

Kryptoin Token Auction Document

The Kryptoin Token Auction will take place starting on Sept 1st, 2018 at 13:00 UTC. (2PM EST)

1,798,043 KRP Tokens ERC-20 compatible (“Kryptoin Tokens”) will be distributed in accordance to the schedule below

Purpose

The purpose of KRP Tokens is to initially seed the ETF ecosystem and generate the ETF Token for the Kryptoin Blockchain 10 Index. The KRP Tokens will be exchanged for the KRYP token only after all the rounds of the “Dutch Auction” have been completed and when the trading desk opens for exchange. KRYP will then be tradable on the exchanges and usable within the Kryptoin ecosystem.

Distribution Schedule

	PRE SALE	ROUND 1	ROUND2	ROUND 3	ROUND 4	ROUND 5
Auction Dates	Sep 1, 2018	Nov 1, 2018	Dec 1, 2018	Jan 2, 2019	Feb 1, 2019	Mar 1, 2019
Number of Tokens	100,000	195,765	195,765	195,765	195,765	195,765
Start Bid (Premium above NAV)	20%	20%	20%	20%	20%	20%
Reserve Price (Percentage of NAV)	60%	76%	82%	88%	94%	97%

Total Fixed amount of KRP = 1,798,043

Total amount of KRP to be auctioned = 1,078,825

Total KRP to be distributed through all 6 rounds will be 1,078,826.24 or 60% of the total
Funding goal is \$61M or 114,311 ETH.

How to Participate

Send only ETH to the Kryptoin Distribution Contract

REGISTER

To register for the Kryptoin Token Auction the purchaser must agree to the [Terms and Conditions](#) and register for an account. Purchaser must pass through the KYC/AML verification process. Purchasers will also need to agree to the **Kryptoin Coin Purchase Agreement**.

HOW TO BID ON KRP TOKENS

To participate in the Kryptoin Token Auction, one will need to send ETH to the Ethereum Kryptoin Coin distribution smart contract address also referred to the “**Kryptoin Distribution Contract**” during the 24 hour auction period of each round. Note: that the window to invest live is only open for 24 hours, but the capability to leave **absentee bidding** before the auction begins will be available for the bidder to enter in bids before the actual auction begins. The absentee bids will be executed on auction day when the auction is live. The live auction will determine the number of tokens sold and the **Clearing Price**. The minimum contribution amount is 0.01 ETH.

The minimum participation amount is 0.01 ETH. Do not send anything other than ETH to the “Kryptoin Distribution Contract.” Sending any other coin or token to this address may result in the loss of your funds. Such a transaction will become null and void and one WILL NOT be considered to have made a bid or be able to purchase any tokens.

Send ETH directly to the Kryptoin Distribution Contract

To take part in the current Kryptoin Token Auction, simply send ETH directly to the Kryptoin Distribution Contract once the auction round has opened.

COMPATIBLE WALLET	INCOMPATIBLE WALLET
<p>Any compatible wallet can be used to participate in the coin distribution.</p> <p>To be compatible, a wallet must meet the following criteria:</p> <ul style="list-style-type: none">• The ability to export one's private key.• The ability to call arbitrary contract methods <p>Please note that one should ensure that whichever wallet one uses, the “claim” and “register” methods related to the Kryptoin Coin Distribution Contract are possible.</p>	<p>Do not use an incompatible Wallet.</p> <p>There are many incompatible wallets, please check to make sure that one's wallet meets the criteria for a “compatible wallet” before sending any ETH. The following wallets are known to be incompatible wallets; this is not a complete list.</p> <p><u>Do not use</u> any of the following wallets to participate in the Kryptoin Coin distribution:</p> <ul style="list-style-type: none">• Any Bitcoin exchange• Any Ethereum exchange• Bitfinex• Bittrex• Bitstamp• Cex.io• Coinbase• Exodus• Jaxx• Kraken• Poloniex

The Ethereum Address for the Coin Distribution is:

XXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXX

Do not send ETH from an Exchange Wallet

If one sends ETH to Kryptoin Token Auction Contract from an exchange account wallet, Kryptoin tokens will be allocated to the exchange's ETH account and one will not receive or recover one's lost Kryptoin tokens.

DETERMINING THE WINNING BIDDERS

If your bid is within the group of the winning bids, then you will only be charged the **Clearing Price** (see definition) regardless if your bid was higher. The clearing price is the lowest accepted bid to have sold the quantity of tokens. All tokens are considered to be sold at the **Clearing Price** and all winning bidders are charged the same rate.

HOW TO RECEIVE KRP TOKENS

Kryptoin tokens will be automatically transferred to the same Ethereum address the winning bidder used to purchase them.

If the token purchase was made using a compatible wallet the Kryptoin KRP Tokens will be sent automatically to the same Ethereum address used during the purchase.

Krypton Tokens will be sent to the purchasers within 30 days after the completion of each round. If one has purchased Krypton tokens in multiple rounds, they will be sent to the purchaser's address after each round.

Krypton tokens do NOT need to be claimed as they will be sent automatically.

However, one should, as a precaution, register a public key and private key to one's Ethereum account.

EXCHANGING KRP TO KRYP

KRP tokens will be used to generate a functional ETF token representing the Krypton Blockchain 10 Token. The KRP Tokens will be exchanged for the KRYP token only after all the rounds of the entire auction have been completed. It is also subject to when the trading desk becomes functional with the exchange.

The KRP tokens will be exchanged at a 1:1 ratio with the ETF token KRYP

KRYP will then be tradable on the exchanges and usable within the Krypton ecosystem.

VALUATION OF TOKENS

KRYP tokens will be valued and listed on the exchanges at the Krypton Blockchain 10 Real Time NAV price on the day of listing.

As of May 22 NAV was \$69.52. NAV priced in ETH (656.10) was 0.105959 ETH

NAV in USD = \$69.52

NAV in ETH = 0.105959

KRP is an asset backed token backed by the 10 underlying currencies that it is exchange traded for. The basket of tokens that it is backed by are as follows and NAV in this example is expressed in USDT as of June 19, 2018. Calculation of the Net Asset Value (NAV) of the token requires the real time price of the coins, the number of coins in the basket, the percentage weight of the coin relative to the basket and its value. The sum of all the values of the coins are divided by the number of KRP tokens in the basket to calculate NAV of each token.

USDT Market

#	PRICE PER COIN	NUMBER OF COINS	PERCENTAGE WEIGHT	CREATION UNIT VALUE
OMG	9.25000000	28.405	0.46291730	262.74625000
XMR	126.15599932	4.276	0.95041326	539.44305309
ETC	15.34399944	27.742	0.74996885	425.67323246
LTC	98.26399933	15.075	2.60986858	1481.32978990
NEO	39.55000001	18.099	1.26115350	715.81545018
XRP	0.54499999	10910.943	10.47672786	5946.46382589
BCC	887.60223113	1.622	2.53650730	1439.69081889
DASH	261.40504847	2.151	0.99065232	562.28225926
ETH	532.60999900	26.788	25.13717609	14267.55665321
BTC	6696.31747822	4.647	54.82461493	31117.78732129
			Assets per CU	56758.78865418
			Coins per CU	1000
			NAV of KR	56.75878865

The NAV can also be expressed in ETH

ETH Market

#	PRICE PER COIN	NUMBER OF COINS	PERCENTAGE WEIGHT	CREATION UNIT VALUE
OMG	0.01733959	28.405	0.93216502	0.49253105
XMR	0.23482001	4.276	1.90034295	1.00409036
ETC	0.02877111	27.742	1.51061423	0.79816813
LTC	0.18499874	15.075	5.27819313	2.78885601
NEO	0.07426903	18.099	2.54402584	1.34419517
XRP	0.00102555	10910.943	21.17767659	11.18971759
BCC	1.68623778	1.622	5.17641219	2.73507768
DASH	0.48800000	2.151	1.98664111	1.04968800
ETH	1.00000000	26.788	50.69900966	26.78800000
BTC	12.62163361	4.647	111.00624885	58.65273137
			Assets per CU	52.83732400
			Coins per CU	1000
			NAV of KR	0.10684306

The NAV can also be expressed in BTC.

ETH Market ▾

#	PRICE PER COIN	NUMBER OF COINS	PERCENTAGE WEIGHT	CREATION UNIT VALUE
OMG	0.01733959	28.405	0.93216502	0.49253105
XMR	0.23482001	4.276	1.90034295	1.00409036
ETC	0.02877111	27.742	1.51061423	0.79816813
LTC	0.18499874	15.075	5.27819313	2.78885601
NEO	0.07426903	18.099	2.54402584	1.34419517
XRP	0.00102555	10910.943	21.17767659	11.18971759
BCC	1.68623778	1.622	5.17641219	2.73507768
DASH	0.48800000	2.151	1.98664111	1.04968800
ETH	1.00000000	26.788	50.69900966	26.78800000
BTC	12.62163361	4.647	111.00624885	58.65273137
			Assets per CU	52.83732400
			Coins per CU	1000
			NAV of KR	0.10684306

All rates are published in real time at kryptoin.io.

NAV is derived from the price of each coin multiplied by the number of each coin in the basket. This will give us the percentage weight of that coin in the basket and the value of each currency in the basket. The basket is divided by the number of KRP tokens in the basket and that will give us the NAV or the net asset value of each KRP token.

DUTCH AUCTION METHODOLOGY

The method of sale will be in the “Dutch Auction” format. The format is commonly used to sell a block of the same commodity at the most efficient price. The most efficient determination of the true price of the token will begin with a **starting bid** at 20% above the Real Time NAV determined by the data from kryptoin.io.

The auction will proceed with the price in descending increments from the Starting Bid to the Reserve Price. That total amount for each Round will be represented by Y
 The Auction duration will be 24 hours per Round.

The Price of the bids will descend in increments of $Y/12$
 For 12 increments
 Every 2 Hours

For example:

If **NAV** was \$69.52 then the **starting bid** will be \$83.42 and the **reserve price** would be \$48.684 The token price will descend every 2 hours at a rate of $(83.42-48.66)/12 = \$2.90$ until the price reaches the reserve price of \$48.684 or 0.7417162 ETH. If the token price reaches the reserve price then all bids, from start to finish, will be executed at the reserve price to all bidders. All unsold tokens will go back to Kryptoin.

The sale can end in two ways.

1. Either all the tokens are sold before the price reaches the reserve price.
2. The price reaches the reserve price - Unsold tokens will be returned back to the company.

The underwriter for the Dutch Sale Auction is 888 Auctions Inc.. The underwriter has hosted more than 170 online and live auction events over a period of 8 years. 888 Auctions has a client network that spans 120 countries consisting of over 10000 auction clients who have invested billions of dollars on coins, collectibles, fine art, antiques and other speculative objects.

888 Auctions will walk the auction clients from beginning to the end. It will provide administrative assistance including KYC: exchange services for converting fiat currency into ETH; setting up proper wallets to receive purchased tokens; the bidding process; and post auction services.

888 Auctions will conduct the live sale of KRP Tokens via Dutch Auction Format

BIDDING INSTRUCTIONS

- Register for the auction at [Kryptoin.io/tokensale](https://kryptoin.io/tokensale)
- One will have created an account by registering.
- Go through the KYC process and upload one's photo IDs and required prerequisites.
- You can leave an absentee bid on the tokens anytime before the start date incase you will not be present during the live auction
- The auction will start on September 1, 2018 at 2:00 PM EST.

Auction will be live on [Kryptoin.io](https://kryptoin.io) and accessible through 888auctions.com (auction partner)

- See the countdown, the price, the block, the number of bidders, how many coins sold, how many coins remain
- Place your bid
- You will be notified if you have a winning bid or not
- In case of a winning bid, notice will be given with POST SALE Instructions.

POST SALE INSTRUCTIONS

- Kryptoin will instruct winners of the date for when they can expect to receive tokens.
Please note, the tokens will go the same ETH address that was used to place the bids.
- Ensure that the current Ethereum (ETH) address is functional and correct.
- Kryptoin KRP Tokens will be transferred to the purchasers wallet within 30 days following the completion of each Round.
- A second notice will be sent after the entire 6 Rounds have been completed notifying all winners about when KRP tokens can be exchanged for KRYP tokens.

- KRP tokens will be exchangeable at a 1:1 ratio with KRYP Tokens at the Kryptoin Trading Desk. The Trading Desk will subsequently announce its functional opening date.
- Current value of NAV as of May 22, 2018
NAV in USD = 69.52
NAV in ETH = 0.150
- KRP Tokens will be locked for trading/exchange until the trading desk opens its doors to accept it for exchange for KRYP

KRYP TOKENS

KRP Tokens will be used to generate the KRYP ETF token tracking the Kryptoin Blockchain 10 Index having a value of NAV. Once these tokens are obtained they are free to be transactable and transferable between all addresses. KRYP tokens will have no limiting number because they represent an ETF which by nature has no cap unlike a closed-end fund.

The initial number of 1,798,043 KRYP Tokens that were generated represent the seeding of the initial fund and also the incubation of the entire Kryptoin ETF System. It represents the communities involvement in the birthing of the ecosystem and the seeded ETF tokens will be distributed to the following exchanges requiring an initial inventory.

PROPOSED EXCHANGE LISTINGS



PLEASE BE AWARE OF THE FOLLOWING

- KRYPTON COINS ARE NOT BEING OFFERED OR DISTRIBUTED TO CANADIAN PERSONS.
- KRYPTON COINS ARE ERC-20 COMPATIBLE COINS ON THE ETHEREUM BLOCKCHAIN. KRYPTON COINS DO NOT HAVE ANY RIGHTS, USES, PURPOSE, ATTRIBUTES, FUNCTIONALITIES OR FEATURES, EXPRESSED OR IMPLIED.
- KRYPTON COINS ARE NOT ETF TOKENS UTILIZED BY THE KRYPTON BLOCKCHAIN PLATFORM DESCRIBED IN THE [KRYPTON.IO TECHNICAL WHITE PAPER](#).
- PURCHASE OF KRYPTON COINS ARE NON-REFUNDABLE AND PURCHASES CANNOT BE CANCELLED.
- KRYPTON COINS MAY HAVE NO VALUE. ONE MAY LOSE ALL AMOUNTS PAID.
- THERE IS NO REPRESENTATION, WARRANTY OR GUARANTEE THAT THE PROCESS OF PURCHASING KRYPTON COINS OR RECEIVING KRYPTON COINS WILL BE

UNINTERRUPTED OR ERROR-FREE OR THAT THE KRYPTOIN COINS ARE RELIABLE AND ERROR FREE.

- PLEASE READ THE ENTIRE KRYPTOIN COIN PURCHASE AGREEMENT AND THE TERMS OF USE OF THIS WEBSITE CAREFULLY AND IN THEIR ENTIRETY PRIOR TO SENDING ETH AND PURCHASING KRYPTOIN COINS.

Technical Risks

This Kryptoin Coin Distribution Contract runs on the Ethereum network; therefore, one needs to be aware of certain things.

1. Block production occurs at random times.
2. On the Ethereum blockchain, timing of block production is determined by proof of work so that block production can occur at random times. For example, ETH sent to the Kryptoin Coin Distribution Contract in the final seconds of a distribution period may be disqualified for that round. One acknowledges and understands that the Ethereum blockchain may not include transaction made at the same time one expects and may not receive Kryptoin Coins the same day one send ETH. To mitigate this, it may be possible to use the Kryptoin Coin Distribution Interface to require that the entire period for the round be held in order for the transfer of ETH to be successful.
3. Network Congestion
4. The Ethereum network is prone to periodic congestion during which transactions can be delayed or lost. Some individuals may intentionally spam the Ethereum network in an attempt to gain an advantage. Do not assume Ethereum block producers will include one's transaction when one expects or that the transaction will be included at all. This is a limitation of Ethereum and not the Kryptoin Coin Distribution Contract.
5. Do not fund Coin Distribution Contract from an account one does not have control over.
6. Coins are only allocated to the Ethereum account from which it was sent. If a purchaser was to send ETH from an exchange or another account that one had no

control over, then one may not be able to claim Kryptoin Coins without their help of that exchange or account controller. **Do not send ETH from an exchange account.**