

## Abstract

Zeex overcomes what is perhaps the greatest obstacle to the widespread adoption and use of cryptocurrency by — finally — turning cryptocurrency into a payment method for everyday goods and services. It does so by making cryptocurrency seamlessly and effortlessly convertible into gift cards and retail vouchers. This solution brings cryptocurrency into the real economy.

The core element of the Zeex solution is the ZIX token, which serves three key functions. First, it covers users' transactional risk until the trade is complete, obviating intermediaries. Second, it fairly determines who can exercise what kinds of transaction and when based on advertised discount rates and supply. Third, since the token also serves as a login method, it unlocks the door to the Zeex platform. These functions operate automatically thanks to the smart contract terms embedded in the Zeex protocol.

To realise this vision, Zeex draws on a number of assets. Vitally, Zeex is a sister company of Zeek Group, Europe's leading marketplace for buying and selling gift cards, which maintains close relationships with name-brand retailers and has grown tenfold year-over-year for the last two years. The collaboration with Zeek guarantees access to a high-demand inventory for initial token buyers thanks to Zeek's commitment of a multi-million-dollar stock of gift cards, which makes the tokens immediately convertible. Further, the same leadership team that launched Zeek as a successful venture is also developing Zeex, and Zeex has also already secured stable funding from prominent VC backers. Finally, the palette of native apps is scheduled for rapid availability across a range of platforms, the revenue model and token sales have been carefully planned, and the potential use cases are virtually limitless.

Zeex is bringing cryptocurrency into maturity by finally letting cryptocurrency holders go shopping.

# The Problem: promising (but imperfect) markets

Despite its many advantages, rapid propagation and revolutionary implications, cryptocurrency suffers from some notable disadvantages. First among these is its lack of fungibility: cryptocurrency is not yet readily convertible into the goods and services people really want.

By contrast, gift cards and vouchers, for example, are readily convertible into goods and services. Indeed, that is their primary purpose. However, some disadvantages affect these vouchers as well, like difficult transfer between holders due to the high risk of double spending, and demand for gift cards outstrips the supply.

Here, we describe these currencies and the friction involved in converting them before describing how Zeex can and will solve the problem rapidly, efficiently and elegantly.

## Cryptocurrency:

### a growing market tied to media

The revolutionary potential of cryptocurrency and the market growing around it is hard to overstate. As for the market, total cryptocurrency market capitalisation has grown over 30,000% in the last five years and 2,500% in the last year alone to its current level of over \$500 billion USD.

Such remarkable growth is not surprising given the range of advantages cryptocurrency offers relative to traditional fiat currencies:

- The underlying blockchain technology makes intermediaries obsolete by embedding transaction records in a distributed database, which reduces transaction costs and market friction.
- The distributed nature of the database makes transactions transparent and highly resistant to risks like double-payment and counterfeit.
- The mathematical logic underlying blockchain technology makes it a natural vehicle to store value, making guarantees by issuing and regulatory agencies in the form of mints, central banks and other government agencies obsolete.

- Encryption is literally built in to the currency, making illicit tampering or manipulation impractical.

Even though its superior capacity to store and transfer value makes cryptocurrency an ideal vehicle for investment and saving, it suffers from a decisive weakness: it is not yet widely accepted as a means of payment. For many reasons, ranging from legal hurdles to the lack of user-friendly tools, it is cumbersome to exchange cryptocurrency for goods and services.

In short, despite all its advantages cryptocurrency is hard to spend for purposes of consumption. It is easy to transfer between holders, but it remains effectively locked in digital media. Zeex will allow holders to spend their cryptocurrency on goods and services and multiply its value by allowing users to spend their holdings on consumer goods and services via gift cards.

## Gift cards:

### in high demand, but tied to individual holders

The gift cards and other forms of voucher issued by retailers and ecommerce platforms can be exchanged for their goods and services, just like fiat currency, but they also have strengths and weaknesses that present a mirror image of cryptocurrency.

One advantage both types of 'currency' do share is recent growth and growth potential. One source valued the market capitalisation of retail vouchers at nearly \$700 billion USD in 2016 — an amount expected to more than triple by 2023. That yields a CAGR of 24% from 2017 to 2023.

While many vouchers are issued in a physical medium like a card, most issuers also accept them at digital points of sale. Further, the supply of digital vouchers is growing at 25% annually and is expected to reach \$120 billion USD by 2020.

Another reason to expect growth in the demand for gift cards is demographic. One recent intergenerational study of retail spending patterns from millennials to baby boomers found that willingness to use gift cards and e-commerce decreases with age. Millennials (18-34 years old) and Gen Xers (34-44 years old) — the consumers of today and tomorrow — are the most avid gift-card users.

Their popularity is easy to understand because gift cards excel where cryptocurrency falters. Gift cards'

main purpose is easy convertibility into goods and services. Whereas cryptocurrency encodes transaction records in a distributed database, gift cards can be spent anonymously. Further, gift cards are often available at a discount relative to its stated value in fiat currency, giving them a multiplier effect in retail spending. Finally, gift cards benefit from the attachment consumers already have to trusted brands, making them a familiar, high-status mode of spending. Investors desire cryptocurrency as passionately as consumers desire gift cards.

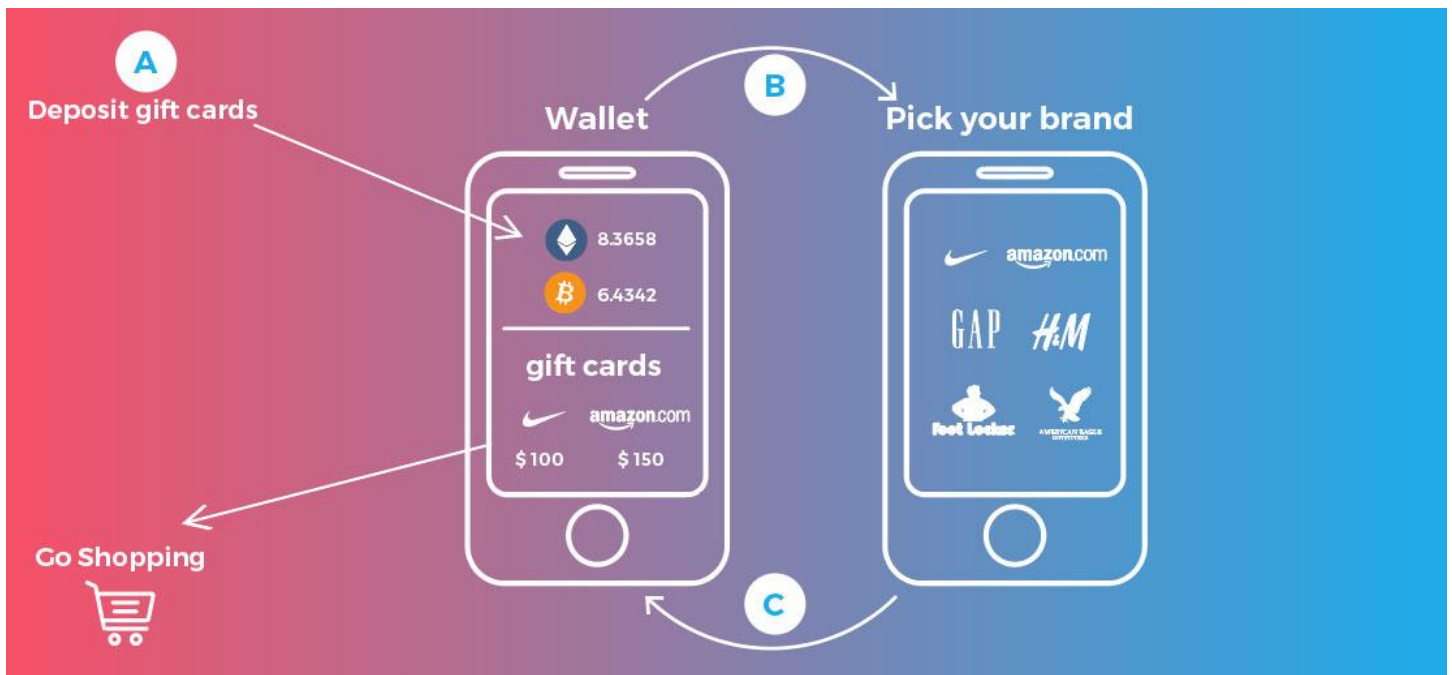
However, vouchers also suffer from some weaknesses:

- Gift cards are more susceptible to counterfeiting and double payment, limiting transfer between holders.
- Demand for gift cards outstrips supply.
- Gift cards are typically issued with an expiration date, which artificially limits their ability to store value.

## The Solution: using each market to fix the other

Zeex solves the deficiencies of both gift cards and cryptocurrency by making each seamlessly convertible to the other. On the one hand, Zeex frees cryptocurrency from the confines of digital media, making it readily convertible into goods and services via gift cards. On the other, it frees gift cards from being tied to individual holders, making them as easy to transfer between holders as cryptocurrency with the same safety and transparency. It is the liquidity network connecting cryptocurrencies to products and services that everyone has been waiting for.

The Zeex platform includes an elegant frontend, a blockchain-based and fully transparent backend, and a digital wallet to effortlessly store and manage all the user's tradable units. The frontend provides the user clear and intuitive access to the broad catalogue of gift cards from top brands, the cryptocurrency units they have available to spend, and their ZIX tokens, which hinge the two types of currency together and allow users to pivot smoothly and easily from one to the other. Zeex allows users to buy and sell their gift cards and — finally — to spend their cryptocurrency.



Developing a liquidity network to enable the mutual convertibility of gift cards and cryptocurrency is a potentially revolutionary proposition, but it requires the right team with the right assets. To substantiate the claim that Zeex's goals are achievable, and that the Zeex team is well situated to achieve them, we describe the existing organization as well as its financial and personal assets before describing the platform's technical implementation.

# Available assets

Zeex relies on a number of existing assets to overcome the uncertainties and pitfalls of the token-based marketplace and the challenges involved in trading gift cards. These include a well-established sister company, Zeek, with a successful record and valuable portfolio of supplying retailers and innovations, strong financial backing by prominent venture capital (VC) firms, and a qualified and ambitious team.



As Zeek's sister company, Zeex enters the market with a head start. Founded four years ago, Zeek is a platform that allows users to buy and sell gift cards — whether in digital or physical form — using fiat money.

Perhaps the greatest advantages that Zeek offers Zeex are the rapid growth of its transaction volume and experience. With four years of success in the gift-card market, Zeek has established itself as a vibrant and trustworthy platform to buy and sell gift cards and digital vouchers. Zeek sold over one million gift cards in 2017. In just the last two years alone, Zeek has grown tenfold year-over-year. Such growth is never an accident. The second advantage Zeek provides Zeex is its catalogue and the deep commercial relationships that the catalogue represents. Since the demand for gift cards outstrips supply, securing supply is a key challenge. Zeek has established relationships with 350 brands, including such household names as Amazon, Adidas, Nike, Ikea, Starbucks, iTunes, Steam and many more. Zeek, therefore, avails of unparalleled access to gift cards, so users can realise their value immediately.

Thanks to its market-leading transaction volume, Zeek is often able to acquire gift cards from these retailers at a discount, multiplying their value to users. In fact, the collaboration with Zeek guarantees access to a high-demand inventory for initial token buyers thanks to Zeek's commitment of a multi-million dollar stock of gift cards, which makes the tokens immediately convertible.

As valuable as this relationship is, however, Zeex is not strictly reliant on Zeek for its stock of gift cards. In order to expand and provide token holders the greatest possible access to brands and global markets, Zeex is also cultivating independent relationships with a host of suppliers around the world.

A final advantage Zeek offers is technological innovation and know-how. This includes the expertise to create an intuitive user experience and a stable backend, proprietary fraud-prevention technology, algorithmic learning about which brands are likely to appeal most strongly to which users, security infrastructure, and the technical and legal aspects of operating in several international markets.

## Zeek's investors

Zeek managed to convince prominent VCs of its existing value and future potential, leading these prescient VC collaborators to commit secure and solid funding. Zeek's VC supporters include Blumberg Capital, Qualcomm Ventures, Scale Up Venture Capital and more. Perhaps the best reassurance about the current and future prospects of the Zeek platform is that such eminent firms are already backing it with their capital and expertise.



## Team

Successfully launching and growing Zeex requires more than just funding and an idea whose time has come. Only a committed, experienced, capable and accomplished team can deal with the technical complexity involved in implementing this idea and making it a market-altering reality. The Zeex team combines expertise, experience, trust and ambition. The team's leading members include:



### Guy Melamed, Co-Founder/CEO

Guy is a product strategist and relentless entrepreneur. He has already contributed to the success of GreenRoad, a major player in commercial fleets and connected cars, as its CPO and Head of Strategic Partnerships. He also founded Toontok, an engaging animated-messaging startup, which he led as CEO. As VP of Product and Solutions Design at Ginger Software and Time to Know, a provider of learning materials for the digital classroom, Guy further deepened his expertise in these dynamic fields. In his free time, Guy indulges his passions for surfing, contemporary art, film and extreme sports.

Guy holds an MA in Communications from the University of Amsterdam.



### Ziv Isaiah, Co-Founder/CTO

Ziv is a co-founder and the CTO of Zeek.me. His expertise in software architecture and product strategy is the result of his vast experience at high-tech companies such as ECI Telecom, Check Point, Cellglide and Imagine Communications.

Prior to Zeek, Ziv served as the CTO of Ginger Software. Ziv holds a BSc in Electrical Engineering and a BSc in Physics from the renowned Interdisciplinary Excellence programme at Tel Aviv University.



## **Apan Amos Damri, cmo**

Apan has 15 years of experience as an online-marketing expert and entrepreneur. He has led global marketing operations for top-tier companies in the world's most competitive markets.

Apan co-founded Operad, one of Israel's leading online marketing agencies, and infogamy, an early analytics solution that closes the loop between online marketing and offline sales.

## **Noam Malter, Chief Architect**



As the VP of R&D at Zeek Mobile for the last three years, Noam has added knowledge of the gift-card market to his expertise in software development, application performance and customer service. With 16 years in the industry, he has advanced Shunra Software, which was acquired by HP, as Software Development Team Leader and Director of Customer Service, and led Ginger Software's web presence as Senior Software Architect.

He holds B.Sc. in Computer Science from the Academic College of Tel Aviv Yafo.

## **Yaniv Barak, Head of Business Development**



On his road to becoming the founder and CTE of Vacationship, Yaniv has gained experience in product and business strategy. As a successful entrepreneur, he knows how to lead companies and projects from inception through execution and all the way to market success.

Yaniv has a deep understanding of blockchain technology, which has helped him in previous cryptocurrency ventures and token sales.

## **Eyal Solnik, Operations Manager**



Eyal brings over seven years of experience in dealing with data and algorithms, and he has led data teams in the finance industry. Among Eyal's notable achievements is a social network for deals and sales that he founded.

Eyal holds an MSc in Industrial and Management Engineering from Ben-Gurion University.

## **Victoria Tsitrinbaum, Marcom Manager**



Victoria is an expert marketing manager with extensive knowledge of PPC campaigns and content. She has managed projects of various sizes, is a hands-on team leader, and LOVES shopping with gift cards.





## **Rafi Glantz**, Community Manager

While new to the cryptocurrency space, Rafi is a fervent enthusiast with a background in sales and marketing.



## **Ilan Schifter**, Blockchain Developer

Ilan has 14 years of experience in interaction design, research and development, computer vision and motion tracking. He currently contributes to the Zeex team as the in-house blockchain expert.



## Advisors



### **Daniel Zelkind, CEO & Co-Founder of Zeek**

Daniel is a co-founder and the CEO of Zeek.me, which he launched together with Ziv in 2014. Zeek has since grown rapidly and is currently the leading gift-card exchange in Europe. Prior to Zeek, Daniel was an executive in the digital-media industry for 11 years. Daniel holds an MBA with a focus on finance and global risk management along with a BA in economics and management.



### **Eyal Hertzog, Foundation Council at Bancor**

In the course of over 20 years as a venture-backed technology entrepreneur, Eyal founded MetaCafe, Israel's fastest-growing video-sharing site. Previously, Eyal had founded Contact Networks in 1999 — one of the first social networks. Eyal has influenced thought on cryptocurrency in Israel and is a talented piano and bass musician.



### **Artūras Asakavičius, Co-Founder & COO of WePower**

Artūras is Co-Founder and COO at WePower. He has practised at one of the biggest law firms in the Baltics, with responsibilities covering all FinTech, blockchain and cryptocurrency-related businesses and regulations. He is also a former Chairman of the Lithuanian FinTech Association.



### **Sebastien Stupurac, Co-Founder of Wings**

Sebastian co-founded WINGS, a successful community-engagement and smart-contract facilitation platform as well as one of the few working DAPPS on the Ethereum blockchain. Sebastian has gained vast experience in decentralised solutions and blockchain technology since 2013.



### **Gigi Levy-Weiss, Founding Partner NFX Guild**

One of the most prolific technology investors in Israel, Gigi is a two-time CEO of NYSE-listed companies, founder, board member, and super-angel. He has held various roles in Israeli tech companies and has founded several startups, including Playtika (acquired for \$4.4 billion USD by China Consortium / Cesars), Beach Bum, Inception VR, and others.



### **James Currier, Entrepreneur and Investor in Silicon Valley**

James is one of Silicon Valley's foremost experts in growth and network effects. He's a four-time serial entrepreneur. He is also a pioneer of myriad growth techniques used throughout the tech industry. He uses this expertise to invest in, advise, and mentor many definitive startups. His investments have inspired such firms as Sequoia, Greylock, CRV, A16z, First Round, Mayfield, Shasta and GG.V.



### **Pete Flint, Co-Founder of Trulia**

Co-founder of Trulia, Pete is a serial entrepreneur who built one of today's most successful marketplaces. As CEO, Pete led the company from inception to become one of the largest and fastest-growing real estate websites valued at \$3.5 billion USD. Pete was also part of the founding team of lastminute.com, a leading European travel site that was acquired in 2005 by Travelocity / Sabre Holdings for over \$1 billion USD.



### **Joseph Barnea, Chief Investment Officer of the Delek Group**

Joseph has been the CIO of the Delek Group since 2010. Prior to joining the Delek Group, Joseph held various top management positions in American and Israeli banking and investment firms.

# Technical implementation

Although the basic concept behind the Zeex platform — making cryptocurrency spendable and gift cards tradable — is very simple, the technical implementation is complex. Indeed, realising this idea involves a range of commercial and technical considerations. Here we cover the technical aspects of the Zeex platform, principally the ZIX token and the Zeex protocol, as well as business aspects, including the token-sale process and the product roadmap.

## The ZIX token

While not currency in itself, the ZIX token is the key to making cryptocurrency an effective payment method in an extremely active market. The token has five basic functions.

First, the token functions like a queue ticket, but one that can be multiplied and that never inconveniences the user because it works automatically once obtained. ZIX tokens essentially give holders privileged access to monthly quotas of high-demand gift cards — a place in the queue. Users possessing ZIX tokens can spend their cryptocurrency on the gift-card catalogue at a certain discount and up to a certain monthly allotment before any users without tokens. Should multiple token holders seek to purchase the same tranche of vouchers, an algorithm based on the quantity of tokens pledged will determine priority. Should multiple holders pledge the same quantity of tokens for the same tranche of vouchers, access will be determined on a first-pledged, first-served basis. If the desired gift cards are not available when ordered, token pledges secure access to the discounted vouchers once they are in stock.

Second, the token functions like a damage deposit, covering the buyers' and sellers' risk until their transactions are complete. Tokens and the act of pledging are so fundamental not only because they determine the priority of access, but also because they disintermediate the transactions and simultaneously make them safe. Instead of requiring a third party to prevent cheating and guarantee delivery, the ZIX token allows buyers and sellers to exchange cryptocurrency and gift cards directly by pledging tokens to Zeex until the transaction is complete, just like a damage deposit. Users buy tokens to cover the risk posed by the transaction, and pledging the tokens to Zeex provides Zeex with the value necessary to guarantee the transaction until it is complete. Riskier transactions simply require more tokens to be pledged. Once the transactional risk passes, the token is returned to the user and is available for further transactions.

Third, tokens give users implicit and explicit means to vote on how Zeex expands its portfolio of gift cards, allowing the voucher catalogue to adjust automatically and instantaneously to market conditions and user preferences. Users can express their preferences implicitly and explicitly. The implicit method is simply by committing ZIX tokens to certain brands and geographical regions. As the amount of tokens shifts between different retailers in different areas, Zeex reallocates its operating capital to reflect those preferences in the catalogue and inventory of gift cards. The explicit means is a weighted voting function implemented by means of a smart contract. This allows users to give Zeex feedback about their preferences and desires, including about brands and regional markets still not (sufficiently) represented in the catalogue. These mechanisms to collect user feedback benefit not just the users, but also Zeex itself by enabling rapid and calibrated adaptation to changing market conditions and user preferences and profiles.

Fourth, since the token also serves as a login method, it unlocks access to the Zeex platform. Asking users to login using data from another service, like Google or Facebook, would not only compromise their privacy, but it would also effectively outsource the job of keeping user data secure to an outside agency. Zeex is not willing to compromise its users in either way. Letting users login with their ZIX tokens also gives them the shortest possible route from the app icon to the platform's marketplace.

Fifth and finally, the ZIX token itself carries deposit value. That is, token holders can spend their tokens in transactions on the Zeex platform. As a method to buy gift cards, the token is pre-paid and closed loop, giving users complete control over their spending. Thanks to the Zeex protocol (see below), paying with ZIX tokens guarantees the users high security, strict privacy and easy execution.

With these five functions, ZIX tokens give the users a single means to access the full range of functions on the Zeex platform. It also provides Zeex with valuable information on its users' preferences, ensuring that its capital assets and working relationships are optimally deployed in response to market conditions and user needs. The ZIX token makes the liquidity network stable, secure and flexible, as good networks should be.

Implementing this broad range of functionality is technically demanding, but the Zeex protocol makes it frictionless and efficient. The protocol is based on the open-source Ethereum platform, which allows the tokens and gift cards to be transferred to the requisite locations automatically using smart-contract scripts. This technology also allows for seamless reciprocal conversion between Ethereum coin (ETH) and ZIX tokens.

The next section describes the Zeex protocol and its vanguard technology in more detail.

# The Zeex protocol

Zeex's strategy extends beyond filling a valuable niche in the market; the other vital ingredient in its formula for success is technological innovation. Besides the value and security provided by the ZIX token, the Zeex protocol includes two innovative, but proven, technologies — ECIES and zk-SNARKS — to ensure that transactions are decentralised, automatic and private. That is, payment and delivery require only a single transaction without a clearing-house or escrow agent. Since they are effectively simultaneous, neither the payment nor the delivery is executed until both have been validated, which means value is transferred on the basis of correctly implementing the algorithms, not trust.

The Zeex protocol encrypts data using ECIES (the Elliptic Curve Integrated Encryption Scheme), which has been called 'The strongest form of encryption available on the market'. As a means of hybrid encryption, ECIES transmits the encrypted data along with an encrypted key simultaneously. In effect, this amounts to sending the currency purchased in a locked box along with the key to open it in another locked box, which only the recipient can open.

The second Ethereum feature implemented in the Zeex protocol is zk-SNARKS, which stands for:

- Zero-Knowledge: proof of possession, but not the content, of private knowledge
- Succinct: short proofs for rapid and economical verification
- Non-interactive: one-step, unidirectional verification (from prover to verifier)
- ARgument of Knowledge: proof of computational accuracy

This technology was originally developed by Zcash in 2016, and Ethereum adopted it with the Metropolis: Part I (Byzantium) version in October 2017. The purpose of this feature is to allow the blockchain miners to verify the result of a computation, which is how they certify the validity of each block and the chain as a whole, without giving them access to the exact terms used in the computation. Thus, the fact of a transaction's occurrence is recorded on the blockchain, which prevents illicit tampering and fraud, but the details of the transaction are visible only to those holding the appropriate private keys, which guarantees privacy and reassures potentially reticent users. The result is simple: smart contracts can execute computations off-chain, but their results become part of the on-chain transaction event. Blockchain miners complete the on-chain computation using modified values, which preserves the security and decentralisation that makes the technology so attractive. However, external servers complete off-chain computations using actual values to encrypt the transaction details. These encrypted values can include both public and private data that never appears on the ledger.

Though impressive, Zeex does not integrate this technology merely to scratch a mathematical itch.

Rather, this cutting-edge technology obviates a central clearing-house or escrow agent. Each transaction of cryptocurrency for a voucher, or vice versa, remains private, resistant to tampering, and bilateral — user-to-user — without Zeex or the vendor learning the purchaser's identity. To substantiate these claims and impart a sense of how the Zeex protocol uses these technologies in practice to complete a transaction, it might help to describe the procedures initiated by the protocol in a typical purchase:

1. To ready the system for transactions, Zeex allocates an off-chain server to be available for execution requests from the smart contract and uses it to create an off-chain function containing a private key. This private key is registered in the smart contract with a proving key and a verification key calculated using zk-SNARKS.
2. Prior to any purchases, Zeex encrypts the data from a batch of vouchers (i.e. the numbers printed on the gift cards, their expiration dates, etc.) and loads this data into the smart contract's storage. The public key used to encrypt the voucher data corresponds to the off-chain private key. The store is now open for (encrypted) business.
3. When a ZIX token holder orders gift cards in the app, the smart contract initiates its own series of procedures in cooperation with the off-chain server to transfer the voucher to the purchaser. In order, these include:
  - i. Verifying that the user has sufficient ZIX to make the purchase.
  - ii. Forwarding the user's public key along with the encrypted data of the gift card desired to the off-chain server.
  - iii. The off-chain function decrypts the voucher's data using its private key (from step 1) and re-encrypts it with the user's public key before sending it back to the smart contract, re-encrypted, along with a proving key.
  - iv. The smart contract uses the corresponding verification key (from step 1) to check the result before removing the voucher from the inventory, as it now belongs to the purchaser.
  - v. Zeex receives the purchase price in ZIX tokens committed by the user, and the smart contract records the successful transaction as a blockchain event.
4. The user's app receives the (re-)encrypted gift-card data from the smart contract and decrypts it using the purchaser's private key.
5. The purchaser can now view the voucher's code number, amount, expiry date and any other data, able to use it like any other gift card.
6. In effect, every entity involved in the transaction — Zeex, the user, the smart contract and the

off-chain server — has its own lock to seal designated elements of the transaction as well as its own key to open necessary elements. Value is never deposited in escrow, no clearing-house is required to settle the transfer, and no personal data is recorded or forwarded. Instead, each entity receives the information it needs to proceed with confidence, and each receives the value it is due immediately. With a single transaction, neither party can defraud the other, since any glitch in the transaction procedure will stop it. The protocol guarantees security without friction as well as speed without risk.

7. Even though value moves from one peer to another directly, users need not trouble themselves with the feat of engineering involved. As far as they are concerned, they just acquired a great deal on a gift card with no more effort than they would need for any other online purchase, and they can spend it immediately.

## The apps and roadmap

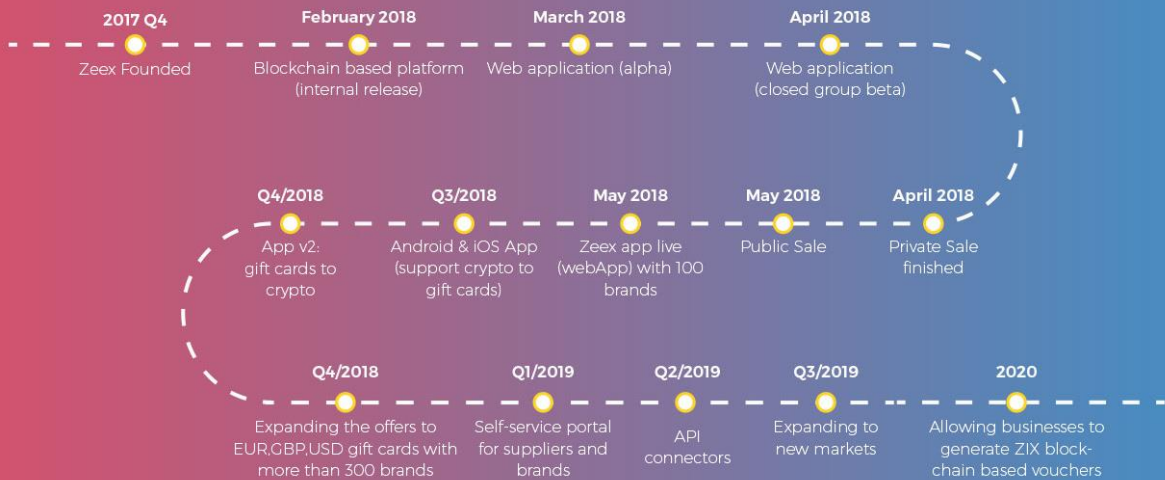
To ensure an intuitive user experience and minimize barriers to entry, Zeex is developing a full palette of user-friendly apps. These apps will give users the ability to review the contents of their wallets; examine their current activity in the form of pledges, sales and purchases; peruse the catalogue of currencies available to purchase; and engage in new transactions.

Three native applications are in various stages of development and represent key milestones in launching Zeex. The first native app scheduled for release is the web app, followed by native apps for iOS and Android.

Zeex values the input of its users. To optimise the user experience, Zeex will enable technical users access to beta versions of the apps on a testnet. This will allow them to familiarise themselves with the look and functions of the platform as well as to provide feedback and improve the general release.

Alongside development to enhance the user experience, the backend will also achieve a series of milestones. These include the smart contract for the Zeex protocol, stocking the catalogue of vouchers from brands in high demand, supply-management procedures and transaction-management processes.

# Roadmap



While this roadmap is the product of experience and substantial preparatory work, it must still be considered provisional, suggesting expectations rather than commitments, for a couple of reasons. First, each milestone is preceded by careful research of markets, trends and technologies. As this research progresses, its results may indicate the need for flexibility to take advantage of emerging opportunities. Second, Zeex thoroughly reviews and tests each new aspect of functionality to ensure safe, reliable and transparent operation, which are virtues that must not be compromised. However, updated technical whitepapers will be released at regular intervals upon the achievement of milestones. These will include up-to-date information on the progress Zeex will have achieved.

## Token-sale process

The token sale has been designed to rapidly establish Zeex as an indispensable and convenient platform and the ZIX token as a useful, trusted, intuitive and transparent means of buying gift cards with cryptocurrency and vice versa.



## Token economy

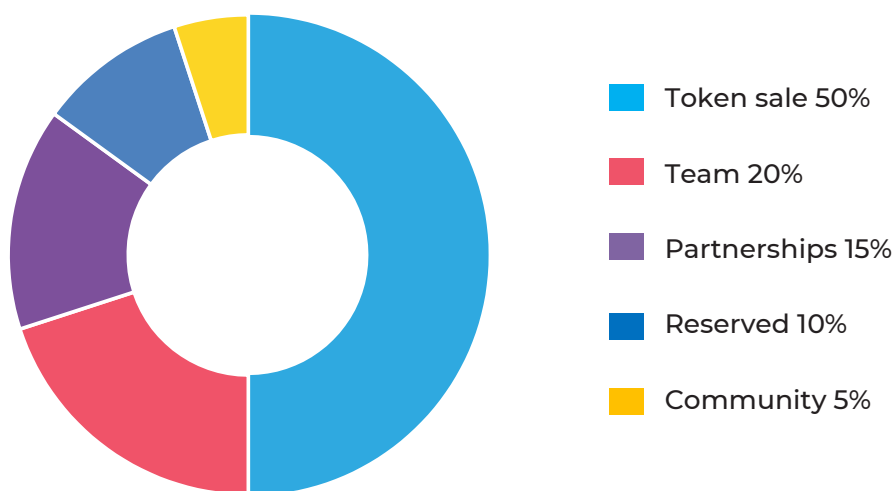
The ZIX token will be an ERC20 token that aims to grant its owner access to the Zeex liquidity network and enable a seamless, secure and fully anonymous experience.

Most importantly, the ZIX token is intended to grant a proportional right of precedence for acquiring discounted retail vouchers, which are in high demand compared to their supply.

The ZIX token serves multiple, complementary functions.

Primarily, it aims to serve as a guarantee that will allow Zeex to offer expedited service with far less friction than a fiat currency-based model.

In addition, it has been conceived as a form of collateral guaranteeing good faith on the part of the user as well as an optional payment method for the services and goods purchased and vice versa.



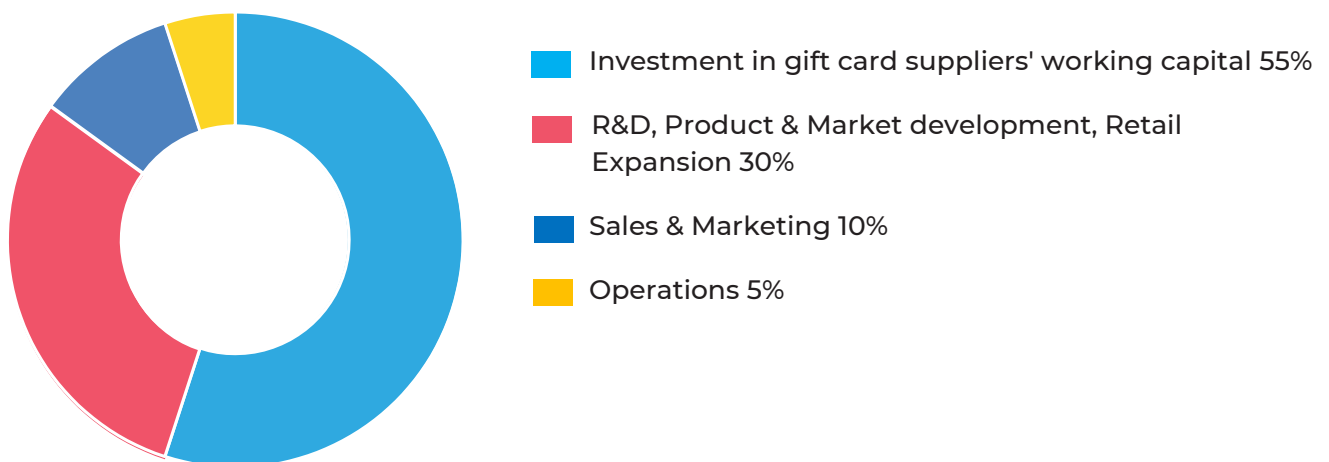
Soft cap	14 million USD
Hard cap	50 million USD
Unsold tokens	Will be locked for 24 months and considered part of the reserved tokens.
Exchange rate for token sale	1ETH – 5,000ZIX
Minimum investment amount	100 USD in ETH
Main token sale date	Q2/2018 – The exact day will be published in advance
Token contract address	Will be available at <a href="http://zeex.me">http://zeex.me</a>

In the event that the company decides not to complete the token sale prior to such time, due to not having reached the soft cap, the company will use reasonable commercial efforts to refund the purchase price received from token purchasers, less a pro-rata share of all costs, expenses and commitments of any nature, expended or incurred by the company at its sole discretion (including exchange fees and losses due to cryptocurrency and fiat currency conversions and price changes) and administrative costs.

## Use of proceeds: immediate reinvestment

Zeex will safeguard token-holders' value by using the proceeds to guarantee the supply of gift cards at the greatest possible discount it is able to obtain from a wide range of brands. This entails depositing funds with supplying retailers to ensure the availability of gift cards, and with them, the convertibility and value of the ZIX token. This procedure will free users from the expiration constraints of gift cards and allow them to make discounted purchases with their ZIX tokens for years to come.

The budget for the proceeds provides a transparent look into the reinvestment plan. Fifty-five per cent of the soft cap will go towards purchasing discounted stocks of retail vouchers. Around one-third will be devoted to developing and growing the platform and the business. The marketing budget has been set at a fairly standard level of 10%, and Zeex's streamlined operations will run on 5% of the proceeds. As with any comparable venture, planned expenditures are subject to change based on the company's needs and board decisions.



## Use cases

Zeex is amenable to a very broad spectrum of use cases because the underlying idea is so simple, generally applicable and fundamentally useful: the platform brings cryptocurrency into the real economy. Literally anyone seeking to spend cryptocurrency assets on real-world goods and services and anyone seeking to save and multiply the value contained in their excess or unwanted gift cards can benefit from Zeex. To make this broad utility more tangible, let us consider some likely use cases for the Zeex platform.

### **Use case #1: Joseph, 28, Toronto, cryptocurrency trader**

After finishing his BComm in 2013, Joseph, 28, decided to invest his graduation present rather than spend a year backpacking. Joseph made some clever decisions and was able to ride the burgeoning crypto market up. With his thirtieth birthday now in sight, he'd like to start settling down and enjoying the fruits of his hard work. However, his portfolio is mostly denominated in cryptocurrency. Therefore, his personal wealth is impressive 'on paper', but it remains relatively illiquid and vulnerable to market volatility.

Having just bought a house, Joseph would like to furnish it, but retailers like Amazon and Ikea do not yet accept his cryptocurrency assets for payment. Exchanging his assets for fiat is slow and expensive, which is not only inconvenient, it does little to shelter his wealth from market fluctuations.

Using Zeex, Joseph can easily and cheaply convert his cryptocurrency assets into gift cards. In his case, this means a raft of gift cards from Amazon, Ikea and other retailers. Within hours, he orders a new kitchen and dining room suite, a bedroom suite, and the new Xbox to go with his home entertainment system.

Zeex allowed Joseph to extract his wealth from the market and apply it to improving his life and realising his dreams. Whatever happens in the market, his new home is safe and comfortable, giving him the peace of mind to go out and pick the next winner.

### **Use case #2: Sarah, 39, London, HR/Office Manager**

As the Human Resources and Office Manager of a small advertising firm, Sarah is responsible for organising the firm's overhead outlay as well as the employee rewards programme. Recognizing the growth potential, her firm started accepting certain cryptocurrencies as payment a few

months ago, and one FinTech client in particular regularly settles its account in ETH. While the conversion value of these receivables steadily grows, it is difficult to convert them into payables for reinvestment or to service operating expenses.

Meeting with the management team, Sarah presents Zeex and its potential to her colleagues. She shows them how to tap their cryptocurrency assets by converting them into gift cards. The management team approves a limited budget of ETH for her to test the plan.

Within days, she has secured enough vouchers to buy new Mac Pro desktops for the design team well below the retail price, and she has restocked the supply closet at a fraction of the typical overhead costs. With the management team convinced, she connects the rewards programme to the Zeex catalogue. The employees love the new programme, which lets them choose from a range of different gift cards and how they want to spend each one for the sweetest reward. Within a few months, the FinTech account — with some help from Zeex — services almost all the firm's overhead from mobile fees to catering for the Christmas party, and Sarah gets the credit along with her bonus.

### **Use case #3: Mei, 19, Tokyo, generation Z consumer**

Mei recently graduated school and moved from Kyoto to Tokyo to study design and animation. As an only child with plenty of extended family, Mei regularly receives gift cards from her relatives, but as a student, she needs little more than textbooks and her iPhone. She hates to watch the cards' value diminish as the expiry dates inevitably approach.

Instead of letting the gift cards expire or giving them away to her friends, Mei decides to start saving now so that she'll be able to stay in Tokyo after her studies are complete and avoid moving back home. The problem is how to turn those gift cards into something worth saving, like an appreciating asset.

Mei has heard about cryptocurrency from the news and has even started using it for purchases. She was thrilled when she heard about Zeex, because it allows her to convert her gift cards into cryptocurrency. The proceeds from the gift cards give her both more flexibility in her spending and the means to start building her nest egg. Now the gifts she receives for her good grades do more than pay her phone bill; they're securing her future.

### **Use case #4: Andreas, 44, Berlin, VP Sales at large retailer**

Although his background is in finance, Andreas has just made a lateral move to a large German sporting goods retailer as Vice President of Sales. The board sought a finance expert to manage the sales department because the combination of international competition and online shopping have squeezed the firm's profit margin, and they need to reconsider their pricing strategy.

After looking at the books, Andreas realised that the problem is not so much the pricing strategy, but the distribution of profits over the year. Even though profits are high before Christmas and in late spring, the firm maxes its operating line in the lean months at whatever interest rates the banks are charging that quarter. By March, the bank has siphoned December's profits.

Andreas decides to solve the problem by managing the company's gift-card programme more aggressively and using Zeex as the distribution channel. By using Zeex to adjust the discounts on the gift cards by season, raising the rebate in lean months and lowering them when sales are high, Andreas solves two problems at once. Not only does this new strategy allow the company to leverage future sales against current expenses — at a discount rate determined in-house, not by the bank — the firm simultaneously acquires a growth asset in cryptocurrency. Now the profits stay where they belong, and the capital base for future growth is growing nicely too.

#### **Use case #5: Adam, 31, San Jose, privacy aficionado**

Adam is a network security analyst on the cybersecurity team of a large Silicon Valley tech firm, and he takes his work very seriously. His home computer runs Debian, he never browses without his VPN, and all his passwords are salted.

As much as Adam cherishes his privacy, he can't use cash everywhere, and every digital payment method compromises that privacy. His bank, credit card and digital wallet are especially weak areas in his privacy bubble, because they have access to so much of his behaviour and so many of his purchases. PayPal (and his bank) know what kind of computer he uses, what games he plays, and when he needs an Uber to get home. He's been looking for a means to make his digital purchases private for a long time.

After reading up on the technical specs of the Zeex protocol, Adam realised that it's exactly the solution he's been looking for. He can convert his fiat wages into cryptocurrency, taking his bank out of the loop, and Zeex lets him convert his cryptocurrency into retail vouchers anonymously. Not only does that save his data from the payment providers, but even the retailers themselves know nothing more than the shipping address he provides. Zeex plugged his biggest data leak.

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The token sale and/or ZIX tokens could be impacted by regulatory action, including potential restrictions on the ownership, use, or possession of such tokens. Regulators or other competent authorities may demand that we revise the mechanics of the token sale and/or the functionality of ZIX tokens in order to comply with regulatory requirements or other governmental or business obligations. Nevertheless, we believe we are taking commercially reasonable steps to ensure that the token-sale mechanics and issue of ZIX tokens do not violate applicable laws and regulations.

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This whitepaper contains forward-looking statements or information (collectively “forward-looking statements”) that relate to our current expectations of future events. In some cases, these forward-looking statements can be identified by words or phrases such as “may”, “will”, “expect”, “anticipate”, “aim”, “estimate”, “intend”, “plan”, “seek”, “believe”, “potential”, “continue”, “is/are likely to” or the negative of these terms, or other similar expressions intended to identify forward-looking statements. We have based these forward-looking statements on current projections about future events and financial trends that we believe are relevant to our financial condition, results of operations, business strategy, financial needs, or the results of the token sale.

In addition to statements relating to the matters set out here, this whitepaper contains forward-looking statements related to Zeex's proposed operating model. The model speaks to our objectives only and is not a forecast, projection or prediction of future results of operations.

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