

WHITEPAPER v2.5

BELOTTO®

Re-shaping the lottery business.

BELOTTO®

The new decentralized standard for lotteries.

We bring transparency to the lottery industry and combine our tech knowledge with the amazing Blockchain to make new millionaires in the most honest way.

| | |
|--|-----------|
| Executive summary | 5 |
| 1. Primary issues of traditional and online lotteries | 8 |
| 1.1 Possibility of internal tampering | 8 |
| 1.2 Excessive deductions | 10 |
| 1.3 Geographical barriers | 10 |
| 1.4 Reduced payment options | 10 |
| 1.5 High commission rates | 11 |
| 2. Belotto's solution | 12 |
| 2.1 Absolute transparency | 13 |
| 2.2 Zero commissions over jackpots | 14 |
| 2.3 Worldwide availability | 14 |
| 2.4 Payment options for the modern world | 14 |
| 2.5 Incorruptible management | 15 |
| 2.6 Increased winning odds | 15 |
| 2.7 General features | 16 |
| 3. Architecture, platform performance, and development timeline | 18 |
| 3.1 Multi-platform desktop version | 21 |
| 3.2 Mobile version | 21 |
| 3.3 BETA version | 21 |
| 3.4 Blockchain and Smart Contracts engagement | 22 |
| 3.5 Future optimizations | 23 |
| 3.5 Roadmap | 24 |
| 4. Market opportunity and business model | 25 |
| 4.1 The competition | 27 |
| 4.2 Business model | 29 |
| 5. TOKEN | 31 |
| 5.1 BEL Token | 31 |
| 5.1.1 Token allocation | 33 |
| 5.2 Bounty Program | 33 |

| | |
|-----------------------------|-----------|
| 6. Legal | 34 |
| 6.1 Privacy and security | 34 |
| 6.2 Disclaimer of liability | 35 |
| 7. References | 38 |

Executive summary

Due to the disparity in the global gambling industry's regulations and the number of businesses in it operating on the wrong side of the law, its total market value isn't easy to estimate. However, this industry plays a crucial role in the entertainment field and is responsible for generating over 400 billion dollars per year; this includes lotteries, casinos, poker, and others. Despite such enormous success, when these games are virtualized the outlook becomes much more complicated and the several inconsistencies that online gambling systems present discourage people from investing their money in internet-based options. Although there are significant growth and high demand, the truth is that the online gambling sector needs adjustments and improvement to attract a broader amount of players and gain more respect within society.

Deficiencies in traditional lotteries derive the following problems:

1) The possibility of internal tampering

Regular lottery providers are not transparent about their operation and some of their processes, and this generates dubiousness among users towards a) destination of funds, b) the randomization of drawings and, c) the authenticity of announced winners.

2) Excessive deductions

Because of the need to operate under state licenses and complying with other particular legal impositions, lotteries must retain up to 50% of the winnings at the moment of prize disbursement.

Additionally, in the online gambling market, which is projected to generate 81.7 billion USD in revenue for 2022 and individually, in the lottery division, the following problems exist:

geographical barriers, payment method restrictions, and high-commission rates, among others.

3) Geographical barriers

Even though online platforms are cloud-based and therefore, (should be) accessible to everybody, location restrictions continue to prevent users from accessing the services. Mostly, local bank entities generate such limits, and others are merely related to each company's policies, which leads to one only result: dissatisfied users unable to play foreign or digital lotteries.

4) Reduced payment methods

Even though Bitcoin and many other cryptocurrencies continue to experience an unprecedented acceptability and expansion rate, lottery websites do not support payments made through these instruments, forcing users to rely on fiat money as their only option to participate.

5) High-commission rates

Websites that offer transnational lottery tickets charge excessive commission fees that increase user costs to up to five times and such prices are additionally subject to change without notice.

Belotto is on a mission to create the first global, decentralized cryptocurrency-based lottery system that brings manipulation to an end, establishing the much needed but often lacking bond of trust between the crypto sphere and luck. Blockchain will support this approach and allow Belotto to provide the industry with a new standard so that forthcoming lotteries operate in the same way, focusing on its users and not the administrative bodies and thus, offering the following advantages:

a) 100% transparency in drawings

The winning combinations in Belotto's lotteries are not dependent on a regular activity controlled by the company, or require third-party supervision, as we extract them from an external, reliable and entirely unconnected source: the Bitcoin's Blockchain Ledger, storing and displaying them publicly for anyone to verify.

b) Zero deduction from jackpots

The winners receive the exact value of prizes offered, without being subjected to any hidden charges or withholding.

c) Worldwide availability

Belotto eliminates all location-based barriers, enabling a truly universal service that is beneficial for everybody.

d) Payment options for the modern world

The structural and technological foundations of the platform eliminate purchasing restrictions by allowing payments to be made not only in fiat money but also in the most significant cryptocurrencies.

e) Incorruptible Management

Employing Ethereum and the Smart Contracts technology, we can perform transparently throughout each of the processes, from ticket purchase to delivery of prizes in a way that anyone can verify the autonomous and correct execution of each step, anytime.

1. Primary issues of traditional and online lotteries

Widespread methodologies arise many conceptions around people, from which two of them cause us deeper concern and will be now explained in detail:

1.1 Possibility of internal tampering

Traditional lotteries are subject to altering their performance to conveniently release the prizes only when they collect specific amounts, or when a rise in sales is needed, allowing them to generate more earnings under the lowest risk. Even though their policies indicate they conduct legitimate processes, there is no actual way for the public to prove it, and this leads to internal corruption.

To achieve intentional prize retention, they would need to have control over the winning numbers. Let us discuss some of the ways to secretly alter a traditional drawing system:

Changing the weight of the balls so that the probabilities of being selected differ, the heavier ones won't be able to be raised as high as to get through the suction tube while the least weighty will. Or, modifying their size (millimetrically, not visible to the naked eye), this way only the smaller balls will fit through the tube.

Besides these two examples, there are other ways to manipulate the outcome of a drawing; people still rely on these type of mechanisms perhaps because they are broadcasted through national television, or supported by governments and regulatory entities, and, that they appropriately advertise their procedures as correct and honest. But, could it be that tampering is the reason why drawings are held privately, streamed live but with no audience?

Or why the verification of the balls is never made public? People are not allowed to that much details. Regulatory organisms are the ones in charge of such supervisions, but, if lotteries belong to the State (or are deeply connected to it), and so are these entities, what kind of control can it be? The truth is that in centralized systems where processes depend on human factor at crucial stages, there is a potential risk of corruption.

Several fraud cases have come to light through time, for example, the LNB Lottery from El Salvador, where its employees managed to alter 59 drawings. The “Great fraud of the Guatemalan National Lottery” where the owners would pay people to memorize the numbers they should call out (which were theirs), and operated like that for years. The Multi-State Lottery Association (MUSL) case in the United States where a security official installed a software program that allowed him to obtain the winning numbers and then purchased the tickets accordingly. In one way or another and any part of the world, new similar complaints continue to be issued, and the public loses their faith.

At this point it is not even worth to discuss the fraud possibilities that exist in the digital lottery sphere, it's not a secret to anyone how easy it is to cheat or lie over the Internet.

Now, very little is known about the winners, while it makes sense to claim they need protection, this helplessly generates doubts about their authenticity. Companies tend to disclose pictures of the winners and sometimes create articles around them, but the public is always unable to confirm these aren't just publicity stunts.

To summarize, current lottery systems are fraught with inconsistencies that lead to mistrust, but far from displaying corruption stories or fraud possibilities, our goal is to show people our innovative approach to dealing with these kinds of problems. Blockchain and Smart Contract technologies, help us solve this and many other complications, allowing us to provide the world with an inalterable and truly transparent lottery system.

1.2 Excessive deductions

Players must give up a considerable part of their winnings before being able to access them due to taxation and other regulated-system stipulations. Such deductions cause a reduction of up to 50% of the winnings, and so lotteries never deliver promised prizes.

Taxation

In some territories, the occasional gains tax goes up to 30% or more. Some governments deduct these taxes automatically at prize disbursement, while others may apply additional charges. In the case of foreign players, such rates can increase and additionally they would probably need to declare the winnings in their place of residence. The addition of all these expenses results in a significant reduction of the prizes received.

As far as web-based lottery services, besides presenting the same problems above, users are unsatisfied because of the following issues:

1.3 Geographical barriers

Every known lottery on the market is bound to operate locally, sometimes they can cover an entire country or even a whole continent, but as of today, there is no global lottery system. Websites like TheLotter claim to offer every major lottery's tickets in any part of the world, but location restrictions still hinder several users from using these services. And, since fully digital lotteries are unable to provide enough trust, they continue to operate in the shadows.

1.4 Reduced payment options

Despite the astounding success of cryptocurrencies, most online gambling websites do not accept them as payment methods (and those that do are not credible enough to be

considered legitimate). The most commonly accepted payment methods are credit cards or debit cards and online payment services like PayPal or Skrill.

1.5 High commission rates

Usually, websites that offer foreign lottery tickets charge excessive fees leading to sales decrease and reducing multi-ticket purchase among existing users. A clear example of this is TheLotter that applies excessively high commission fees that triple the final cost of tickets.

In conclusion, the public ends up believing that lotteries deliver much higher amounts in prizes (as they market these values before deductions, commissions, taxes, etc. are applied), this generates enormous hype and more reliability from new future players, and, the cycle repeats itself. The lack of control that exists over online platforms, the risks of cyber hacks, the likelihood of theft, scams, frauds and more, generate fear and doubt so that profound distrust is constantly feeding the vast gap between providers of such services and potential customers.

2. Belotto's solution

A decentralized lottery platform where users are in full capacity to confirm the integrity and transparency of its activity, bringing trust and safety to the whole world.

Belotto is building a lottery system over an independent Blockchain and a token ecosystem over the Ethereum Blockchain that uses Smart Contracts technology to eliminate human intervention in the critical stages of its operation. Users will be able to purchase lottery tickets with absolute confidence that these funds go to a clear-glass common pool managed by pre-established and unmodifiable self-executing code.

A new era of real online lotteries where there is no more uncertainty but many more opportunities to win for everybody.

Belotto is on a mission to:

- Develop the first robust and global decentralized cryptocurrency-based lottery system
- Combine the advantages of traditional lotteries with digital ones to create a superior product
- Demonstrate the benefits of the Blockchain technology in the gambling industry
- Spread the effectiveness of Ethereum's infrastructure in the real world
- Prove that corruption-free lottery businesses are indeed viable
- Make many new cryptocurrency millionaires.

In few words: our mission is to build and develop the best Blockchain-based lottery system, self-sustainable and entirely supported by digital technologies, a drawing methodology

impossible to be hacked and an overall service that works perfectly without the need of regulating third-parties.

How is corruption eliminated from a decentralized lottery system?

Each time someone buys a ticket, a Smart Contract is autonomously executed to take care of the distribution of funds and update a public marker according to new contributions, allowing users to track the Jackpot's activity in real time. Since the code is pre-set and unmodifiable, no one can change the percentages, and the collected funds aren't available for withdrawals or use different to the payment of prizes.

In regards to drawings, contrary to existing traditional processes, Belotto will not generate number combinations through vulnerable mechanisms like urn ball drawings or software. Belotto will extract the numbers from the Bitcoin Blockchain hash codes (that are not modifiable by anyone, publicly accessible to everyone and automatically stored) so that no entity or person can manipulate the results. As soon as there is a winner, a Smart Contract is self-executed to send notifications to each of the parties involved: Belotto, the Escrow company, and the winner, to proceed with the delivery of the prize (in full), for absolutely real and random drawings.

Finally, our product provides the following features:

2.1 Absolute transparency

Besides the mechanism behind jackpot feeding and obtention of winning numbers, the system ensures payouts by automatically locating winners inside the database to proceed with direct transferral of the funds into their wallets. Belotto always delivers every prize because the money is truly there. The result: A transparent process from beginning to end.

2.2 Zero commissions over jackpots

The blockchain is a self-regulated ecosystem; its structure enables transactions that cannot be altered, forged, modified, eliminated or duplicated by nature. Hence, Belotto won't ever apply discounts, commissions or taxes to prizes, and winners get them transferred in full.

“Belotto is going to prove the world that lottery businesses can be real and honest so they can finally be appreciated and fully understood not only by its users but by society in general”.

2.3 Worldwide availability

The Blockchain allows access by as many people exist; there are no location barriers to restrict users, everyone is welcome to take advantage of it, and so of Belotto. Regarding language barriers, our platform is available in two main languages: English and Spanish, and thanks to the Bounty Program that will be carried out during the early sale stages, more translations will be made to the platform and, over time according to demand.

2.4 Payment options for the modern world

Internet users always seek freedom, and nowadays, they demand different forms of payment options so they can get products or services with whatever means they have available. A platform built over the greatest invention seen by humanity after the Internet, the Blockchain, which enables fully-secure cryptocurrency transactions by nature is the solution for lottery players that can't access this type of services through their crypto assets. Belotto enables

both traditional and newer methods of payment. Our purpose is to expand the users' possibilities.

2.5 Incorruptible management

Building trust is a hard task that takes time, and that's the reason why we have designed a complete solution system that preserves the integrity of each game making them unbreakable and with the help of Blockchain, incorruptible. This way, we present a lottery that doesn't need to be regulated by government entities. All the information is publicly available, and any person with internet access may act as a supervisory agent, monitoring and verifying the performance of the gambling games offered by Belotto at any moment.

2.6 Increased winning odds

Belotto's lottery number ranges are narrower than others', which results in greater chances of winning; let's look at a comparison chart between Belotto and two of the most significant lotteries in the world.

| LOTTERY | METHOD | WINNING ODDS |
|---------------------|---|------------------|
| MegaMillions | Five balls numbered 1-75 and a special ball with 1-15 | 1 in 258'890.850 |
| Powerball | Five balls numbered 1-69 and a special ball with 1-26 | 1 in 175,223,510 |
| BELOTTO® | Six balls numbered 1-60 | 1 in 50,063,860 |

2.7 General features

Three independent solutions: Belotto Bitcoin Lottery, Belotto Ether Lottery and, Belotto Express, are products that embrace the same philosophy and are similar in their operational methodology but are supported by autonomous, decentralized structures.

Various access channels: Belotto Web and Belotto Mobile allow multi-platform access, from any browser and personal devices like smartphones and tablets.

Business model: We won't charge service fees because the fund distribution will be self-executed by Smart Contracts to allocate the majority of the money on the Jackpots and a small part to Belotto's corporate expenses.

The Token ecosystem: Belotto's lotteries accept and award BEL tokens. Our principal asset will be in constant movement for a stronger BEL community and an ever-rising token value.

Loyalty: To stimulate community growth, we will conduct a Bounty Program during the sale stages providing earnings to those who contribute to the expansion of the community and the product in various ways, and BEL tokens will always grant discounts once the sale stages are over, which will add to the maintenance of the BEL token ecosystem.

Security: Transactions will always be anonymous with the intention of protecting the player's integrity.

Finally, we have a product that has been entirely designed to benefit its users; able to provide security, flexibility, and easy entertainment free of useless impositions. This project intends to establish a new starting point for online lottery businesses because it arises questioning around doubtful operations conducted by traditional lotteries when there is already a way to

handle them transparently. Blockchain has arrived to revolutionize not only the gambling industry but many (or all) of them; this is Belotto's proposal for the specific lottery sector, but we carry inside a profound desire and conviction that Blockchain is the future not only of gambling but every business of the world.

3. Architecture, platform performance, and development timeline

Belotto divides into two principal lotteries and a quick lottery that offer the possibility of winning great prizes in Bitcoin, Ether, and BEL. All through a virtual system that has many functionalities, modern design, and architecture, user-friendly interfaces and state-of-the-art, multi-platform technologies that will perform over its Hyperledger Blockchain and through the ERC20-based BEL token.

Each lottery has an independent jackpot and will carry out their drawings as follows:

Belotto Bitcoin Lottery: Every Saturday at 22:00 UTC +1

Belotto Ether Lottery: Every Wednesday at 22:00 UTC +1

Belotto Express Lottery: Every day, every two hours.

Money received from ticket purchases is automatically distributed by Smart Contracts, delivering most of the money to the jackpot and the rest to Belotto for its subsistence.

Escrow will assist with securely storing the jackpots, acting as a double-security agent in the prize delivery system: the money can only be used through joint signature, exclusively for the payment of prizes.

We will use one escrow per lottery; BTC lottery receives both BEL and BTC, and so does the Ether lottery. As both currencies are accepted, both constitute the prizes. Therefore, Bitcoin

lottery rewards BTC and BEL, Ether lottery awards ETH and BEL, while Express lotteries exclusively grant BEL.

Belotto's drawings process goes as follows:

We extract the numbers of the six balls from the alphanumeric chain referring to the hash of the resolved Bitcoin block (found publicly at blockchain.info) that takes place immediately after the time of each draw. The system then decodes these characters and converts them into numbers according to specific rules defined in the Belotto's Operation Protocol. Each new result will be published on the lottery's main webpage with the respective confirmation links and stored in a public record, also independently available for verification through the Bitcoin Blockchain's history.

Hash example:



Characters are used from right to left according to the following rules:

- Digits are taken in pairs from right to left.
- Letters will have a numeric equivalent beginning from 0 to 9 and starting over, like this:

| | | | | | | | | | | | |
|----------|----------|----------|----------|----------|----------|----------|----------|----------|----------|----------|-------------|
| A | B | C | D | E | F | G | H | I | J | K | L... |
| 0 | 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 | 9 | 0 | 1... |

- If one pair results in a number higher than 60 it will be split in two leaving the character on the right side as a number for the following pair along with the split character on the left.
- If there are repeated full numbers they will be eliminated and the next pair will take its place until there are 6 pairs total.

For the above hash example, the result of the drawing would be:

- First pair 33 = 33.
- Second pair d0 = 30
- Third pair 83 = They are split, a zero (0) is added to the first digit for a result of 03, and the eight (8) is available to join the next digit.
- Forth pair b8 = 18
- Fifth pair 57 = 57
- Sixth pair 20 = 20

Drawing result:

(33) (30) (03) (18) (57) (20)

The order of the numbers is not relevant. Winners may hit the combination in any order.

The reason we use the Bitcoin Blockchain for the drawings of all the lottery products (including Belotto Ether) is the delay experienced in the generation of new blocks, six minutes on average, compared to less than a minute on average that new blocks take to be created on the Ethereum Blockchain. This delay enables users to locate the blocks more easily, although this is irrelevant for software code, we want the public to be able to straightforwardly check for themselves that the drawings are held based on each of our premises and feel more secure.

Finally, a Smart Contract will be responsible for finding if there are winners to the drawing and if there are, proceed to confirm with the escrow agent and transfer all the jackpot's existing funds to the user's wallet. If there are no winners, the whole process repeats over, and the jackpot value is kept, continuously increasing until there is a winner.

3.1 Multi-platform desktop version

This version is accessible from any web browser without the need for installing special software.

3.2 Mobile version

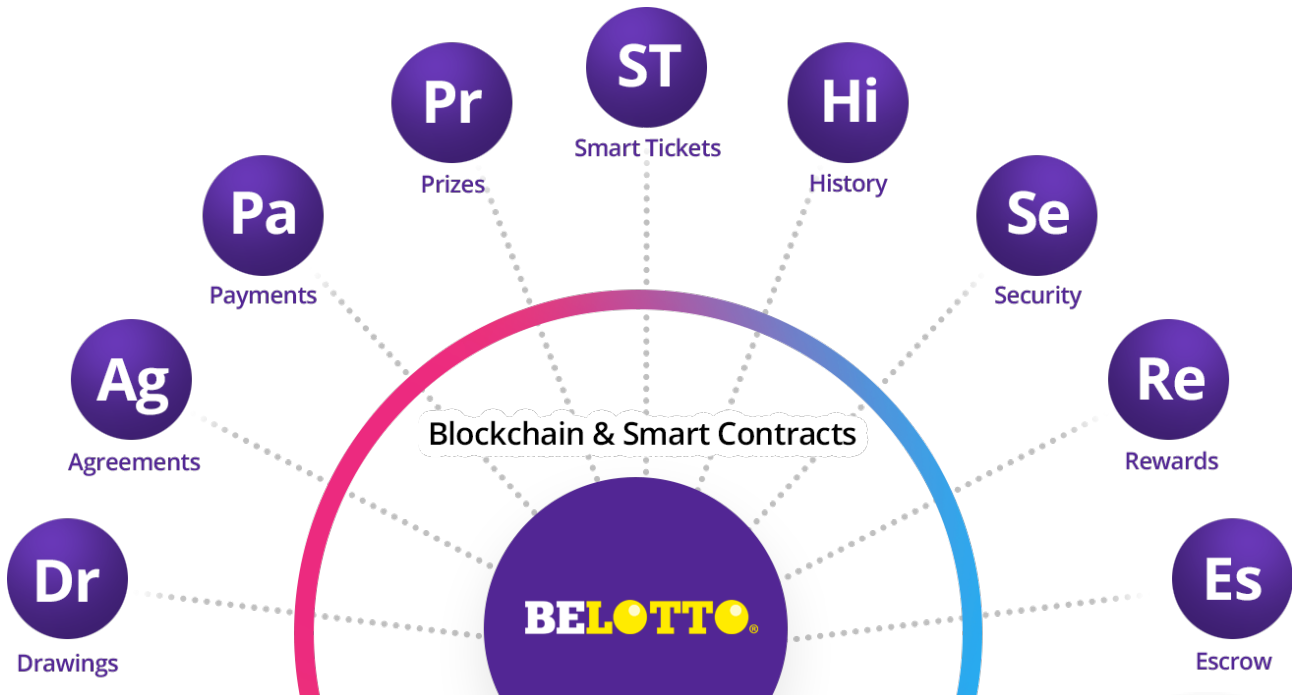
According to StatCounter, October 2016 was the first year in history when more users accessed the internet from mobile devices rather than computers and predicted cellphones would constitute 80% of internet usage in 2018. Based on this, Belotto will develop a fully functional mobile version from which users can participate in any of the games offered. Also, there will be a basic mobile App for Android and iOS available for viewing historical results and drawings in real time, as well as picking numbers, signing up and interacting with the user profile.

3.3 BETA version

An early version of the platform will be accessible via web and allow the registration of new users for participation in the two principal lotteries: Belotto Bitcoin and Belotto Ether, real-time visualization of the jackpots and prize claiming. However, the user's profile interface will only have basic functionalities, and Express Lotteries will not be available.

3.4 Blockchain and Smart Contracts engagement

The following are the operational processes powered by these technologies:



Drawings

Hash codes provided by blockchain.info to determine the winning combination numbers.

Agreements

The legal document signatures: Smart Contracts will handle privacy Policies, Terms and Conditions of Use of the platform and website, Operation Standards, etc., as well as violations of them and non-compliance complaints.

Payments

All payment-related transactions, may it be for ticket or service purchases, prize delivery, rewards or dividends.

Prizes

The integration of the ticket sales income to the principal lotteries' jackpots.

Smart Tickets

Smart Tickets are in charge of associating each user with their played numbers thus, preventing ticket forgery.

History

Blockchain will permanently store historical data securely and automatically.

Security

Belotto's Blockchain and Smart Contracts allow automatization and decentralization throughout the service rendering for a higher security standard.

Rewards

Incentives for those who contribute to the community with reports, content creation, bug resolving, referrals, translations, and more.

Escrow

Protection of the jackpots' funds through joint signature.

3.5 Future optimizations

- **Self-lottery API** that allows users to create and manage their own lotteries.
- **Sports betting** area to get the most out of 2018 World Cup and other major sporting events.
- **Casino games** to expand our transparency advantages to the traditional casino favorites.

3.5 Roadmap



4. Market opportunity and business model

The lottery business has been experiencing remarkable growth in recent years reaching a net revenue of 22.57 billion dollars per year in the United States alone and has witnessed a 4.94 billion dollar raise in its annual interest. Such growth is mainly fueled by the increasing double-income in households which boosts its overall yield and enable the acquisition of exclusive products and leisure activities and in general, the spending capacity of people in developed countries.

It is also important to note how personal mobile devices are contributing to the rapid “virtualization” of the world:

“The growing adoption of smartphones and tablets and high penetration of internet will play a significant role in the growth of the market, especially in the mobile lottery segment”.

-Technavio.



Online betting and gambling market.



\$81.7
BILLIONS
YEAR 2022

Sarah Icken, from Camelot Group, the company in charge of the United Kingdom's National Lottery is wide aware that even with over two decades of market presence, credibility and international recognition they need to upgrade, just as any other industry.

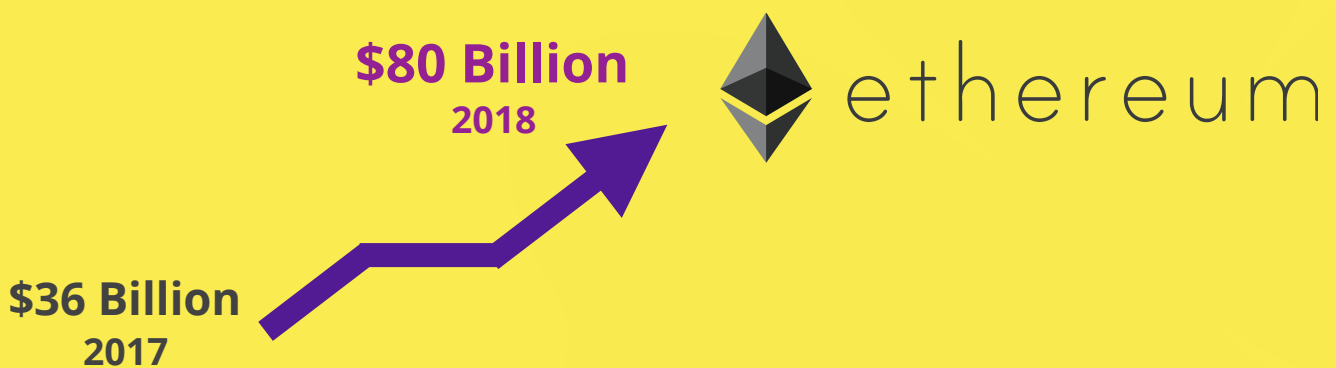
“Consumer habits across the board are showing an unrelenting shift towards digital platforms. To stay relevant in this day and age, the lottery industry has to be responsive to that”. - Sarah Icken, Camelot.

The capitalization of the main cryptocurrency markets and the public reception they have achieved superseding all speculation and defying every statistic demonstrate their high power.



BITCOIN

140 billion dollars



Conclusion

There is a glaring market void in a world that moves towards a cryptographic and decentralized era. People are in need of a lottery system that resembles traditional ones but adjusted to a current circumstance where cryptocurrencies (especially Bitcoin and Ether) play a unique role, and digital tools are highly influential.

Additionally, if such a product were able to provide security, trust, transparency, honesty, and effectivity to all its users is viable and has a bright future ahead.

4.1 The competition

Currently, there are very few lotteries that offer cryptocurrency prizes. In 2017 a Bitcoin lottery was announced, but it doesn't use blockchain at all. These lottery tickets are available through the Lottoland website, they choose the winning numbers based on the drawings of a traditional Spanish lottery, and they charge high extra fees for currency exchange at their convenience resulting in a non-decentralized, prone to manipulation product.

Earlier this year, a presumably transparent lottery system was released, presenting a somewhat limited technology that is unable to guarantee the payment of prizes, or the safety of jackpots. They claim to offer minimum jackpots of a million dollars but, based on their website such amounts are lower.

Now, how can they give assurance over a minimum jackpot amount without manipulating the results? - Is the game transparent if they are retaining prize payouts until they reach a specific quota? Many concerns about their operation and transparency arise questioning.

Other cryptocurrency-based lotteries have been released but none of them are truly decentralized, and most of them have turned out to be frauds, causing massive leaks in this thriving market.

According to media like "The Excelsior" from Mexico, CNN, "The Confidential," and others, lottery ticket sales have skyrocketed in the last two years.

People from Canada, Mexico, Colombia, Argentina, Ecuador, Iraq, Russia, Philippines, El Salvador, Spain, and other countries, are increasingly purchasing lottery tickets from famous worldwide brands such as Mega Millions, Euro Millions, Power Ball, El Gordo, and more, through websites like TheLotter.com.

There is currently no legislation that prevents these type of systems from operating and promote user interaction from around the globe, and they have been doing it for years. Thus, a transparent and utterly verifiable lottery system based on cryptocurrencies will have the same possibility of entering the market without any regulatory issues achieving an optimal and seamless performance.

There are hundreds of successful lotteries on the current, traditional system, and each day a new one is created or derived from existing ones. Based on the growing popularity of Blockchain, Bitcoin and cryptocurrencies in general, it is evident that in a few years from now a large number of successful crypto-lotteries will exist on the market. Belotto wants to lead from the beginning by filling the void that exists due to the lack of reliable lotteries in the crypto sphere, eliminating user disappointment caused by fake websites that give a bad name to the online gambling and lottery industry. Last but not least: Belotto will set a new standard for future lotteries, establishing as the best and largest crypto-lottery of the world.

For a scam-free and safer online gambling community.

4.2 Business model

Traditional systems usually allocate only 50% or less ticket sale income for prizes. Here is an actual example of a distribution scheme from the United Kingdom's Lottery Association for the April-2016 to May-2017 period:

They only allotted 24.7% of the ticket sale income to jackpots.



In contrast, Belotto is going to distribute its income in the following way:

Smart Contracts will automatically allocate 70% of each ticket into the jackpot, while Belotto will use the remainder for business expenses. Such expenses refer to platform maintenance and support services, technological infrastructure, cloud computing services, marketing, advertising, employees, and revenue, among other costs that may derive from rendering excellent quality service.



5. TOKEN

The project aims to collect the necessary funds to develop the Belotto's infrastructure through an early Credit sale that awards BEL Tokens to all its contributors. Such credits will allow them to acquire the services of what is expected to be the biggest and most potent cryptocurrency lottery in the world and the Tokens will sustain it from its foundation.

5.1 BEL Token

BEL tokens are a fundamental component of the Belotto ecosystem, integrally designed to be used by users within the platform giving a pivotal value to its economy. Acquiring BEL in early stages entitle holders to benefits. People may obtain these Tokens through Pre-Sale, Sale and Second Sale stages by the acquisition of credits.

| Token Abbreviation | Technology | Token Supply | Min Transaction | Hardcap |
|--------------------|------------|---------------|-----------------|---------|
| BEL | ERC20 | 1'200.000.000 | 0.1ETH | US\$10M |

Each credit grants one complimentary token.
15 Credits = 1 Ticket

Users who buy credits in early stages (Pre-Sale, Sale, and Second-Sale) will get discounts and receive BEL Tokens proportionally. Depending on the sale stage there will be discounts (bonuses) that will grant more credits for less money. Users will receive the same amount of Tokens as the number of purchased Credits.

Pre-Sale

Date: April 28th

\$0.14

Bonus: 30% (Included)

Supply: 120,000,000 **BEL**

Extra Bonus:

5 ETH = 10% - 10 ETH = 25%

Sale

Date: May 31th

\$0.16

Bonus: 20% (Included)

Supply: 600,000,000 **BEL**

Extra Bonus:

5 ETH = 10% - 10 ETH = 25%

Second Sale

Date: July 30th

\$0.20

Bonus: 0%

Remainder from Sale

Extra Bonus:

5 ETH = 5% - 10 ETH = 15%

After early sale stages and during regular operation of the platform, purchasing lottery tickets through BEL tokens will confer them with special prices that won't decrease the jackpot amounts as Belotto will cover these costs.

The main advantage of using Ethereum as the underlying Blockchain relies on the ability to register each transaction through the Smart Contract's technology; such approach promotes maximum security as hacking of token holder accounts through virus or phishing attacks will be reduced.

Smart Contract Address: 0x1D54064456965c1dA3B95241aAfe9218f22F48D8

5.1.1 Token allocation



Money raised after the hard cap limit, including the subsequent Second-Sale stage, will become the foundation of the first drawings enabling millionaire prizes and high demand from the first moment.

*Circulating token supply is static (Belotto won't issue new Tokens after completion of early sale stages). BEL holders will have full control over their Tokens at the Ethereum Blockchain, without requiring any special software or agent.

5.2 Bounty Program

This program will promote brand diffusion through diverse digital media such as Twitter, Slack, Facebook, Reddit, Telegram, Bitcointalk, and Medium, as well as translation to several languages like Russian, Indian, Chinese, Japanese, Italian, French, German and more.

Find more Information on Belotto's bounty campaign [here](#).

6. Legal

6.1 Privacy and security

Most popular services on the internet such as e-mail or social networks claim to be free, but the truth is they get a lot from users in exchange. They collect their personal information and preferences to make money, sometimes even selling their data, and this is the reason for our “Spam” folders to be in continuous growth. From messages sent through a free email account to photos posted on social media, we are completely vulnerable and being spied on at every moment. The majority of people have no idea of how exposed they are by using these services.

Our team believes privacy is essential, not only on the Internet, but in every aspect of life, it is a right to every individual, hence, privacy is embedded into Belotto's DNA.

We will never share the information submitted to Belotto for account creation and use of its services, either internally or externally. Our Privacy and Service Terms will guarantee that these data will remain confidential and hosted in a secure sandbox.

The safety of personal data is of great importance to Belotto. The reason why information shared with Belotto for the use of the platform, forum subscription, chats or support and other, will go through commercially reasonable technical and organizational measures to help users protect their personal information from accidental loss, alteration, disclosure or unauthorized third-party access.

Such personal data will be stored and used as long as the user's account remains active and it's needed to access Belotto's services, under absolute discretion with the only objective of delivering the best experience to all of the users.

Each of the Belotto's platforms is private domain to each user. By being a decentralized globally available gambling product, the number of users might become massive, in several areas and regions of the world where legal conditions may vary, in any of such cases Belotto will not hold responsibility for the actions that the users or third-parties may perform. Users must be aware of their country laws and refrain from using Belotto's services in case of not being permitted.

6.2 Disclaimer of liability

The purpose of this White Paper is to present the BEL Token to potential Token holders in connection with the proposed Credit sale and Token giveaway. The information set forth below may not be exhaustive and does not imply any elements of a contractual relationship.

Nothing in this White Paper shall be deemed to constitute a prospectus of any sort or a solicitation for investment, nor does it in any way pertain to an offering or a solicitation of an offer to buy any securities in any jurisdiction. This document is not composed in accordance with and is not subject to laws or regulations of any jurisdiction.

The BEL Tokens that are bestowed for purchasing Credits do not constitute a digital currency, security, commodity, or any other kind of financial instrument and has not been registered under the Securities Act, the securities laws of any state of the United States or the securities laws of any other country, including the securities laws of any jurisdiction in which a potential Token holder is a resident.

BEL Tokens cannot be used for any purposes different to those provided in the White Paper, including but not limited to any investment, speculative or other financial purposes.

BEL Token confers no other rights in any form, including but not limited to any ownership, distribution (including but not limited to profit), redemption, liquidation, proprietary (including all types of intellectual property), or other financial or legal rights, other than those specifically described in the White Paper.

The pre-sale events refer to the sale of Credits through which Belotto will render its services. It is NOT a Token sale. The prices announced belong to Credit prices and we use them as a reference for the Tokens, not Token price. The Token will be valued as it enters the market.

Users who acquire Credits throughout early pre-sale stages will obtain double benefits as they will remain to hold them for playing the lotteries after the platform is publicly released and at the same time receive BEL Tokens that will acquire market value over time. Invoices will support each Credit purchase to guarantee integrity.

Certain statements, estimates and financial information contained in this White Paper constitute forward-looking statements or information. Such forward-looking statements or information involve known and unknown risks and uncertainties, which may cause actual events or results to differ materially from the estimates or the results implied or expressed in such forward-looking statements. White Paper can be modified to provide more detailed information.

The information contained herein is the primary official source of information about the BEL Token and may from time to time be translated into other languages or used in the course of written or verbal communications with existing and prospective customers, partners, etc. In the direction of such translation or reports, some of the information contained therein may be lost, corrupted, or misrepresented. The accuracy of such alternative disclosures cannot be

guaranteed. In the event of any conflicts or inconsistencies between such translations and communications and the official English language White Paper, the provisions of the English language original document shall prevail.

7. References

GAMBLING COMMISSION UK - Industry statistics April 2014 to March 2017 Andrew Dixon, Chris Rogers - November 2017

http://egr.global/wp-content/uploads/2017/02/001_EGRWhitePaper_2017.pdf

<https://www.marketwatch.com/story/i-already-know-the-winner-of-the-next-powerball-drawing-2016-01-10>

<http://www.prensalibre.com/hemeroteca/descubren-enorme-fraude-en-la-loteria-nacional>

<http://elmundo.sv/loteria-denuncia-ante-fgr-manipulacion-de-59-sorteos/>

<https://www.desmoinesregister.com/story/news/investigations/2018/02/18/lottery-scam-mastermind-eddie-tipton-more-rigged-drawings-multi-state-lottery/346762002/>

LOTTERY MARKET IN THE US 2016-2020 - Technavio.com