



STEM

sport token
exchange
market

WhitePaper



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Introduction

Sports world market continues to grow from year to year and it is expected that during next 5 years market will further grow by 30% annually. Sports betting is obviously the favorite type of entertainment for sports fans, and it is going to grow alongside with the sports world market. This kind of gambling roots in the beginning of human history. Its origins might be seen even during Rome Empire times when betting for the best gladiator was similar to a daily routine. Nowadays the betting industry continues to develop strongly.

Sports brings a lot of emotions, unites people of different cultures and ages in communities with the same interests – fan-clubs. Sincere engagement into sports life attracts fans to bookmakers in order to support their team and, as a result, receive possible income. During the existence of sports betting it got the reputation of dishonest and fraudulent kind of earnings that speculates on trust and naevity of gambling people. It is often considered as a way of preying on fans' love and loyalty. Modern technologies open new opportunities. STEM project has an offer to all sports fans and it is ready to present a revolutionary solution for the betting market, change rules of the game and make money on love without any risk of losing all the savings.

Market problem description

The world of sports betting is a risk earning.

The higher the risk the better the earning in case of the winnings.

Every time while betting players risk losing all their money.

Accordingly the more bad bets the more bookmakers earn. And this kind of risk is the main source of income for the bookmaker's industry and not only for them.

Hidden risk factors.

Apart from the tricky mechanism of betting earning there are special influencers who push to bet big while making predictions for the outcome of the matches. These people make money on the loss too when bookmakers pay them through affiliate programs. Another option is to sell speculative, false, untrustworthy predictions.

There are also unforeseen factors that increase the risk: synergy within the sports team, psychological state of the players, match-fixing, political and economic situation and others. All that means that the result of the game might not be obvious and there is a big risk of losing money.

90% of people lose their money.

Even though we remove all hidden risk factors there are less than 10% of the people (according to statistic) who bet regularly and win for the long period without loss. The rest of 90% people lose their money.

Project description

Investment world is also making money on risks. In the investments field, as well as in betting is applicable the same rule: “the higher the risk the higher the rate of income from interest. Meanwhile, in contrast to betting, investment instruments have several indicators that allow to predict the future of invested money.

STEM is a sports team exchange where each sports club has their own token and that token has its own cost. The token cost is defined with clear indicators such as statistic of team performance, rating, the cost of team players and some others. Based on these data, criteria for token emission and cost are shaped. All indicators are available for any internet user. The better team plays the higher its indicators and more expensive its tokens. And vice versa: if the team makes statistic worse its tokens are getting cheaper.

Similarly to stock exchange users can predict changes of token price while analyzing and predicting results of the game for future matches. In this way they can make money on the rise and fall of token price. That mechanism provides more confidence for sports lovers and helps to avoid some risk of losing all the money if the team loses the game or even the whole season. In case the indicators are getting worse, the token cost might decrease but later, might return to the original price or even exceed it. Moreover, while buying and keeping tokens you always can show the loyalty to your favorite sports club, empathize and follow all the sports events with it.

Project mission

Project mission is to create a safe environment for all sports lovers who can make money on their involvement in the world of sport.

Market players – STEM is being created for – are active fans of various kinds of the sport and regular players in bookies and also different analytics and observers of sports events.

How STEM works

Any user even without registration might view news, sports team analytics and predictions, watch the rise and fall of token cost of various sports teams, communicate in the club chat or public one among other exchange users. Everyone sees all the applications on the stock as a graph which shows all the rate movements in the Depth of Market.

Registered users can participate in betting, deposit or withdraw money within the exchange, make their own applications for buying or selling of tokens and see all other applications in the DOM (Depth of Market).

The exchange has specific modules:

- Information Charts which allow you to see fluctuations of the token rate.
- Trading forms for buying/selling orders and Depth of Market where you can see betting offers which always expect counter offers. The information exchange between customer and stock server is happening in real time.
- Personal account
Functional set of programmes for safe input/withdrawal and storage of funds, conversion of cryptocurrency, buying/selling sports teams tokens.

Trading, calculations and all transactions on the exchange are implemented by cryptocurrency STEMx based on Waves blockchains. Emission and listing of sports teams tokens are carried out by STEM exchange. Sports teams' tokens' trading is possible only inside the exchange.

Why it is trustworthy to buy STEMx tokens on ICO

STEMx tokens are sold on ICO with 90% discount regarding their face value. The discount is supposed to decrease as tokens are being sold. Discount will continue during the development period of the exchange. After the project launch STEMx price will be equal to their face value. It will be available for buying and selling on the exchange at market price.

Cryptocurrency STEMX is the internal digital currency of STEMx exchange. The users will be able to buy sports team tokens on the exchange using this currency. If a customer doesn't have STEMx cryptocurrency, they might be able to buy it both inside STEM and on a third-party exchange at market price.

The cost of STEMx is defined by market demand and availability of regular trading orders in DOM provides quotation growth according to market economy mechanisms.

Having bought STEMx you will be able to use them not only for buying sports team tokens on STEM exchange but also convert them into other digital currency or fiat after launch of the system.

Tokenomics (Token economics)

During ICO there is a plan to release 15 000 000 STEMx tokens. The price for tokens is planned to be increased after each 1 000 000 sold. Original price is 1 STEMX = \$0,01, at the moment of release of the planned amount it is going to be not less than \$0,038.

After project launch it will be possible to convert tokens within the exchange at the rate of \$0,2.

ICO's target is to collect \$400 000 for the pilot version of STEM exchange with further output for investment of venture funds at the level of round A in excess of \$1 000 000.

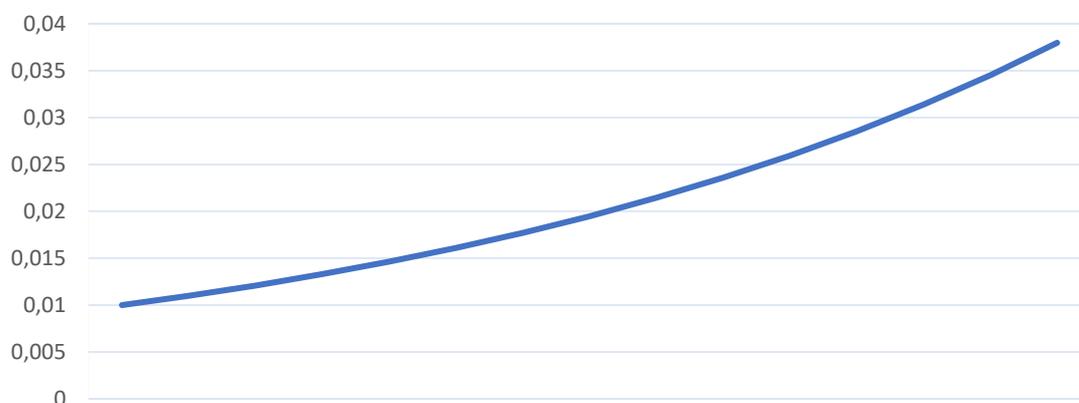
Investments and ICO – 55% (Public and private sales).

Liquidity – 5% (Providing token liquidity).

Reserve – 5% (Reserve Fund).

Team and development fund – 35% (Distribution among the team, bonuses, incentives, improvement).

The chart of increasing the token cost during the ICO. The price is growing after each 1 000 000 STEMx sold.



Why will STEM be successful?

The main source of income for STEM is receiving commissions from each transaction on the platform.

The total world sports rate volume exceeds \$960 billions a year, the same indicator in Russian exceeds \$24 billions. The percentage of Russians (in the age of 18 to 70) who bet exceeded 9%, during 2020 the number of people exceeded 9 million people. Active players are considered to be those who bet regularly more than once a week. There are more than 1328 million people.

The average rate for a person is more than 1500 rubles and annual increase is 50%.

STEM is targeting to gain 30% of Russian market during 3 years and engage more than 1,8 million users. Combined monthly income within the exchange is predicted to be more than \$1 billion. Clear monthly income from commissions (\$0,02) will exceed \$20 000 000.

After successful launch in the countries of CIS the project is going to expand towards international markets starting from the UK and European countries.

The project goal in to involve more than 5 000 000 users all over the world and total monthly turnover is planned at level more than \$3 billions including income more than \$60 million.

Token sales indicators:

Soft cap STEM 200 000\$. This amount is necessary for implementation of the platform with minimal functionality and covers start up marketing expenses for the first stage.

After implementation of this stage we will manage to have a working product - STEM exchange, make financial transactions within the project and receive an additional investment from venture funds.

Target details of fund-raising:

- < \$200 000 – the project will be considered as unsuccessful and we will return money.
- In case of reaching \$200 000 - minimal level (soft cap) – we will implement the main functionality of the system and make it available for all users. Then start the first stage of the marketing project in order to get the first 10 000 regular users.
- Attract venture capital with the transferring and sharing of the part of the project and close essential legal issues.

Project Map (Road map)

Q4 2020

- **Foundation of STEM project**

(General study of sports betting market, development of the concept of STEM ecosystem.)

Q1 2021

- **The market was analyzed and hypotheses were formed. Teambuilding. First meeting with investors.**

(explored target audience, formed hypotheses how to enter the market and interact with users, the first team is ready to implement MVP, the first interest and communication with investors)

- **The logic of the project is described, the start of development of MVP.**
(token emission, trading of tokens on the platform and other exchange elements. The start of development of a demo version.)

Q2 2021

- **Finishing development of MVP and testing.**

(There is a product version that represents the imitation of exchange work.)

- **Preparing to ICO and searching of early investors - target is \$400 000**

(There is a STEMx token, preparation for ICO, arrangement of documents, start of the active stage of searching for business angels.)

Q3 2021

- **Start ICO. Marketing campaigns.**

(Active stage of ICO, work on project marketing aiming to sell tokens and gain the first users for the demo version of STEM.)

- **Start of development of the pilot version of STEM.**

(unfolding exchange functionality and token emission)

- **Finishing the first stage of investments. Legal processes.**

(Legal form of the project, finishing first stage of ICO, summarizing, blockchain installation into STEM exchange, engagement of payment gateway.)

Q4 2022

- **Development of product launch and employment of the team.**
(project management, employment of the team, debugging and work with functional)

Q1 2022

- **The launch of STEM pilot version**
(Testing of exchange work on a focus group, first public launch of the product.)
- **Preparation to the second investment stage (\$1 000 000)**
(The start of the second round of ICO and engagement of a venture fund.)

Q2 2020

- **Finishing of the second investment stage. Active stage of development**
(active stage of aggressive advertisement, capture market share)

Q3 2022

- **The first 150 000 active users. Self-sufficiency.**
(fixed point of self-sufficiency, generating profit)

Q4 2022

- **First 450 000 users. First negotiations and opportunity for the early investors to leave.**
(Turnover of monthly transactions exceeds \$100 millions. Discussions with early stage investors exit buying shares at the expense of project profitability or by selling the share during the next investment round.)

Disclaimers and Risks

All tokens in the exchange ecosystem are classified as “Virtual financial asset” according to Malta applicable law “Law about Virtual Financial Assets (chapter 590 of Malta laws)” (Malta VFA Law). Tokens don't have any specific necessary characteristics to be considered as transferable security, means of money market, an item in the schemes of collective investment, digital currency, goods, securities or any other form of investment in any jurisdiction.

This technical document was drawn up in accordance with regulations of Malta law of VFA. At the moment it is in the process of registration at the relevant competent authority (Malta Financial Service Authority). As of the date of the release of this official document there are no any other requirements to registration, approval or licensing of STEM tokens in terms of Malta applicable legislation.

This technical document can't be considered as an emission prospect or offer, invitation to investment and it doesn't represent an offer of financial instruments, public securities or collective investment. Any decision about token purchasing has to be based on the review of this document on the whole.

Emitter reserves the right (i) to amend this blank white paper and any other documents concerned tokens of STEM ecosystem and/or ownership and usage of sports tokens to ensure applicable regulatory requirements and (ii) do whatever it takes to comply with them including interruption, suspension and termination of STEM/STEMx token trading if the Emitter finds that necessary at own discretion.

It is absolutely up to you if you need preliminary or following approval, notice, registration or license, or request any specific form for the country of your residence and the Emitter is not

responsible for your own failure to comply with the above-mentioned.

This document describes sports teams tokens of STEM and STEMx, trading and usage of STEM ecosystem tokens and doesn't give any rights, explicit and implicit, apart from using them on the platform stem-ru.com and trading of tokens on the cryptocurrency exchanges.

STEM and STEMx sports teams tokens don't give any property ownership or share or provision or any other equivalent rights, intellectual property rights or any other form of participation pertaining to the emitter or sports clubs.

STEM and STEMx sports teams tokens don't give rights for acquisition of any such interests or rights concerning the Emitter or sports clubs.