



KEX COIN

STUDENT ACCOMMODATION ON THE BLOCKCHAIN

WHITE PAPER
September 13, 2017

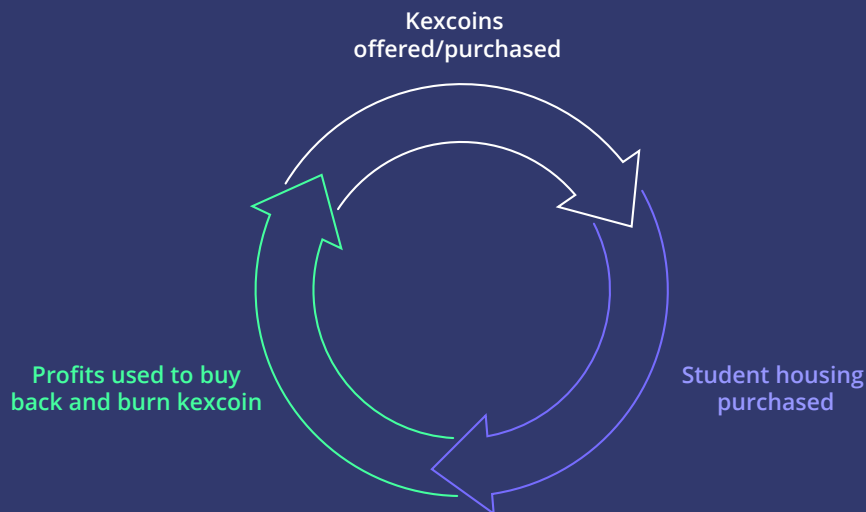
ABSTRACT

In early 2000, with relaxed monetary policy in the western world, mortgages were freely available. These mortgage debts were packaged up with varying degrees of risk and sold on to the balance sheets of large investment conglomerates (sub-prime mortgage deals). When these deals inevitably turned bad, one of the largest financial disasters in over a century followed. With confidence in centralised financial authorities knocked Bitcoin arrived, with its trustless peer to peer model. A decentralised currency and an answer to the future of finance.

TRADITION MEETS INNOVATION

When two old school respected property investors team up with three young entrepreneurial disruptors, something special is destined to emerge.

KexCoins are cryptocurrency tokens issued to participants via a crowd fund. Those funds are then used to buy in the student investment property market which bring reliable returns.



Our intention is to dramatically speed up the process of raising money to purchase student investment properties. Thus through the sale of KexCoins, a cryptocurrency created on the BitShares blockchain, participants from all around the world will be able to participate in this process receiving a guaranteed buy back and burn policy on the finite supply of coinage created.

The funds raised through the sale of KexCoins will purchase high yielding student properties. As these properties generate rental profits we will begin buying back KexCoins from participants and then destroying them, thus raising the value of all remaining KexCoins.

In addition to using the sale of KexCoin to raise funds and purchase student property, KexCoin will also have a real world use as a commodity. KexCoin tokens will be accepted for any KexCoin or Kexgill Group property for the payment of rent, available from the moment the ICO closes. Benefits to the user are vast as the transfer of monies can be done easily and quickly over country borders. This at a fraction of the cost of a normal bank transaction and without the need of a bank account. This is something that international students arriving in the UK often have to deal with quickly but find it difficult without a domiciled UK bank account.

Successfully executed, there is huge potential to roll out KexCoin to other student service providers around the UK, making it a future payment of choice. Advantageous to both the user and service provider. By using KexCoin in this way transaction volumes and liquidity could be greatly increased impacting positively on value.

We will continue this ongoing process of buying back and burning coins, whilst at the same time expanding the size of the property portfolio. This period of buying and burning coins will continue for 30 years from the date of the ICO. At the expiry date 2047, 50% of any asset gain in value of the investments purchased will be distributed pro rata to those remaining holders of KexCoin and the verified initial participants of the ICO (this excludes any KexCoin held by directors and founders of KexCoin, they will not be included).

During the 48 hour window after the ICO ends we will take a snapshot (at a random time) of all Kexcoin holders account names and the number of Kexcoins they hold. This group will be deemed the verified initial participants of the ICO.

The gain in property value will be calculated independently by a suitably qualified 3rd party national firm of property consultants. It is currently impossible to verify with any certainty the individual purchasers of KexCoins by nature of their purchase online via Bitcoins.

The directors of Kexcoin and those in succession in 30 years' time will be obliged by the articles of association of KexCoin Limited working with their specialist solicitors to endeavour to find a solution to this at the earliest opportunity.

KexCoin Limited are committed to ensuring a long term value of KexCoin in the market and thus ring fencing the investments for a substantial period. The video shows the vision already established by The Kexgill Group over 39 years providing safe, affordable student accommodation. The KexCoin ICO allows participants to join this journey with the purchase of KexCoin subject to ongoing scarcity as a result of the buyback policy.

It is a statement of fact that the Kexgill Group rental income received has increased by 70 times over a 30 year period.

Raising money via a token sale means the company will be able to purchase investment properties debt free, with no mortgages and no liability to financial institutions. The legacy traditional financial institutions are now challenged.

The KexCoin team aim to move forward through the use of this disruptive blockchain technology.

While many token sales offer inspiring ideas, many will not be viable and thus never even be launched. KexCoin sits in stark contrast to these intangible products by not only using the funds raised to buy hard assets but we will do so using a formula that we have been using profitably for almost 40 years.

What we propose to do with these funds Kexgill have been doing successfully for decades. The only thing we are doing differently this time is crowdfunding rather than bank funding.

The Kexgill Group backing KexCoin has a 39 year history in student accommodation. They are an award winning UK student property company, with over £120m in assets (see www.kexgillgroup.com).

Be part of that crowd and let's share in the success.

Similar to Gold and Bitcoin, land is finite and with an ever increasing population, it becomes scarce. In a similar way KexCoin will be finite, operate a “buy back and burn” policy and become increasingly scarcer which will drive price inflation.

The KexCoin team aim to take back control through the use of an ICO (Initial Coin Offering), moving the flow of profits away from the central banking system and towards the masses.

Our vision is to build a new funding network through the use of the blockchain, making it available for almost anyone in the world to contribute, in any amount, large or small.

Purchasing residential property offers a steady return over time, however, residential student property offers an excellent investment opportunity with much higher returns than other property sectors. It is increasingly a service led business thus the existing infrastructure and experience the stakeholders have is essential. The ICO of KexCoin will be used to purchase residential student property and redistribute profits through a return to the initial participant likely at an increased coin value.

*Real estate cannot be lost or
stolen, nor can it be carried away.
Purchased with common sense,
paid for in full, and managed with
reasonable care, it is about the safest
investment in the world.*

FRANKLIN D. ROOSEVELT



Our belief is that by offering a familiar commodity, we will bridge the gap by digitalizing bricks and mortar sales while bringing Bitcoin to the mainstream.

WHAT MAKES US UNIQUE AND WHY CHOOSE OUR ICO OVER OTHERS CURRENTLY AVAILABLE?

KexCoin is supported by an existing infrastructure, an award winning UK student property company, with over £120m in assets and 39 year history in the student market (see www.kexgillgroup.com). In short, our team, is experienced, long standing with leading figures in the student accommodation industry.

39
YEARS
120M
IN ASSETS

Our planned purchases will make use of infrastructure that is already in place and available immediately. This means that there is little or no development time or cost to this infrastructure. What we are offering has never been offered before and we are excited about the opportunity to pioneer this project. KexCoin, set up as a UK registered company, makes us trustworthy, transparent and here for the long-term. Very few other ICOs can offer such security.

This is an exciting and lucrative opportunity for those that join the movement. Our investment formula includes strict benchmarking parameters to be met in all investments. Gross yields on the properties we purchase are expected to be around 8-15%.

The Shareholders are bound by the Articles of Association of this UK domiciled company and need to act in accordance with them in conjunction with a robust corporate governance structure. This will be a well-run corporate entity having full disclosure. We are acting in the interests of the participants with a view to driving an increase in value of the coinage.

The Articles of Association include:

1. There is an absolute prohibition on the declaration of dividends. The value for the Shareholders is within our initial coin holding and we are quite clear that funds within the Company should be ring-fenced for the purchase of student investment property. These properties to be held until 2047.
2. There is a prohibition put on the transfer of Shares without the consent of all other Shareholders. This does not and cannot preclude the sale of all of the Share capital of the Company if all Shareholders agree, but it does mitigate the possibility of that happening to the best extent that we can.
3. The provisions in the Articles of Association are entrenched. Entrenchment means that a provision cannot simply be amended by the passing of a Special Resolution of the Company, which requires 75% of the Shareholders to approve it, but by all of the Shareholders.
4. The Directors cannot authorise the purchase of an asset without the approval of the Investment Committee which will include an independent Chartered Surveyor with appropriate experience of the type of asset being purchased.

The funds raised during the ICO will be held in a 2 of 3 multi-signature wallet on the BitShares network, which will require a minimum of 2 key holders to move the funds.

This BitShares account is publicly auditable at any time at the following link:
<https://bitshares.openledger.info/account/kexgill-ico/>

You will see the total supply of 10,000,000 KexCoins have been created prior to the ICO being launched.

Once the ICO is over, the funds will be moved off the BitShares network and into a 2 of 3 multi-signature Bitcoin wallet, which again will require a minimum of 2 key holders to move the funds.

A publicly auditable address is listed below: <https://blockchain.info/address/3Et4FjM6JmXPB23erkdvWhu2kFfqonFekp>



NOTE: DO NOT SEND BITCOIN TO THIS ADDRESS.
FOLLOW THE ICO INSTRUCTIONS ON THE WEBSITE TO
OBTAIN KEXCOINS ON THE BITSHARES NETWORK.
IF YOU SEND BITCOIN TO THIS ADDRESS YOU WILL LOSE IT.

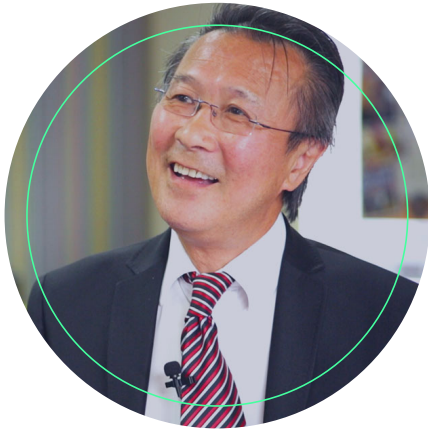
On the 12th of September we moved to a newly created multi sig wallet with the addition of individual hardware wallets to protect keys. The new wallet address is listed below:

<https://blockchain.info/address/3Edz8x3HNUigaDxZiwmsQBzqJKtQK4UAeD>

THE KEY HOLDERS TO THE PROJECT

1. Richard Stott
2. Chris Coney
3. Simon Lee

THE TEAM



DR. MICHAEL LEE

Owner of the Kexgill Group

Mike graduated from Aston University then obtained a PhD at Hull University. After a period of working as a Research Fellow at Hull University he established Kexgill Ltd in 1978.

Initially purchasing and modernising property in Hull to let to students the group has grown to include 8 other University locations as well as establishing a portfolio in Germany.

Growth of the group was initially slow but rapidly increased during periods of substantial capital inflation and availability of “buy to let” funding from the likes of Paragon.

The brand is well known / respected amongst Universities, students and competing landlords delivering constantly evolving product due to his passion for property and his ability to recruit a loyal like-minded team.

Key skills include monitoring and analysing the student market, and from this evaluating the financial considerations in strategic expansion, but at the same time not forgetting the cost considerations of the existing business which are forensically analysed.

Kexgill, who will provide management services, are an award winning ANUK registered student provider owning over 3,250 beds throughout the

UK and 360 multi-family apartments in Germany. Established in 1978, Kexgill are entering an exciting phase in their history. Kexgill are addressing the issue of affordability in the UK student market through clever conversions and university partnerships to serve students in a dynamic changing market. See www.kexgillgroup.com

Kexgill's accommodation and partnerships serve the following Universities and Medical Schools: Leeds, Nottingham Trent, Manchester, Liverpool, Liverpool John Moores, Liverpool Hope, Hull, Bradford, UCLAN, Leeds Trinity, Salford, Teesside, Leeds Beckett, Durham, Nottingham, Newcastle.

Recognised by Price Waterhouse Coopers as one of the best UK North East companies in the Private Business Awards 2017. The Royal Institution of Chartered Surveyors voted Kexgill's University Quarter as one of the best schemes in Yorkshire 2017 in their prestigious Awards. Numerous other awards and accolades including the Estates Gazette Specialist Company of the Year 2015.

www.kexgillgroup.com

www.kexgill.com

www.kexgill.de



CHRIS CONEY

Bachelor's degree in Computer Science and Business Information Engineering, host of The Cryptoverse and founder of Cryptoversity the online school for Bitcoin, cryptocurrencies and blockchains.

<https://www.youtube.com/c/TheCryptoverse>
<https://www.cryptoversity.com>

Consultant to the Peerplays project during their inception and their 2 successful ICO campaigns that raised over \$8m. <https://www.peerplays.com>
Up to date data on the Peerplays market cap is available at: <http://coinmarketcap.com/currencies/peerplays-ppy/>



RICHARD STOTT

BSc MRICS

Joined Kexgill in 2006 to expand portfolio in the UK and Germany (associated to Kexgill for over 25 years). Chartered Surveyor and founder of specialist consultancy Thomson Stott in 1992, subsequently Director of national company Allied Surveyors PLC (interests sold in 2007). Partner in National Avenue Properties a property pension holding company. Former advisor and original investment strategy idea of the highly successful €100m Landericus German Residential Fund. Unipol Committee of Management National Code of Standards for Large Student Developments.



SIMON LEE

Serial entrepreneur and visionary behind the KexCoin project.
Studied computer science at the University of Hull before joining the board of the Kexgill Group.
Currently managing director of SLP Limited dealing in importation and Worldwide e-commerce retail.

KexCoin is a User Issued Asset created on the BitShares network:

<https://bitshares.openledger.info/asset/KEXCOIN>

When the ICO launches the public supply of 8,500,000 KexCoins will be listed for sale on the BitShares decentralised exchange at https://bitshares.openledger.info/market/KEXCOIN_OPEN.BTC

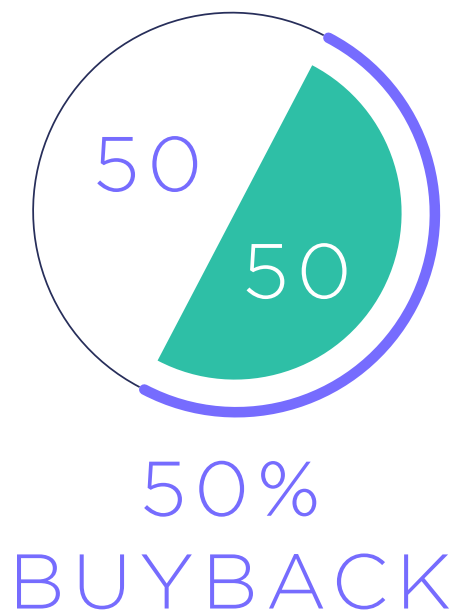
Since KexCoin is being issued on the BitShares decentralised exchange tokens will be issued instantly and be tradable immediately. This provides liquidity for KexCoin even before the buyback process begins.

By purchasing KexCoins, holders will get an increasingly scarce digital asset linked to the performance of a student property portfolio that is to be purchased with proceeds from the ICO. By renting out the property to university students, the portfolio will generate consistent profits.

50% of the net profits from the portfolio will be used to buy back KexCoins directly from the market quarterly and will then be immediately burned. Should no participants be willing to sell at that quarter the funds would be retained and added to the next quarter net profits and used to buy back KexCoins. These funds are strictly ring-fenced for the purposes of buy back and burn. Auditing procedures will apply. Proof of burn will be publicly visible on the BitShares blockchain: <https://bitshares.openledger.info/account/kexgill-ico/>

This will lead to a continuous reduction in the remaining supply.

The other 50% of the net profits will be used to fund further property investment, increasing the size of the portfolio and future profits, which will allow for a quicker buy back and faster returns for KexCoin holders.



The quarterly buyback budget will be used to buy back and burn as many KexCoins as possible. Holders may list their coins for sale on the market at their desired sale price and then wait for the supply to diminish and the price to rise. We will repeat the buy back and burn process for 30 years until 14th October 2047. After this date the buyback process will stop and the value of any remaining Kexcoins will be redeemed by depositing a share of the increased property value into the remaining holders accounts. The payment will be made in Bitcoin. Our aim is to raise 21,250 BTC by selling 8.5m KexCoins at 0.0025 BTC each.

Any KexCoins that remain unsold when the

ICO closes will be immediately burned. This transaction will be publicly visible at: <https://bitshares.openledger.info/account/kexgill-ico/>

8.5m KexCoins represents 85% of the total supply. 5% or 500,000 will be retained for contingencies and 10% will be allocated to the core team who will hold their KexCoins for a minimum of one year.

Dates for each buy back will be announced in advance so KexCoin holders have sufficient time to place their sell orders. Should no participants be willing to sell at that quarter the funds would be retained and added to the next quarter net profits and used to buy back KexCoins. These funds are strictly ring-fenced for the purposes of buy back and burn. Auditing procedures will apply.

THE MARKET

As the UK student accommodation market matures it is clear a two tier market is evolving:

1. Larger conglomerate groups including funds (GSA), REIT's and listed Unites continue to grow.
2. The nimble smaller £100-£300m asset value (inc Kexgill) operators are forming university partnerships and acquiring better yielding investments through smaller purpose built accommodation.

As the Purpose Built Student Accommodation (PBSA) takes a greater market share the middle rental ground focussing on affordability and service has the highest growth potential.

The proceeds of the ICO will be used to target these smaller purpose built complexes and portfolios.

EXAMPLE

Kexgill Tower (purchased out of receivership and formally known as Haria Tower). Purchase Price £4,050,000 in October 2015.

Current professional valuation £5,800,000.
108 studios. 100% occupancy. Rent Passing £652,000 pa.

THE INVESTMENT STRATEGY

Create a long-term student let investment property portfolio in the UK.

Due to the nature of the purchases and the characteristics of the UK market, long term capital growth of the underlying assets is ancillary to the generation of rental income, which provides a stable return allowing buyback of KexCoins from holders.

The portfolio is held for the long term with disposals only being undertaken where there is a significant strategic benefit to the company.

SELECTION PROCESS

INVESTMENT SELECTION

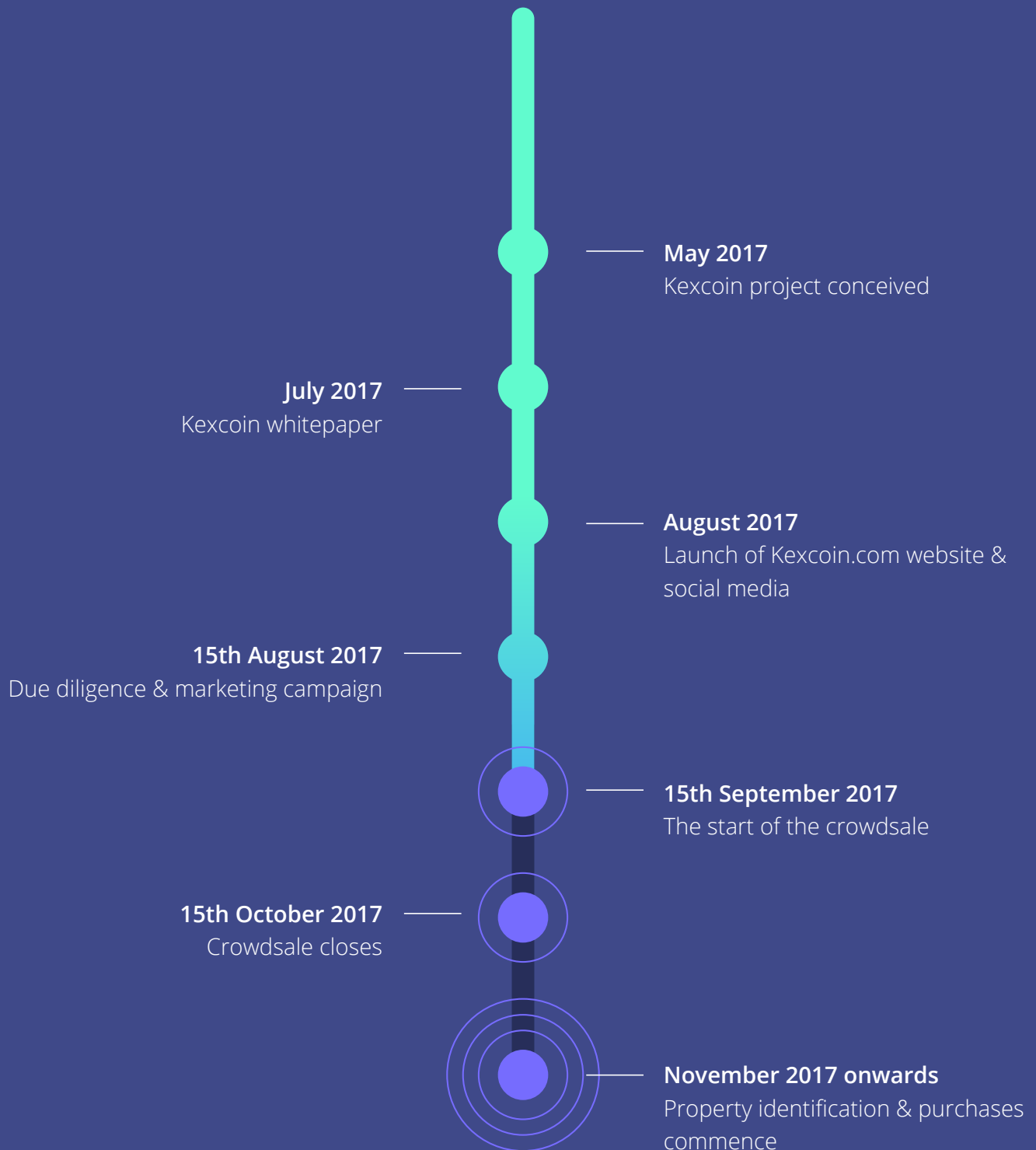
- > Time on market
- > Reason for sale
- > Broker/Bank involvement
- > Initial asking price/history
- > Overall condition
- > Occupancy Rate current/historical
- > Financial Modelling
- > Reason for selection
- > Full details

OFFER AND ACCEPTANCE

- > Offer price calculation
- > Offer range
- > Calculation
- > Investment Committee Report submission
- > Offer submission

ACCEPTANCE / NEGOTIATION

- > Due-Diligence
- > Essential pre-purchase matters
- > Professional valuation
- > Formal offer
- > Solicitor instruction
- > Additional surveys, full technical report
- > Inspection of investment by proposed property manager



KexCoin is a marriage between the established and proven formulas of old school property professionals and leading edge Blockchain technology.

KexCoin derives its value from our commitment to buy back coins using 50% of profits generated from rental income. This period of buying and burning coins will continue for 30 years from the date of the ICO.

In addition 50% of any asset gain in value of the investments purchased will be distributed pro rata to those remaining holders of KexCoin and the verified initial participants of the ICO at the end of 30 years.

KexCoin has a handpicked team, each leaders in their field and with sound proven business acumen and global assets.

- › **Dr Michael Lee** (Kexgill founder and Chairman)
- › **Richard Stott BSc MRICS** (Kexgill Managing Director)
- › **Simon Lee** (Founder and Managing Director of worldwide online retail company SLP)
- › **Chris Coney** (Host of The Cryptoverse podcast and Founder of Cryptoversity the online school for Bitcoin)
- › **Michelle Fang MSc** (Financial Analyst)

Our decision to use the advanced features of the BitShares network means a high degree of security, the capacity to handle thousands of transactions per second and a decentralised exchange for instant trading and liquidity.

The fixed buy back and burn with a finite supply of coinage makes KexCoin a compelling opportunity.



KEXCOIN WHITEPAPER

WWW.KEXCOIN.COM