely store, issue, and transfer their ZND tokens using a technology trusted by various stakeholders in the crypto community, underpinned by Ethereum's reliable and extensively-tested ledger technology.

No internal audit of technology was conducted.

Information on risks

Prospective purchasers of ZND Tokens should carefully review and consider all information provided in or incorporated by reference into this White paper or the relevant terms published on the website of the Platform before deciding to purchase ZND Tokens and consult with their own professional advisers (including their financial, accounting, legal and tax advisers) if they consider it necessary or appropriate.

The material risk factors inherent in the Issuer are set out below. Purchasers should also take into account that all of the risks described may interact and thereby exacerbate each other.

Investing in the ZND Tokens could involve additional risks and uncertainties of which the Issuer is not presently aware and which could also affect the business operations of the Issuer and adversely affect its business activities and financial condition and results of operations and the ability of the Issuer to fulfil its respective obligations under the ZND Tokens.

The following is a disclosure of risk factors relating to the offer to the public, the Issuer, the ZND Tokens, the ZND Token project and the technology used. These factors include risks relating to the token itself as well as to the Issuer's business.

Description of the risks associated with the offer to the public

Even though the Issuer has used best efforts in assessing the reliability of the interface of the ZND Token offering, there remain risks of malfunctioning, bugs and errors, resulting in a late or wrong allocation of ZND Tokens.



The success of the ZND Token as well as the Platform are dependent on the success of the offering of the ZND Token, which is subject to risks such as the Issuer's inability to successfully market the ZND Tokens or to comply with applicable rules and regulations.

Tokenholders are reminded that applicable rules and regulation on taxation regarding the acquisition, holding and trading of ZND Tokens are not fully developed and may therefore be subject to unexpected change at all times by any competent authority.

The Issuer has the right to cancel the issue of ZND Tokens at any time and without stating reasons before any offering round is foreseen to end.

If the Issuer elects to cancel the issue of ZND Tokens all amounts received as payment of a subscription shall be repaid to subscribers. Repayment shall be arranged not later than two (2) months after the notice of cancellation was sent. The currency rate at date of repayment shall apply. The currency exchange risk and thus potential losses occurred from the date of subscription until the date of repayment are to be borne by the subscriber.

The Issuer uses smart contracts based on the Ethereum protocol. The Issuer cannot exclude future changes in the Ethereum protocol and associated risks of unforeseen problems, which may impair the effective use of the smart contracts, such as the risk of a fork in Ethereum, a malfunctioning of Ethereum main chain, bottlenecks in Ethereum, or mining power attacks on Ethereum. The Issuer does not possess sufficient experience with Ethereum protocol to ensure that the Ethereum protocol will work properly at all times and free of any bugs and defects. Therefore, it cannot be excluded that the Ethereum Protocol will not work properly and will not generate ZND Tokens in accordance with this White paper. This could lead to a false allocation of the ZND Tokens, unauthorised transactions and the loss of the ZND Token of the purchasers.

Description of the risks associated with admission to trading

ZND Tokens are illiquid investments prior to their listing at a crypto exchange. The Issuer will undertake best efforts to make ZND Tokens tradable on one or more crypto exchanges. Due to regulatory restrictions following the date on which the relevant provisions of MiCAR become applicable, it is possible that the continued trading of ZND Token may be temporarily restricted or permanently closed. In a situation where ZND Tokens are not tradeable on a crypto exchange or other marketplace, the sale of ZND Tokens will be possible only on a bilateral basis or over the counter (OTC).

Description of the risks associated with the Issuer

Legal and regulatory risks

The Issuer aims to become an authorised crypto-asset service provider within the meaning of MiCAR once the necessary regulation comes into force in Estonia. However, the positive outcome of an authorisation application cannot be guaranteed by the Issuer and in a negative outcome of the Issuer's application to become authorised under MiCAR will lead to the Issuer's inability (at least temporarily) to provide services via the Platform and will likely affect the ZND Token.

A number of legal questions revolving around MiCAR are still in consultation stages and not finally decided, thus also not harmonised throughout jurisdictions.

The laws, regulations and requirements regarding anti-money laundering, terrorist financing and international sanctions could also result in a sudden inability to trade the ZND Token, to use the Platform or force the Issuer to exclude a holder of ZND Token from the Platform or the list of subscribers. As a result, the rights connected to the ZND Token described in this White paper may not be accessible for such ZND Token holder. ZND Token holders are strictly reminded to observe legal and regulatory developments at all times and to consider their own position vis-à-vis those requirements.



Court proceedings in Estonia and enforcement of judgements by foreign courts in Estonia may be more complicated or expensive than in the purchaser's home country.

Liquidity risks

The Issuer is exposed to macroeconomic fluctuations and cannot completely exclude the risk of future illiquidity and a subsequent insolvency. The Issuers financial situation may affect both zondacrypto and the Platform and even lead to their shutdown.

The Issuer has a limited operating history, whereas also past performance is not a guarantee of the future performance of the Issuer.

As crypto-asset services are the Issuers main activity – its financial situation may be vulnerable to situations on the crypto-market. Negative developments on the crypto-asset market may deteriorate the Issuer's liquidity.

Any liquidity risks of the Issuer could lead to a situation where the obligations stipulated in this White paper cannot be temporarily or permanently delivered by the Issuer.

The Issuer's success depends on key personnel and third parties, and the success of the Issuer's business may be negatively affected in case of a loss of key personnel or when third parties fail to perform their duties and obligations.

Dependence on cooperation partners

The Issuer is dependent on a number of service providers to maintain the issuance, the underlying smart contract of ZND Tokens and the following implementation of the services on the Platform. These include, but are not limited to:

- any person accepting or dispatching payments on behalf of the Issuer and by accepting or distributing the funds from/to the purchasers;
- any person that provides market making services;



- the provider of the software on which the services on the Platform are provided;
- any person maintaining the Fireblocks technology.

The Issuer is party to contracts with entities mentioned in section "[Details of all natural or legal persons involved in the implementation of the crypto-asset project](#)" – cooperation or lack thereof heavily influences the Platform, thus it also impacts the ZND Token. The most important factor relates to the software used to offer and maintain the Platform for its users – as the Issuer is a 50% indirect shareholder in ZND.CO OÜ, the owner of the software, then any potential conflicts may affect the continued service provision on the Platform.

As above – the Issuer cooperates with another entity with regards to the Platform, e.g. ICEO's employees are key personnel in this project. The continuity of cooperation between ICEO and zondacrypto remains critical for the ZND Token's planned development. The Issuer also plans to enter into other collaborations with third party providers – in regards to services offered on the Platform and planned utilities of the ZND Token. As the case may be, the Issuer may further depend on CEXs, DEXs, market makers, regulated securities brokers and other entities. Cooperation with third party providers inevitably entails risk.

The Issuer will always strive to minimise all of the aforementioned risks by proper management, due precautionary measures and cooperation only with reliable entities.

Description of the risks associated with the crypto-asset

- the ZND Token may lose its value in part or in full;
- the ZND Token may not always be transferable;
- the ZND Token may not be liquid;
- the ZND Token may not be exchangeable against the good or service promised in the White paper, especially in the case of a failure or discontinuation of the ZND Token project;
- the ZND Token may be lost or become inaccessible;
- the ZND Token is not covered by the investor compensation schemes under Directive 97/9/EC of the European Parliament and of the Council ;
- the ZND Token is not covered by the deposit guarantee schemes under Directive 2014/49/EU.

There is no guarantee that an active trading market for the ZND Tokens will develop or be sustained.

Markets for digital assets are not mature and fully developed. Crypto assets are therefore exposed to a high volatility and to the risk of price manipulations. The price at which ZND Tokens will be traded will depend upon a number of factors, most of which are beyond the Issuer's control. These factors include, but are not limited to: market expectation concerning the Issuer's performance or financial condition; fluctuations in the Issuer's financial situation or operating results; general market and economic conditions; announcements by the Issuer and developments affecting the Issuer, its business, customers and suppliers and the markets in which the Issuer competes; changes in the management of the Issuer; and the factors listed herein under "**Description of the risks associated with the Issuer**".

Crypto asset markets are particularly exposed to overall supply and demand cycles. Market value of ZND Token may fall and remain at a depressed price level for a prolonged period of time.



The offer price may not be representative of the ZND Token market price after the listing. Purchasers that acquire the ZND Tokens in the private or public offering may not be able to resell them in the secondary market at or above the offer price.

As ZND Token is intrinsically linked with the Platform – all perturbations of the Platform will not only affect the market price of the ZND Token, but will also impact benefits that ZND Token holders have. Lack of needed licences or unprofitability of the Platform may temporarily or even permanently hold the possibility of using existing token features and the introduction of the planned ones. If the Platform shuts down – the ZND Token will completely lose its utility.

ZND Tokens may be lost or become inaccessible, in particular in the case of a loss of the related private key.

In case of cancellation of the ZND Token issue by the Issuer, contributions made by subscribers will be repaid to them. Potential losses due to e.g. currency exchange risk are to be borne by purchasers.

Description of the risks associated with project implementation

As it was already stated on pages 13 – 15 – some planned features may be introduced only when the Issuer or a cooperating third party will be licensed to offer heavily regulated services. Commercial success of the ZND Platform depends on acquisition of such licences.

The Platform is an online business, hence it has an unavoidable susceptibility to “cyber” risks – such as cyberattacks or operational disruptions. Such events may restrict the possible use of the Platform and ZND Token’s features. Moreover – they may interfere with the business activity and lead to financial losses, due to impediments to trading, submission of erroneous transactions, etc.



The risk of disclosure of confidential information as a consequence of cyber risks – cannot be excluded.

Changes in existing laws, regulations and financial oversight practice are to be expected at national and international level. Such changes may affect not only the ZND Token's value but also result in a sudden inability or obstacles to trade the ZND Token or use its functionalities – e.g. in case of regulations which have an impact on services offered on the ZND Platform. In case of events such as international sanctions, a country's exit from the European Union, etc. the Issuer may be forced to exclude Token holders from the ZND Platform. The Issuer can not protect the purchasers from potential negative consequences of crypto-assets legal ambiguity and uncertainty.

Description of the risks associated with the technology used

ZND Token is dependent on the Ethereum network on which the smart contracts in the blockchain will be conducted. Should their service or operation among others be constrained or a disruption occurs, the Issuer may be unable to issue ZND Tokens, which may, in turn, adversely impact the Issuer's reputation, financial performance and creditworthiness.

ZND Tokens are also susceptible to operational, information security and related “cyber” risks. In general, cyber incidents can result from deliberate attacks or unintentional events. Cyber incidents include, but are not limited to, gaining unauthorised access to digital systems (e.g. through “hacking” or malicious software coding) for purposes of misappropriating assets or sensitive information, corrupting data, or causing operational disruption. Cyberattacks may also be carried out in a manner that does not require gaining unauthorised access, such as causing denial-of-service attacks on websites (i.e., efforts to make network services unavailable to intended users).



Cybersecurity failures by, or breaches of, the systems have the ability to cause disruptions and impact business operations, potentially resulting in: financial losses, interference with the business activity, disclosure of confidential information, impediments to trading, submission of erroneous trades or erroneous creation or redemption orders, the inability of the Issuer or its service providers to transact business, violations of applicable privacy and other laws, regulatory fines, penalties, reputational damage, reimbursement or other compensation costs, or additional compliance costs. Purchasers may lose their investment as a direct or indirect consequence of such cybersecurity related risks.

Crypto assets may be susceptible to bugs and smart contract related risks, that might lead to investors losing control over their assets, or a breach that might cause an unintended minting of the asset, that ultimately lead to the dilution of the purchaser' holdings. Other risks include Issuer's back-office software bugs which may lead to a loss of significant tokens reserve, which may cause turbulence in the secondary market. By nature, attacks on blockchain infrastructure can cause much more damage than for a centralised service, as the blockchain is an objective layer, and cannot be stopped or rolled back.

Information on the principal adverse impacts on the climate and other environment-related adverse impacts of the consensus mechanism used to issue the crypto-asset

The Ethereum network, which underlies the ZND Token, has historically had a significant impact on the environment, primarily due to its original consensus mechanism, known as Proof of Work (PoW). This mechanism requires a substantial amount of computational power, leading to high electricity consumption and, consequently, a large carbon footprint.

However, Ethereum has made a significant transition to a Proof of Stake (PoS) consensus mechanism through an update known as "The Merge." This change has drastically reduced the network's environmental impact. Proof of Stake eliminates the need for energy-intensive mining activities by replacing miners with validators who are chosen to create new blocks and validate transactions based on the amount of cryptocurrency they hold and are willing to "stake" as collateral. This shift decreases power consumption by over 99%, significantly mitigating the network's adverse impacts on the climate.

For the ZND Token which is based on the Ethereum network post-Merge, this means that the principal adverse impacts on the climate associated with the consensus mechanism are substantially lower compared to those of the crypto-assets issued on networks still using PoW. The environmental footprint of issuing and transacting the ZND Token would therefore be relatively minimal, aligning better with global sustainability goals.