



**UNLOCKING
SUPPLY CHAIN TOWARDS
DECENTRALIZATION**



Executive Summary

Wagon

Wagon is a decentralized network that aims to address the issues of the broken supply chain network, which is outdated, lacking in transparency (opaque), and very fragmented. In fact, digitization in the supply chain industry has been very challenging not only in the emerging country but also in developed countries. Everyone in the ecosystem is trying to optimize their capability and extract more value, this gets worse by the fragmentation of supply and demand. Wagon adopts blockchain to ensure a secure and transparent process to connect multiple stakeholders in the supply chain ecosystem. The process will improve visibility between demand and supply that will elevate the welfare distribution of opportunity, capability, and resources utilization. Wagon is made and designed from collaborative efforts from all stakeholders in the supply chain network, not from a single entity.

The Wagon network issues WAG Token. It is designed to provide financial inclusion and services to all stakeholders in the supply chain ecosystem. In the recent case study in Indonesia, financial inclusivity for supply chain stakeholders are still big challenges. In fact, this is why most of the trucks are owned by the transportation company, unlike the United States and China where the land transportation economy is driven by the Driver Owner Truck market. Land Transportation is one example of how Wagon can make impacts to the greater supply chain ecosystem which cover shipping line (containerized shipment of 20 feet and 40 feet), port activity, warehousing, air freight, retail distribution, commerce of online and offline. WAG aspirations is to provide a medium and growth catalyst for stakeholders in the supply chain ecosystem to connect with Global Investors. Where Global and Public Investors can participate in financing supply chain activity and projects through purchasing WAG Token. Wagon will launch in Indonesia because it has a sizable population of 280 million people, its logistics accounts for 24% of the GDP (USD 240 billion), and it has the next level of logistics complexity to navigate to 17,000 islands. After Indonesia Wagon will continue the journey to South East Asia, Asia Pacific, and to the World

Wagon platform features a staking platform that rewards stakers with a share of profits from our supply chain partner companies. The WAG Token will be used as a staking reward for individuals who contribute to the growth of the network. Stakers will receive monthly rewards that will be automatically compounded unless withdrawn. In the future, the WAG Token can be used as a means of exchange for goods and services within the Wagon network, or for money redemption. This decentralized finance initiative is a key step towards building the Wagon decentralized supply chain network.

Kryptonite

Kryptonite is the working team of Wagon. Kryptonite's team is the best in class, composed of various industries including logistics, supply chain, financial services, consumer goods, procurement, and technology industries.

Kryptonite has partnered with several supply chain companies operating in Indonesia, the largest and the fastest-growing markets in Southeast Asia. This will be an excellent starting point for Kryptonite to build its data network towards the goal.

Kryptonite vision is unifying the global supply chain with blockchain technology. Kryptonite mission is to raising the bar on the global supply chain by creating equal opportunity and resources distribution to the ecosystem. To solidify its mission, kryptonite start by creating data networks and infrastructures that facilitate not only decentralized financing but also resources expansions. In the world of supply chain that is outdated, opaque, and fragmented, data Accuracy becomes very important. Therefore Kryptonite adopts blockchain technology to triangulate the flow of information, flow of goods, and flow of payment to ensure the welfare distribution and streamlining the entire process.

*Connect the global supply
chain ecosystem*

High Level Concept

Must read

Supply chain

Definition:

The sequence of processes involved in the production and distribution of a commodity.

Activities inside supply chain

Purchasing, Manufacturing, Inventory Management, Demand Planning, Warehousing, Transportation, and Customer Service.

Who is involved

beneficiary cargo owners, producers, vendors, warehouses, transportation companies, distribution centers, and retailers.

How the process moving between each actors

Logistics (Sea, Land, Air)

Why use Wagon in supply chain

For business users : improved efficiency via transparency

For investors : profit sharing in supply chain/logistics business activities via staking

1 Market Introduction



South East Asia, particularly Indonesia, is one of the exciting regions for supply chain potential and landscape, with a variety of opportunities for companies looking to establish a presence in the country. With a growing economy and a population of more than 270 million people, the country provides a large consumer base for companies to tap into. From time to time, we can find a variety of sources for goods and services to build their supply chains, from local suppliers to global ones. However, many players still suffer from transparency issues such as flow disruptions and inventory management, resulting in the company's operations and financial losses if they are not addressed correctly. One direction that people try to consider is to empower the supply chains via blockchain to create more transparency and sustainability.

1.1 Opportunities and challenges

Indonesia is the largest economy in Southeast Asia. Its logistics market alone is at ~\$230-250B accounting for ~50% of the Southeast Asian logistics market and plays an important role in the supply chain ecosystem. In 2023, the logistics market in Indonesia is expected to offer many opportunities for growth. The country is the fourth most populous country in the world and the world's 16th largest economy, making it a key market in the global scenario. With its strategic location on geographical terms, the potential for growth is excellent. Indonesia is also home to a dense population of households with a high demand for goods and services, creating an attractive market for businesses.

However, the logistics sector in Indonesia is facing a number of challenges. Logistics costs make up around 25-30% of the country's GDP, significantly higher than in developed economies, where it is below 5%. Additionally, the infrastructure for freight and logistics is inadequate, leading to inefficiencies and long delays in the transportation of goods. The availability of qualified workers is also a challenge, as is the need for improvement in the investment climate to attract investment.

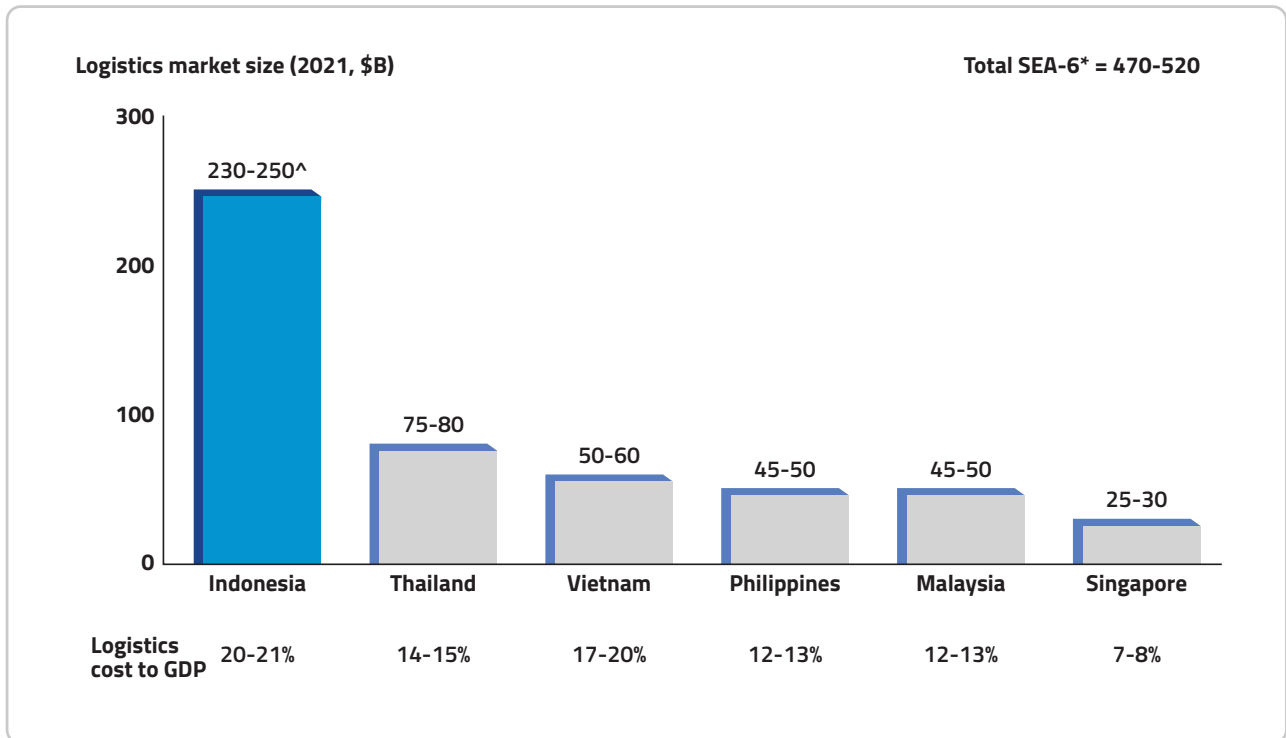


Figure 1.

South East Asia Logistic market size 2021

1.1.1 Fragmented Supply Chain Network

Indonesia's geography spans almost 2 million km² over 17,000 islands with natural resources or commodity dispersed across the archipelago. However, those raw materials will be manufactured on other islands, as such delivering products from point A to B requires multiple modes (e.g. truck > warehouse > truck > boat > warehouse > truck > end point etc.).

This intermodal transportation would be done by cooperating with multiple transporters with specific modes. However, the trucking industry in Indonesia is highly fragmented, with the country's ~5-6m trucks spread over ~210k operators. The average Indonesian transporter has less than 20 trucks and a significant share of operators have fewer than 10 trucks. For some manufacturers, they would have 50 to 100 trucking companies as partners. In addition, the visibility of these



1.1.2 Disconnected and Unreliable Information Creating High Cost

Information is the key to an effective and efficient supply chain, especially logistic. Having the right and reliable information can provide a cost effective solution for the supply chain players, from manufacturers, logistic players, to end customers.

The current problem with Indonesia's supply chain is that supply chain players are non-tech savvy. They do not have digital footprints that are visible to everyone and they tend to hold their information for themselves. These make the networks become very closed loop and the barrier to entry becomes very hard for new players to enter. All these barriers create unreliable information and cause a high asymmetry of information between players. All of this translates to higher logistics costs for customers and lower margins for businesses.

1.2 Welcome to Web 3.0 Data Network

We believe that connected data networks across supply chains will solve the current challenges in the industry. This new model will benefit individuals and enterprises thanks to its transparency, security, and decentralized governance mechanisms. The use of Web 3.0 technologies plays a crucial role in enabling decentralized networks and applications, such as those used in the supply chain industry where it can provide numerous benefits, including improved efficiency via transparency, enhanced security and data privacy, and reduced costs and inefficiencies.

Web 3.0 technologies have the potential to revolutionize the supply chain industry by improving efficiency, transparency, security, and reducing costs and inefficiencies. Smart contracts and decentralized networks can help automate and streamline supply chain processes, reducing inefficiencies and improving transparency.

This can enable real-time tracking and monitoring of goods and materials throughout the supply chain, providing all stakeholders with access to accurate and up-to-date information. Additionally, these technologies can enhance security and data privacy for supply chain operations. Decentralized networks and blockchain technology can help protect against tampering and fraudulent activities, and can provide secure and private channels for sharing sensitive information. Furthermore, the use of web 3.0 technologies in the supply chain can

help reduce costs and eliminate inefficiencies. Automation and streamlining of processes can help reduce labor costs, and the use of decentralized networks can help reduce the need for intermediaries and third-party services, which can lower overall costs. Overall, the integration of web 3.0 technologies into the supply chain industry has the potential to revolutionize the way goods and materials are tracked and managed, enabling more efficient, transparent, and secure supply chain operations.



***Enhance security
and data privacy
for supply chain
operations.***

1.3 Grow With Decentralized Finance

Merging traditional businesses such as supply chains into the network is challenging. Financing is the first step to bring the supply chain players into the network. For small transporters to grow and survive in the industry, they need to capital increase their fleet number and maintain their competitiveness, but they have limited access to financial products. For medium transporters, they need access to financing to stay relevant and renew their assets but not all of them are eligible for centralized financial institutions. This approach demands us to build something novel: a decentralized, autonomous finance designed to serve the interest of its users.

Decentralized finance (DeFi) is a new financial system based on distributed ledgers similar to those used in cryptocurrencies. It provides users with financial management and transparency. Additionally, it provides you with access to worldwide markets. The system gave chances to users receiving financial support from all over the world without the complicated and rigid centralized financial institution's system. This will benefit supply chain individuals and enterprises alike, improving their productivity, services quality and working capital.

This DeFi is empowered by WAG Token as its currency and holders can have a chance to be involved in the supply chain ecosystem by staking their tokens. In returns, stakers will receive ownership of the profit sharing portion from our partner transporters in WAG Token.

1.4 Indonesia as Wagon First Entrance

The problem of market exclusivity of supply chain business in Indonesia is a serious issue, as the barrier of entry is very high, making it difficult for new players to enter the market. The high entry barrier is due to the lack of infrastructure, the high cost of setting up the business, and the rigid regulations in place. Despite these issues, there are still many opportunities to be explored.

Establishing a Wagon network using Indonesia as the primary starting point offers numerous advantages for the business users. Indonesia has huge supply chain industries and large logistics market size, a vast population, extensive transportation networks for various industries, and abundant industrial sources, making it the ideal location for developing a supply chain-based project. Furthermore, it has the fastest-growing economy in Southeast Asia, creating a high demand for the logistics services both domestically and internationally. With Wagon, the blockchain technology provides increased transparency, improved security, and enhanced efficiency in the supply chain for the actors, while also serving as the reliable instrument to explore an expansive market with a high demand for supply chain-based services.

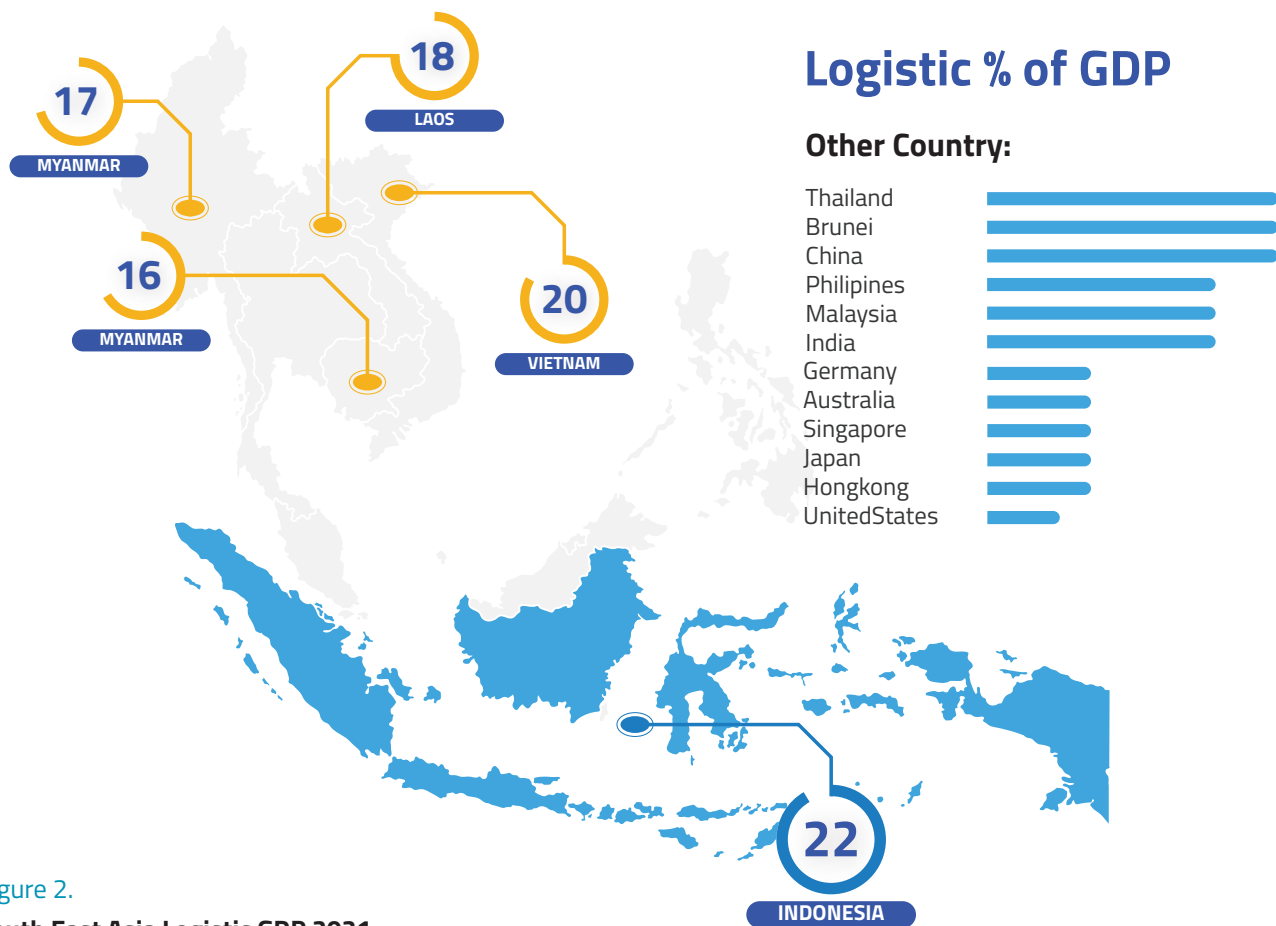


Figure 2.

South East Asia Logistic GDP 2021

2 Wagon : The Supply Chain Data Network

Wagons is the world's first supply chain data network on crypto.

2.1 The Supply Chain Bridge To Decentralization

Wagon is created to bridge between worlds of supply chain and blockchain technology. We believe that blockchain can solve those challenges: fragmented, disconnected and untrustworthy supply chain situations. The blockchain provides immutable public ledger: a record that cannot be altered over time. It's also a decentralized data network that is owned and driven by its users. This network will become the backbone of how the new supply chain ecosystem works.

With Wagon, we want to connect all the supply chain players to join the network and create a data map and footprints of all goods transported from one location to another. Since the data is owned and verified by everyone (not controlled or owned by a single entity or person), the data accuracy and trustworthiness can be validated.

Through a decentralized network, it autonomously links all peers to each other. Overall visibility on the supply chain conditions can be accessed easily by all users. Assuredly vast data sources and points were needed for this network to be working. To boost Wagon network on onboarding supply chain individuals and enterprises alike, a Wagon DeFi system empowered with Wagon Token was created.

While blockchain gives all those great features, a clean and trustworthy source of data was needed. Logistics operations contain all those valuable data, it records all moving goods from producers to consumers. A critical innovation of Wagon is the ability to tap in to this data owner, such as enterprises or even individual drivers. Wagon will programmatically gather their data and encapsulate it under their ownership.

2.2 Wagon DeFi

As it's challenging to hook traditional businesses such as supply chain to blockchain, Wagon has prepared 2 Decentralized Finance dApps. A staking system based on profit sharing and financing system for supply chains individuals, enterprises and projects. However, this financing system will be explained on the next version of paper.



***Wagon is created
to bridge between
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technology.***

2.2.1 Staking Profit Share

Wagon had allocated a portion of WAG tokens to partner up with supply chain individuals and enterprises. This token will be transferred to their wallet for their own use, such as operational or even staking. In return, partners are contracted to share a percentage of profit and data to the network.

Anyone including our partner can stake and unstake their WAG token from our DeFi dApps shown below.

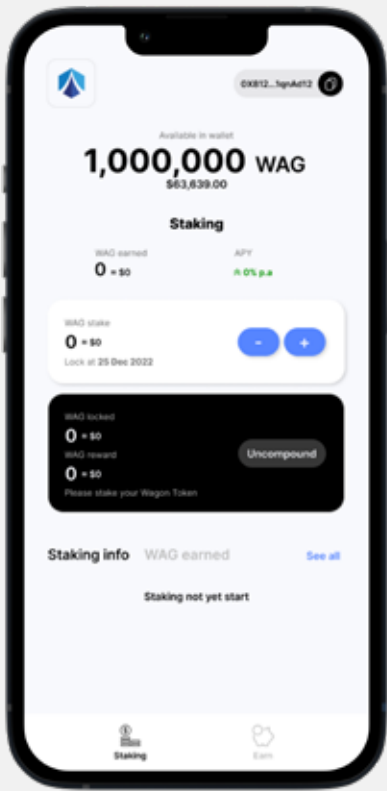


Figure 3a.
Staking dApps
no WAG token Staked.

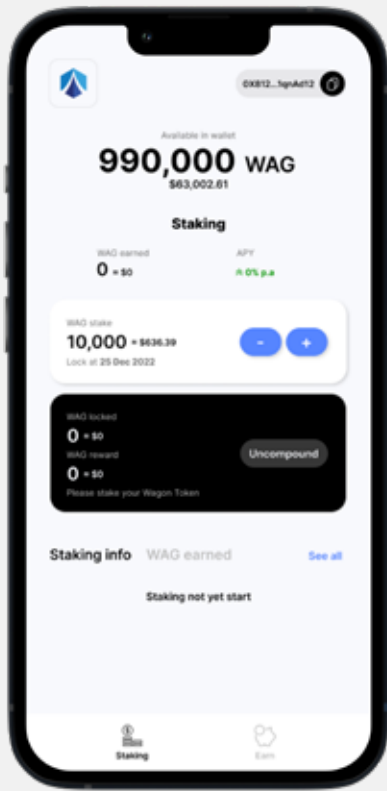


Figure 3b.
Staking dApps
10,000 WAG token Staked.

Staked WAG token will be locked at 25th for a month, which we called a locked period, shown at Figure 4a. Each 20th of the month, the Wagon team will gather partners' profit share in FIAT. This gathered FIAT will be put into the Wagon converter, buying WAG token from the open market. Converted profit will then be the reward that is injected into the staking smart contract. Stakers locked tokens denote their portion of this reward. After being injected, dApps will show WAG rewards that will be received by stakers, as shown at Figure 4b.

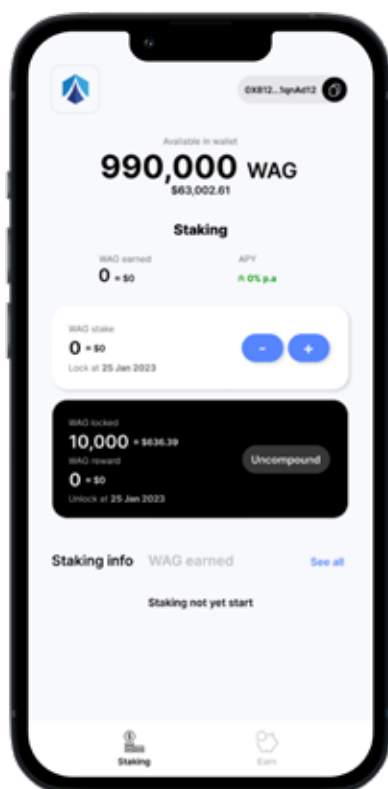


Figure 4a.

Staking dApps

locked WAG token Staked after 25th of month.

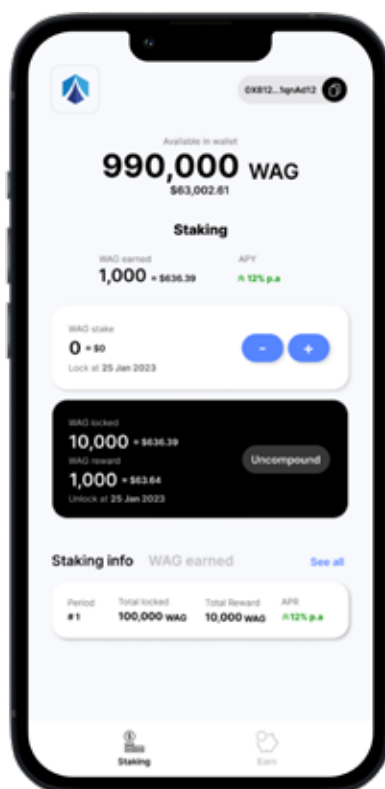


Figure 4b.

Staking dApps

injected reward at 20th of month.

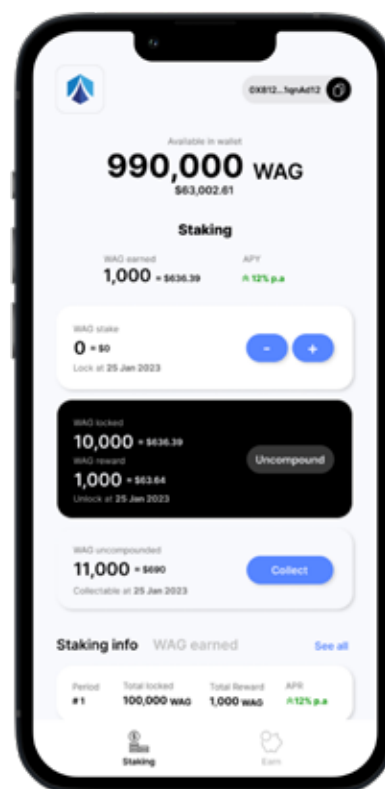


Figure 5.

Staking dApps

withdraw staked and rewarded token.

To ease users, Wagon's staking smart contract automatically compounds your staked WAG and rewards to the next period. To withdraw the staked and rewarded token, users need to cancel it from the auto compounding options by choosing the uncompound button and put in the amount they want to withdraw. This will be turned into un compounded balance and can be collected after the unlock time, shown at Figure 5.

2.2.2 Wagon Profit Sharing User Journey

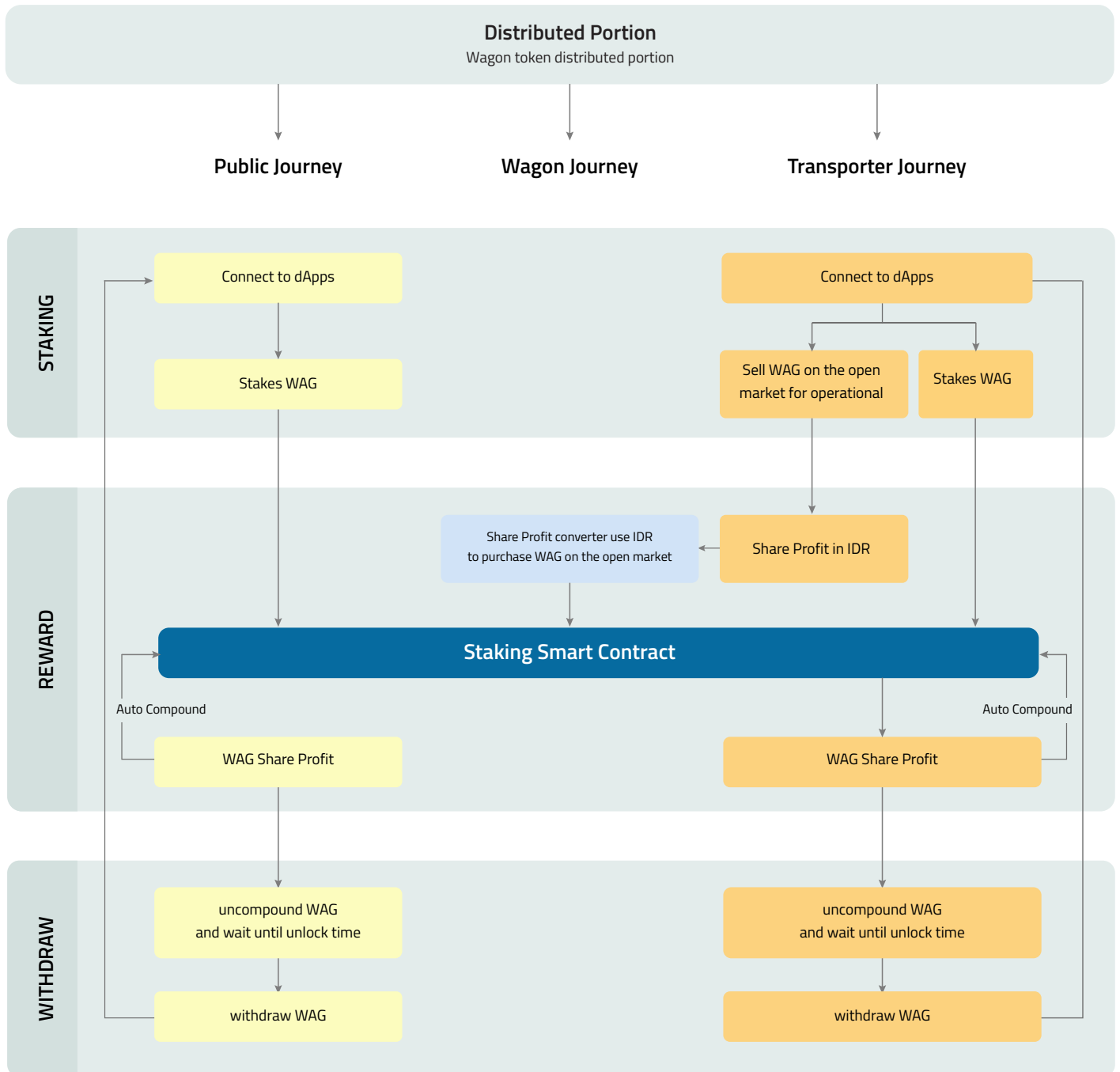


Figure 5.

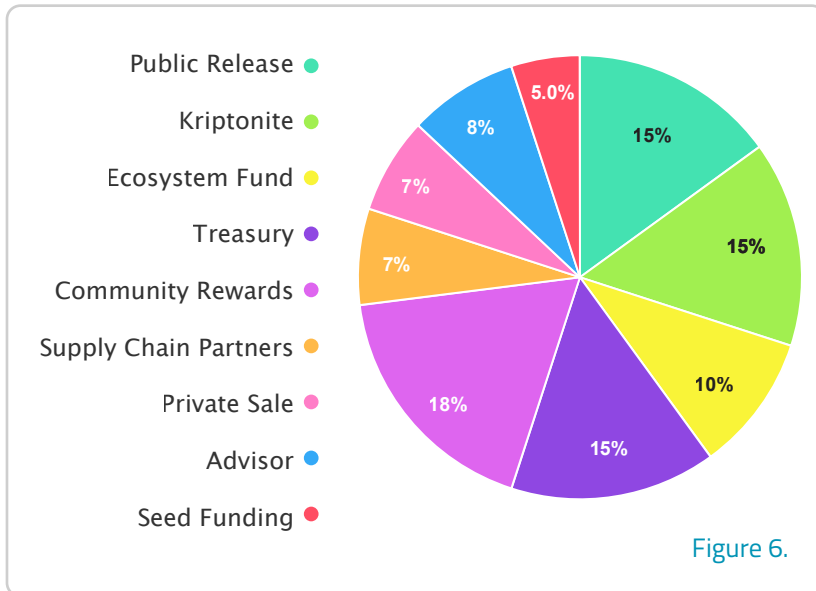
Wagon Profit Sharing User Journey

2.2.3 Introducing the Wagon Token: WAG

The WAG token to be launched on the Ethereum mainnet on January 1, 2023 using the ERC-20 standard. Ethereum network is chosen for its scalability, programmability, security, and its market power. The token powers the entire decentralized network's governance, empowering the DeFi to boost the network on onboarding partners. It has a fixed supply of 100 million tokens, meaning the total number of tokens in circulation can never surpass that amount.

The open-sourced WAG Contract repositories can be found on Github

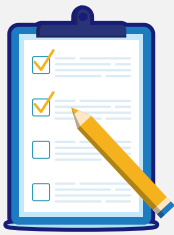
2.2.4 Token Distribution



This distribution reflects a focus on ensuring the stability and security of the project's treasury, as well as a commitment to funding its development and partnerships. The allocation of tokens to the public release and marketing suggests a focus on building a strong community and generating awareness for the project. Overall, this token distribution indicates a balanced approach to supporting the long-term growth and success of the crypto project.

Token Holders	Allocation % of total supply	Release Schedule
Public Release	15%	Unlocked at token launch.
Kryptonite	15%	20% at 6 months post launch, 80% vesting over 3 years for 6 months each.
Ecosystem Fund	10%	20% front, 80% vesting over 3 years for 3 months each.
Treasury	15%	20% at 1 year post launch, 80% vesting over 3 years for 3 months each.
Community Rewards	18%	20% at 1 year post launch, 80% vesting over 3 years for 3 months each.
Supply Chain Partners	7%	20% on front, 80% vesting over 3 years for 3 months each.
Private Sale	7%	20% on front, 80% vesting over 3 years for 3 months each.
Advisor	8%	20% at 3 months post launch, 80% vesting over 3 years for 6 months each.
Seed Funding	5%	20% on front, 80% vesting over 3 years for 3 months each.

3 Roadmap



Phase 1 >

- Launch website, and social communities
- Create token smart contract
- Initiate smart contract audit
- Launch ICO



Phase 2 >

- Launch on Uniswap
- Launch DeFi: Staking profit share
- CoinMarketcap (CMC) Listing
- CoinGecko Listing



Phase 3 >

- Launch DeFi: Staking financing supply chain
- Expand influencer outreach
- Strategic partnership
- Global marketing push



Phase 4 >

- Planned development of decentralized data network
- Launch governance protocol