



CLEAR
COST

WHITEPAPER

2018

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ABOUT THE PROJECT

Project Mission

To allow consumers to receive goods and services at cost.

Project Essence

Reflected in the name ClearCost (i.e. price without markup): we do not include the costs of advertising and super-profits in our prices, as our competitors do.

Primary Project Goal

To make travel more affordable by lowering the price of accommodations in hotels (depending on the hotel and the region, from 6% to 15%; in some cases, up to 25%).

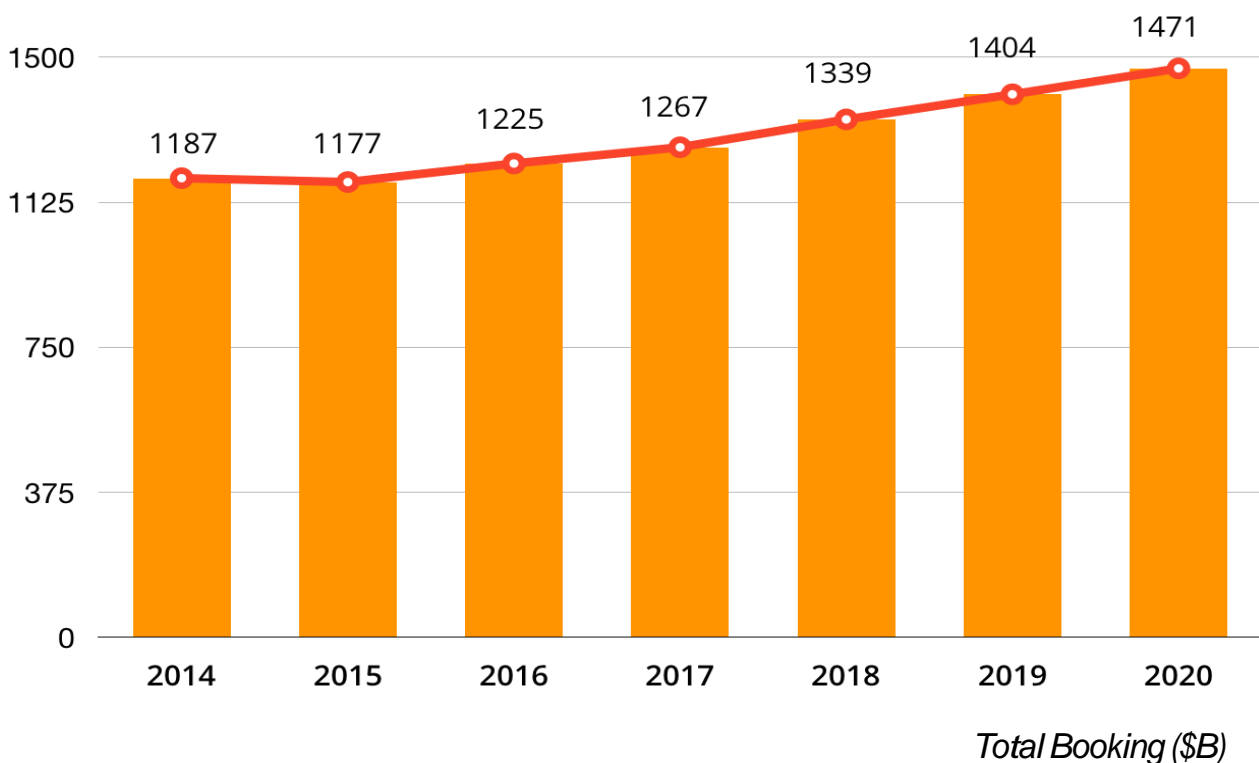
By spending about \$50 on tokens now, you can get more than \$600 worth of benefits from membership in ClearCost.club.

The Purpose of ITO

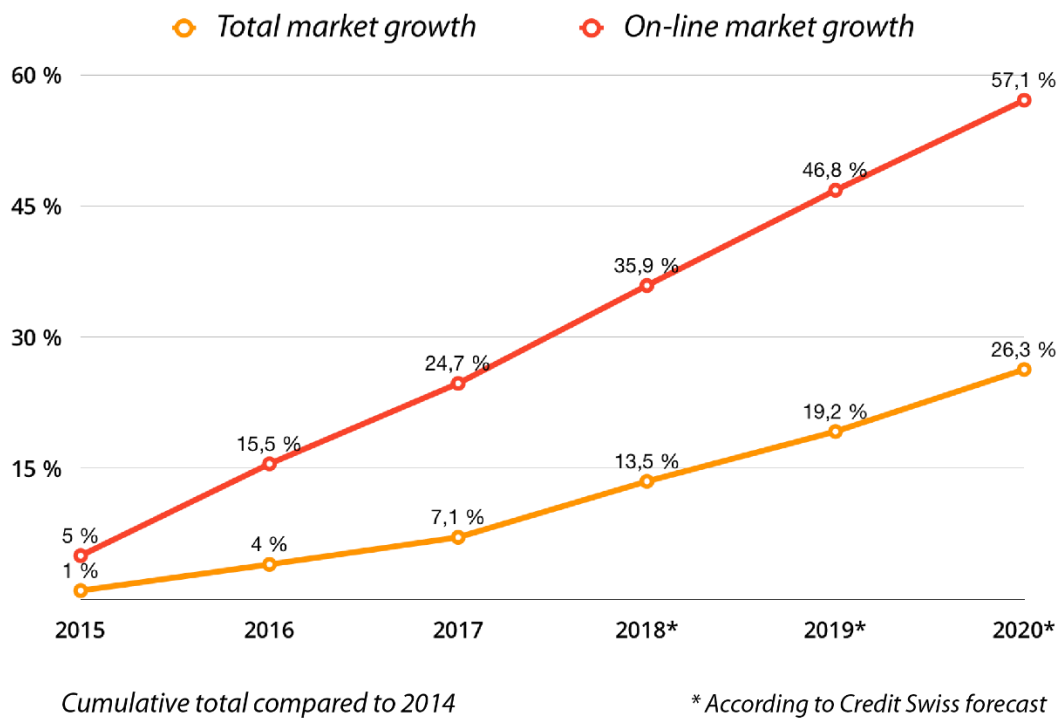
Raising funds for the promotion and development of an already working and demanded service; MVP is already functioning: www.clearcost.club.

MARKET

The \$1.3 trillion global travel market is very large and fragmented¹.



At the same time, Online Travel Bookings show greater growth than offline travel bookings¹.



*CreditSwiss

Thus, in 2017, online services have been used to book about six billion nights in hotels, of which two leading OTAs (Online Travel Agency) booked about a billion.

By all estimates, the cost of a room night exceeds 100 US dollars: \$100.10², \$107¹, \$118³. This analysis allows us to conclude that our project is relevant and enters an attractive market, and the business model will allow us to take market shares.

For example, in 2017, the Priceline group alone (now Booking Holdings) booked²:



673,1 million
Room nights



73 million
machine days



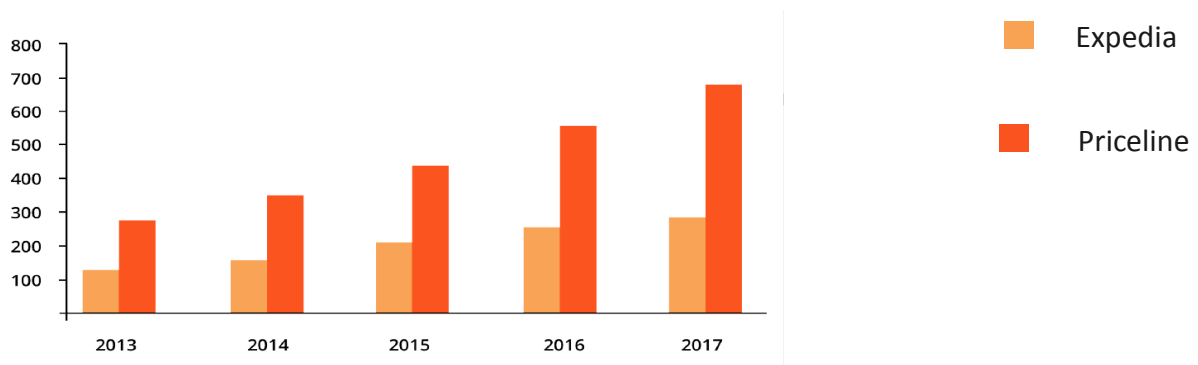
6,9 million
air flights

for a total sum of **81.2 billion dollars** with a markup of **12.4 billion**.

And, according to Forbes, **83% of sales** and **97% of the company's profit falls on hotels⁴**.

That is, the **markup is approximately 15% of the turnover**, and the average cost of the overnight stay is \$100.10.

The two largest companies in the market only have control of 17% of it, which provides significant growth opportunities to other companies¹.



This analysis allows us to conclude that our project is relevant and enters an attractive market, and the business model will allow us to take market share.

SOURCES OF LOW PRICES

There are large market players, the so-called wholesalers, who buy overnight stays in large amounts. The most well-known players are Expedia, GTA, and Hotelbeds.

They do not spend money on B2B advertising, but instead sell rooms through a network of agents to whom they give a discount; often one that is quite impressive. When it comes to their turn, agents bear the costs of attracting customers.

Since our customers are token owners, the said costs are excluded from our prices and our estimated markup is about only one third of the markup of rivals, so our customers get substantial economic benefits.

PROJECT AUDIENCE

The project audience is the socially and economically-active population belonging to the upper middle class, within the ages of 25-55. Therefore, this same audience includes those who are active **crypto-currency wallets users and crypto-investors**⁵.

As such, the project will answer several demands of the target audience at once:



The desire to use same with benefits



The need for real use of crypto-currency



The wish to save on travel

CLUB MEMBERSHIP AND TOKEN PROFIT

You can buy a subscription to the club program for cash, by paying an annual fee on the website. However, **if you becomes a member of the club using CCWT, it is four times more beneficial**, and this ratio will only grow.

Moreover, a subscription to the club program using blockchain technology allows its members to exchange and trade tokens in a familiar and convenient form

Table 1. Price of annual subscription to the club program in USD and CCWT

Year	1	2	3	4	5	6
USD	45	47.5	50	50	50	50
CCWT	12	11	10	9	8	7
Benefit ratio while buying tokens in October 2018	3.8	4.3	5.0	5.6	6.3	7.1
Benefit ratio while buying tokens in July 2018	4.4	5.1	5.9	6.5	7.6	8.4

TOKEN SUBJECTIVE VALUE

Token subjective value is the highest price level at which a particular person benefits from buying a token. According to the official statistics of Booking Holdings², the average price of an overnight stay is \$100.1.

Below is the calculation for a tourist who stays in hotels 15 nights per year.

Table 2. Calculation of the subjective value of tokens for a tourist who travels 15 nights a year.

Year	Tokens spent	Benefit*, \$	Token subjective value CCWT, \$
1	12	82	6.90
2	11	90	8.20
3	10	98	9.80
4	9	105	11.70
5	8	113	14.10
6	7	120	17.10
Total	57	607	Average: 10.65

It is important to understand that this parameter can be estimated only for an individual person and has no connection with the expected market price of the token. Anybody can calculate the approximate benefit and the personal subjective value of the token using a calculator on our website.

* The benefit is calculated based on a mathematical model. Under it, a client's discount will grow by 0.5% annually in line with the growth of the company's turnover: the larger the buyer, the better terms it will be offered by wholesalers and hotels. These terms are not guaranteed and may differ in practice: the benefit may differ significantly in each particular case, because it depends on a hotel's level and its price and discount policy.

TECHNICAL AND LEGAL USE OF CCWT TOKENS

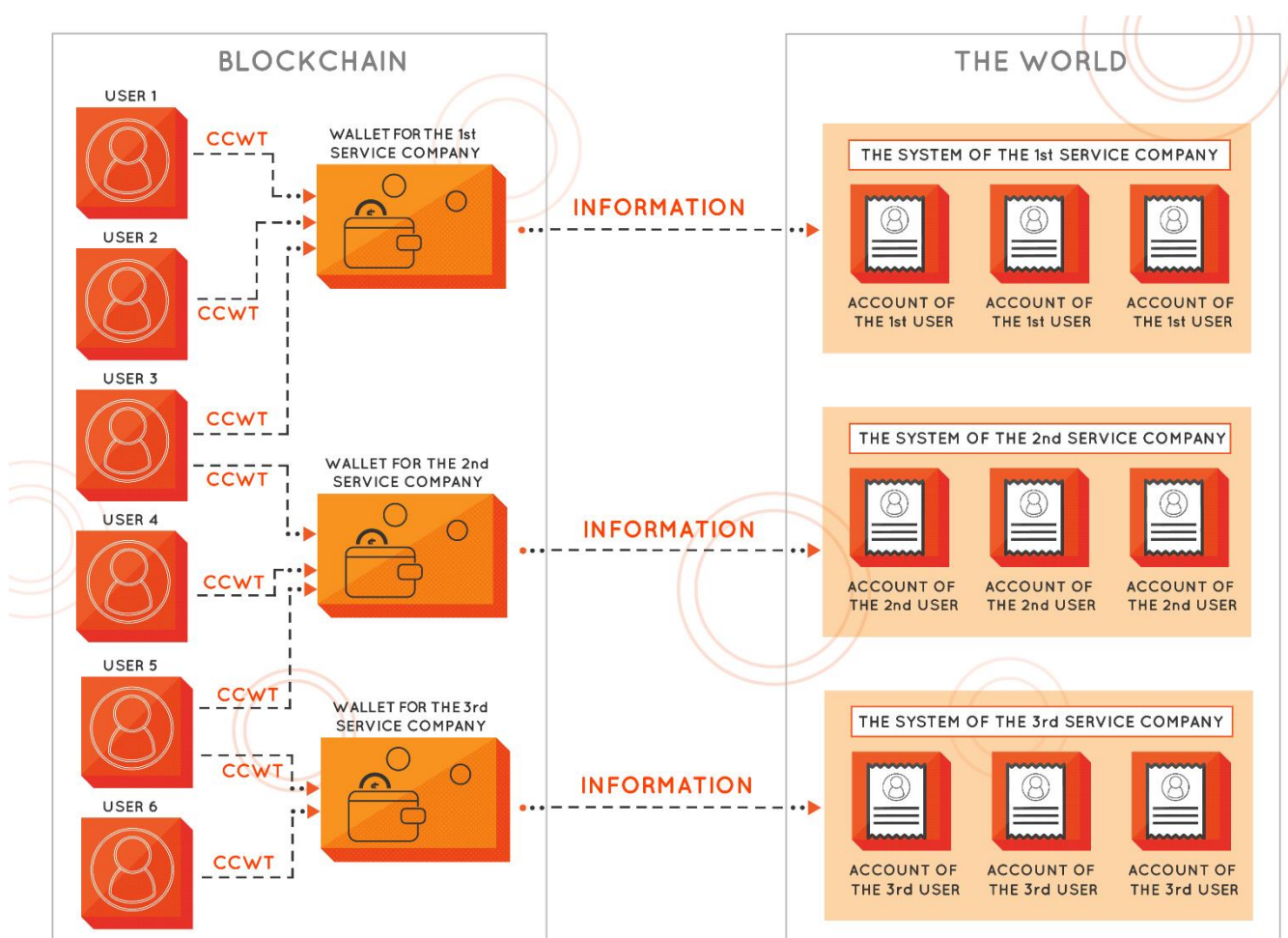
For each of the service companies, the Operator of Distributed Registry creates a wallet.

Buyers transfer CCWT tokens to these wallets using the ERC20 protocol.

Service companies track the receipt of tokens and in their own systems to increase the buyer's rights to receive goods or services at cost price.

For example, the First Service Company extends the subscription period on Clearcost.club.

Optionally, the Operator may use the API and inform the Service Company about the tokens' transfer.



An important legal feature of the use of CCWT tokens.

"By default" CCWT tokens do not become property of the Service Company, so this procedure does not require national licenses and permits for operations with crypto-currencies.

TOKEN SALE

- **The total amount of Tokens to be issued** 5 500 000.
- **The total amount of Tokens to be put on sale** 3 500 000, including tokens to be put on pre-ITO 1 000 000.
- These tokens not distributed during TOKEN SALE will not be released into circulation.
- **Pre-ITO period** — from 21.05.2018 to 20.06.2018
- **ITO period** — from 01.07.2018 to 30.11.2018
- **Soft cap** - none.
- **Jurisdiction of Tokens issued** – Seychelles.
- **Jurisdiction of the first of the Service Companies (Online Travel Agency)** – Estonia.
In local markets, service may be provided by local companies.
- **After 30.11.2018**, Tokens will enter into free circulation through at least one exchange.
- Accepted for payment: **ETH, BTC** and other cryptocurrencies.
- Technical standard: **ERC20**
- At any time, a token holder can obtain membership instead of tokens.
- The company has a reserve fund that can be put on sale in the situation when the market value of Token exceeds 2/3 of the Token Subjective Value for an average customer, and for marketing campaigns.
- The founders are prohibited to sell Tokens, if the Token current market price is below **\$2.50**.
- The Service Company has the right to stop providing the described services to Token holders at any moment by placing an offer of Token redemption at the maximum market purchase price at **00-01 CET** of the day on which the announcement was made, or by providing holders of our Tokens with alternative tokens that could be exchanged for at least as same period.

TOKEN PRICE DURING TOKEN SALE

Table 3. Prices of CCWT tokens

	pre-ITO 21.05 20.06	ITO 01.07 31.07	ITO 01.08 31.08	ITO 01.09 30.09	ITO 01.10 30.11
Token price discount	20%	15%	10%	5%	0%
Price*, \$	0.8	0.85	0.9	0.95	1
Minimum purchase amount	2000	57	57	57	57
Price of the Minimum purchase amount	1600	48.45	51.3	54.15	57

* Exceptions are possible in the course of sales promotions.

SOME ASPECTS OF THE INITIAL TOKEN OFFERING PROCESS

Purchase of tokens will be available on the ClearCost.io website for registered users, and also on partner platforms listed on the website.

After payment, the purchased tokens will be reserved in the name of the buyer.

He or she may order to have them transferred with the purpose of subscribing to the club membership program at any moment.

To buy Tokens you need not undergo the KYC (Know Your Customer) procedures immediately.

However, the **buyer over 1000 CCWT (in total) will not become the owner of reserved tokens without undergoing this process**: if this procedure is not completed by December 1, 2018, instead CCWT the Service Company will automatically grant the buyer a subscription to the club program for the period of time, according to Table 2 (for the seventh year and beyond – at the rate of 7 tokens per one year subscription).

According to the internal security regulations, citizens and residents of the following countries and territories cannot pass the KYC procedure: USA, Syria, Iran, North Korea, Palmyra Atoll, Guam, Northern Mariana Islands, Puerto Rico, US Virgin Islands, American Samoa, Wake Island, Midway Atoll, Johnston Atoll, Baker Island, Island Howland, Jarvis Island, Reef Kingman, Bank of Bajo Nuevo, Serranilla Bank, and Navassa Island.

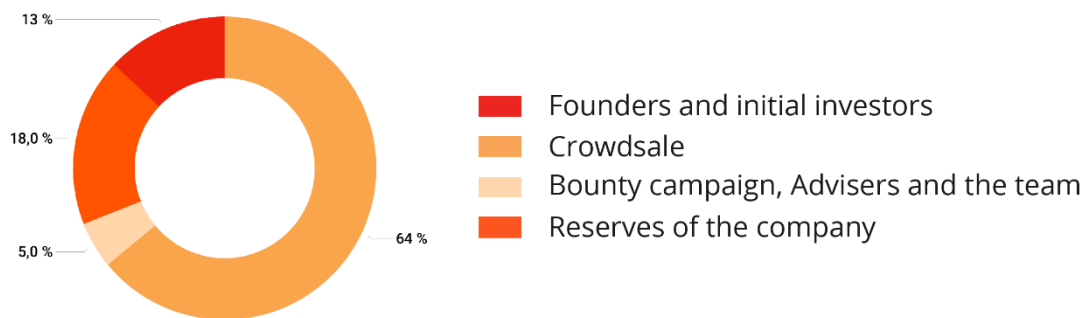
Because in this case the possession of tokens is excluded, the Service Company will automatically grant the buyer a subscription to the club program for the period of time, according to Table 1 (for the eighth year and beyond – at the rate of 7 tokens per one year subscription).

FUTURE TOKEN PRICE

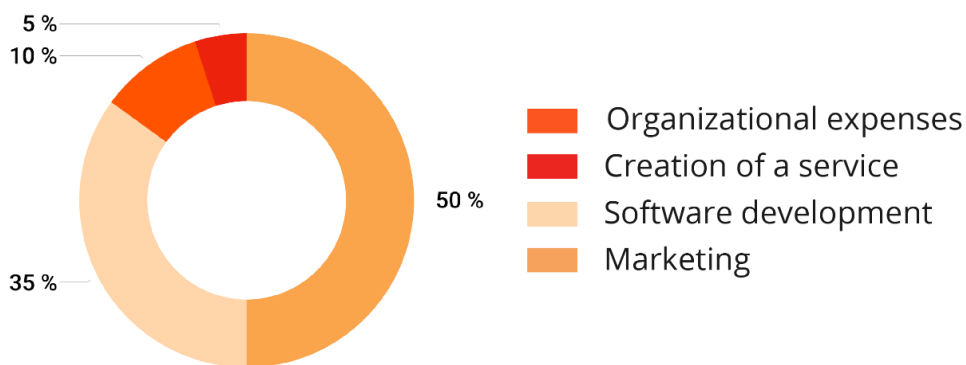
We are not an investment or brokerage company that makes assumptions about token price changes: too many different factors affect the rate.

We treat Tokens only as a way to get services at cost, not as an investment instrument.

DISTRIBUTION OF TOKENS



EXPENDITURE OF COLLECTED ASSETS



MARKETING

To attract customers we will use:

1. Official mailings to subscribers of tourist Internet sites
2. Various formats of ads on ticket buying sites (Kayak, Aviasales, etc.)
3. Contextual advertising

Special attention will be paid to the development of partnership projects, which may vary depending on the country of promotion (issuing a tourist card together with banks, etc.).

We plan to take part in international exhibitions annually.

ROADMAP



TEAM

1

Pavel Malyshev

Has more than twenty years of experience in tourism and advertising. Creator of more than 30 Internet projects, the owner of many patents, he is the founder and co-owner of the ticket agency ChaBooka

2

Aleksandra Zhukova aka Shura

Has more than 12 years of experience in marketing and management, experience of launching more than 5 projects from scratch (startups), including ones in travel industry; has experience in investment projects assessment and managing a retail bank (staff of more than 40 people supervised).

3

Andrey Insarov

Has more than 9 years of experience in the telecom industry, the CEO of the leading SMS-provider Intis Telecom. He successfully held an ICO for an international project SMSChain.

4

Yuri Sosnov (designer and frontend-developer)

Eleven years in frontend design and development. He has developed, in collaboration with Pavel, more than ten sites, including skytrick.com and handmadebooking.com

5

Alexander Popov (backend-developer)

Has a long-term experience in programming of highload systems. Now he is the leading developer of ChaBooka.

6

Natalia Shkarlet (community manager)

Marketer, teacher in marketing. Has a bachelor's degree in marketing.

7

Daria Bykova

Specialist in strategic marketing and branding. Has more than 5 years experience development of positioning strategies for HEARTM technology for companies of different levels.

ADVISERS AND CONSULTANTS

1

Tommy Ryoo

Ex - Sales & Marketing Director at FXGear Inc.(Seoul, Korea), Technology Strategy Planner at Hyundai (Seoul, Korea)

2

Robert Rongen

Partner, Blockchain Technology Architect at Weconomics Foundation (Eindhoven, The Netherlands)
Ex - Information Management Architect and Expert at Philips (Eindhoven, The Netherlands)

3

Anton Berezchnoy

Consultant, system architect

4

Amol Mozarkar

Technical Solutions Architect at Bell, ex-Application Architect at IBM;
Amol is a member of Global Association of Enterprise Architects.

5

Alexander Bortsov aka Travelbelka

The founder of the largest Russian travel community, gathered on the website travelbelka.ru

6

Alexey Morozov

DAFund managing partner

7

Mariya Lapuk

Co-founder Vinci Agency, Ex-PR consultant of the social network Odnoklassniki.ru

TERMS AND DEFINITIONS

Token CCWT	Virtual discount card, which can be purchased during ITO, and then used to obtain Club Membership. After ITO, it will be possible to buy or sell them on an exchange. This is a utility token, not a security one (i.e. it gives you an access to services, but is not an investment instrument)
ITO (Initial Token Offering)	Initial Token Offering; the token generation and primary distribution event.
Token Subjective Value	The price level at which a particular person benefits from buying it. This depends on the geography of the travel and the price level of hotels they stay in; normally, the more expensive the hotel, the higher the benefit and Token Subjective Value.
Operator of Distributed Registry	A company responsible for issuance and distribution of Tokens.
Service Company	A company that directly provides services at cost. It accepts Tokens in exchange for Club membership fee.
Club membership	The relationship between the Service Company and the person ("Member of the Club"), according to which the Service Company provides services at cost to the Member of the Club
Cost price	Cost price is the price of a wholesaler + a minimum charge to cover our expenses (not more than 4.85%, where more than half of the payment is a card-acquiring fee).

DATA SOURCES

1 <https://www.credit-suisse.com/media/assets/microsite/docs/events/2017/private-internet-company-summit/cs-2017-online-travel-primer.pdf>

2 <http://ir.bookingholdings.com/static-files/05e91252-845c-476a-a236-9f3599d54cf3>

3 <http://hotelier.pro/news/item/2624-expedia>

4 <https://www.forbes.com/sites/greatspeculations/2013/01/10/breaking-down-pricelines-business-and-stock-drivers/#157924426216>

5 <https://golos.io/ru--apvot50-50/@dickinson-junior/kriptoinvestory-kto-oni>