KRYPTOPY WHITE PAPER ICO 2017

SOCIALLY LEADING MAINSTREAM CRYPTOCURRENCIES ADOPTION

Kryptopy Inc. Team
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Contents

First of all, Thank you for your interest in Kryptopy Inc. We will do our best to make this document as precise and short as possible to make sure you have all information necessary to make the best investment decision for yourself.

WHAT IS KRYPTOPY

- Allows users to "mine" the network and get paid for quality content (post to get paid concept with proof-of-intelligence algorithm).
- Wants to help make cryptocurrencies mainstream.
- Allow traders, amateurs and enthusiasts to network, share tips and earn additional revenues at the same time.
- Allow a better trading mechanism for traders who wish something different in a friendly and sane atmosphere.

KRYPTOPY'S MISSION

Equip, train and give innovative networking means to cryptocurrencies enthusiasts and traders. Be the leading Social Network that will help bring more trust to the cryptocurrency market thus helping its mainstream adoption.

KRYPTOPY'S TARGET MARKET

Kryptopy Network caters to 4 specific market segments which can be defined as follow:

Target market

1B Prospects

- No knowledge 98% ($100B)
- Average trader <1% ($20B)
- Enthousiasts <1% ($900M)
- Experienced traders <1% ($100B)

Market size: $220.9B

KRYPTOPY'S BUSINESS MODEL

The Kryptopy Network will be based on the KPY token. Which value will be directly linked to the Network's valuation which includes but is not limited to: content created by users, trading operations, percent of active users and value per user.

Financial Projections of total Network value based on the business model & assumptions mentioned in APPENDIX IV- NETWORK VALUATION.

	2018	2019	2020+
Total valuation of network ($)	133M	240M	1500M
KPY Qty	40,000,000	40,000,000	40,000,000
KPY valuation	3.325	6	37.5

WARNING : NOTE THESE ARE HYPOTHETICAL NUMBERS BASED ON ASSUMPTIONS. THESE ARE NOT REVENUES OR PROFITS. THE NUMBERS ABOVE REPRESENTS ONLY THE VALUE OF THE TOTAL NETWORK BASED ON ACTIVE USERS ON THE SPAN OF 3 YEARS.

See APPENDIX IV – NETWORK VALUATION

CORPORATE STRUCTURE

Krypopty is a Canadian Corporation registered under the name Kryptopy Inc. with its corporate Headquarters located in the province of Alberta in September 2017. Full ownership can be verified on the federal Canadian corporation website at :

https://www.ic.gc.ca/app/scr/cc/CorporationsCanada/fdrlCrpDtls.html?corpId=10392499&V_TOKEN=1504741871349&crpNm=kryptopy&crpNmbr=&bsNmbr=

LEGISLATION, CSA, FINTRAC & REGULATORY COMMITMENT

Note that Kryptopy Inc. and its Token (KPY) are not to be considered as a Security and is not a Security at the time of this writing. However, we are putting all our efforts toward self-regulation to make sure that in the event it would become considered as such, our users and contributors will not suffer the consequences or that those consequences if any will be reduced to a minimum.

Some of the methods we are using to reduce this risk:

1- We spend hundreds of hours revising legislations and adjusting our structure to make sure it meets its requirements;

2- Once the pre-sale for early contributors is done, an appointment will be made with FINTRAC representatives to make sure everything is in order before any funds are used. In the case that FINTRAC decision is that we are a security and that we cannot conduct business under the current regulations, even if our minimum is met, all of the contributions made will be given back to our pre-sale contributors and we will delay the

execution of the token sale until everything is in order. We are currently working on an official preliminary prospectus for that purpose.

KRYPTOPY'S GOAL

Our Team, advisors and co-founders did work several months and did observe the industry to come up with ideas and ways to fix the most common problems to this days with cryptocurrencies and trading.

1.0.1 PROBLEM #1 THE PERCEPTION OF MEDIAS & NEW COMERS ABOUT CRYPTOCURRENCIES

The cryptocurrency industry is still new. This brings the same problems that most new industries are having especially when it comes to technology hype: scammers, spammers, "wannabes", fake projects, ponzi schemes and so on. This is giving a bad image to the overall industry. It is easy for media who wants to sell the bad news to deform it and make the whole industry look evil. This is becoming a real problem as it plays a role on the valuation of legitimate currencies and projects. It also slows down the adoption of those legitimate currencies and the progress that could be within this industry.

1.0.2 SOLUTION TO PROBLEM #1: PROOF OF INTELLIGENCE

Kryptopy did coin the term PROOF OF INTELLIGENCE in June 2017. While most are focusing on ways to make more profits out of their investment, we decided to focus on a way to protect those investments and investors. Here is an overview of the PROOF OF INTELLIGENCE concept:

- Provide a way to verify the accuracy of news and content posted on the network.
- Stimulate with rewards that has real value the creation of intelligent content and verifiable tips that improve the quality of the network and value.
- Real-time machine learning to provide a robust protection against bots, spammers and scammers.

1.0.3 PROBLEM #2 SLOW ADOPTION OF THE TECHNOLOGIES 98% OF THE MARKET

This problem is directly linked to the aforementioned problem #1. The lack of education, the proliferation of fake news and fraudulent schemes is not helping putting the public at ease and make the adoption of the technology smoother. To almost 98% of the regular people or approximately 1 Billion people out there, our industry is one darkened by criminal activities, mob like drug deals, etc. While it may happen most of the cryptocurrency industry is not about those kind of activities.

1.0.4 SOLUTION TO PROBLEM #2: EDUCATION, NETWORK, SHARE AND REWARDS

As we seen in the second era of the Internet, the solution to make its adoption rate higher, create new industries and such has been "NETWORKING". We all know that social networks did make us know more technologies, people and innovative industries such as the cryptocurrency one. If it wasn't from the current social network none of this would probably exists.

It is now time for the 3rd Networking revolution that Kryptopy wants to bring to help put it all together and reach that 98% of dormant adopter and help them take advantage of this wonderful technology and his future advancements.

The PROOF OF INTELLIGENCE concept described in SOLUTION #1 will be one of the core concept of the network.

THE KRYPTOPY NETWORK

Kryptopy wants to bring to the public a solution that includes the following:

- A social trading network appealing to the masses under a format they are already used to.

- The network will be based on the KPY token which will act as a private currency to reward its members for various actions. A proof-of-intelligence system will be put in place to reward to most relevant and appropriate content making the users feel rewarded and keep them interested in the network.

- An advanced trading mechanism allowing for profit and knowledge sharing amongst its members.

- Unlike other platforms, Kryptopy will not be advertisement based

- Appealing mainstream activities such as a "trader's playground" where members can trade on historical data without real money and see how well they perform before they go into the real world of trading. This will help reducing the fear within the industry while always warning the members / future traders of the risks involved in using their money for trading.

2.0.1 MAIN FEATURES AND PHILOSOPHY

OVERVIEW

Kryptopy is based on the blockchain, an open source philosophy of knowledge and goal sharing. It is a social trading network where we encourage the exchange of information concerning trading on the blockchain. It is not a dashboard nor is it focused on a specific segment of the industry either. The platform will be open to everyone for free. Its members will vote for new features that we will implement based on the number of votes it gets.

A REAL DEMOCRACY

At Kryptopy we believe in our users. What makes a successful platform is the community that surrounds it. This is why we are implementing a real democratic system where the platforms features will be upvoted by users. The upvotes will be validated trough the means of Smart Contract on the Ethereum blockchain and depending on the number of upvotes feature gets we will implement them or not.

TRUSTED CONNECTIONS

Trust is the most important factor for Kryptopy. A lot of attention is focused toward trust mechanism and it is an area we will always focus on. Trust will be monitored in many ways such as a Reputation system based on users upvotes, a success profiler to determine the connections who are having the most success trading on the systems as well as a 6 level of separation based system that allows you to discover new members through your existing connections and shared interests.

TRADE COPYING MECHANISM

As of today, other than a few "market-segment" focused projects no mainstream network does allow the trading of assets by following and / or copying a successful trader's actions and trades. This is one of the first feature we will put to test in our beta as the main goal of the network is to help our users increase their skills through connections.

NO BOT & NO ADS POLICY

The no bots & no advertisement policy will be strongly enforced to deliver a uniquely pleasant experience to Kryptopy's users. Traditional social networks are plagued with them and we want to avoid that as well as fake news via various mechanism which includes sophisticated artificial intelligence algorithm and connection to trusted black lists as well as having our own which will also be shared in a decentralized way on the blockchain for other people to use.

BUSINESS PAGES & GROUPS

Users with a business will be able to share their news via business pages & groups to their followers. This will allow them to make their projects known to the world and make it easier to market. Again a strong focus will be made to enhance the security of those group and make sure no spam is allowed in them.

PRIVACY FIRST

Our users are owning 100% of their data. The data will be associated to their blockchain address and encrypted within the network. No profile data is public unless the user decides he wants to make them available to its connections via the setting panel of the platform. In no way will Kryptopy claim to have ownership on any of its user's data.

WATCHLISTS

LIVE PRICE UPDATES AND INDUSTRY NEWS PLUGGABLE API FOR EXCHANGES AND DEVELOPERS

THE TECHNOLOGY

3.0.1 Blockchain technology

For its ease of use and advanced Smart Contracts technology, we did pick the Ethereum network as our preferred blockchain technology. However, we are looking into integrating other blockchains at a later stage such as:

IOTA, for its unique Internet of Things approach.

Blockchain (Bitcoin), will more than likely be the first one to be integrated once the network infrastructure is complete.

We are also evaluating other ones but we are waiting for them to be feature complete before we start evaluating them more seriously.

The new 0x Protocol will also be used to favorize exchange with other trusted coins.

3.0.2 Server Technology

Ubuntu has been picked as the server environment we will evolve on. The network will be comprised of a template made of several servers with each their roles and protected differently from external access. The protection layer won't be disclosed on this document to keep the network secure.

3.0.3 Database Technology

Depending on the type of data various type of database is used on the network :

- Rethinkdb for live data

- Mongodb for semi-static data

- Blockchain + custom encryption for user data

- IPFS for file storage of user profiles

-   We are evaluating the database development area to see if any stable decentralized database project will come out so we can partner with them.

3.0.4 Backend Programming Language

The backend will be powered by Python, GoLang and Nodejs.

Sockets.io will be used for socket communication with external apis.

3.0.5 Frontend Programming Language

The innovative Angular 4 framework and NGRX will be used which is very similar to the Redux / React frameworks from facebook. It is also very friendly to port to other platforms such as Android and IOS.

THE KRYPTOPY'S TOKEN : KPY

The token used for the Token Sale as well as the Kryptopy's network specifications will be as defined below :

Symbol	KPY
Technology	ERC20 Standard
Type	Pre-Minted, Non-Burnable
Max Supply	40,000,000 KPY
KPY / ETH	200 (presale)
Tradable	YES
Exchange	YES 0X Protocol Planned
Frozen funds	5,000,000 KPY for Bounties and development purposes
Storage	VAULT (for presale and to insure refunds)
Storage #2	Multi-Signature 2/3 Wallet
Units	1 KPY 0,0001 MilliKPY (mKPY) 0,0000001 MicroKPY (uKPY) 0,0000000001 NanoKPY (nKPY)

4.0.1 THE PRE SALE

The pre-sale of the KPY Token to contributors is defined as follow :

Symbol	KPY
Price	0.005 ETH
Minimum contribution	0.4 ETH
Maximum contribution	10 ETH
Minimum objective	2,500,000 KPY
Duration	30 days max.

4.0.2 Terms of KPY Pre-Sale

Everyone is allowed as a contributor during the pre-sale stage as long as they meet the following criteria's:

- Are willing to invest the minimum of 0.4ETH and a Maximum of 10ETH;
- Does not have any criminal record and accepts to be verified by the "Know-Your-Customer" method of our chosen;
- The contributor must be aware that the contribution to the pre-sale does not mean that profits will be made; at the time of this writing, the KPY token is not a security and cannot directly return profits to the investors until it is approved by the local authorities, in this case FINTRAC is the Canadian authority that regulates KYC & Securities.

4.0.3 Institutional and Sophisticated Investor

What do to if you are considered a sophisticated investor, are representing a venture capitalist firm or are interested to contribute more than 10ETH into Kryptopy?

We will not take contributions higher than 10ETH through our normal pre-sale platform for legal concerns. However, if you strongly believe in our project and would be interested to contribute more, we will be more than happy to discuss with you. Feel free to contact us at : info@kryptopy.com. We are very pro-active and will respond to you the same day on normal business hours.

4.0.4 Refunds & Contribution Storage

The token's pre-sale is managed by Smart Contracts on the Ethereum network. The same contract will process the pre-sale contribution without any human interaction for the pre-sale.

All contributions will be locked into a VAULT on the blockchain that will not be available to anyone until the pre-sale is over and the objective is met. It is done this way to ensure contributor's safety in the case Kryptopy's pre-sale would not meet its success criteria's which is:

- Sell a minimum of 2,500,000 KPY / ~ 12,500 ETH

Contributors will be refunded automatically 100% of their contributions by the smart contract if the minimum is not met.

4.0.5 USA Contributors Notice

American contributors are allowed to participate in both Pre-Sale and Sale of the KPY Token. We are trusting the judgement and knowledge of laws from US Citizens. We must however, reduce the maximum contribution to make sure we comply with the laws and add an extra layer of protection for those contributors.

Please Note that we do not actively market to US Citizens nor do we suggest them to contribute or not in this Token sale. We believe in the Free market and in the event that the Security and Exchange Commission (SEC) makes a request we will divulgate information and comply or if requested, refund every US Citizens that will have invested in this pre-sale.

Terms for US Citizens Only:

Minimum contribution	0.4 ETH
Maximum contribution	2.5 ETH OR $1000 USD MAX
Bonuses / Discounts	65 KPY / ETH

In the event a US Citizen or Institution such as a venture capitalist or sophisticated investor recognized by the SEC would like to contribute more in Kryptopy, feel free to contact us at : info@kryptopy.com.

4.0.6 China contributors Notice

Chinese contributors are allowed to contribute in the Pre-Sale and Sale of the KPY Token.

NOTE: It is the duty of every Chinese contributor to make sure they comply with their local authorities and that they are authorized to make such a contribution. Knowledge of Chinese laws by Kryptopy is limited and we trust Chinese contributors to respect them. In the event that a Chinese citizen does not comply with the local authorities, Kryptopy Inc. cannot be held liable of the consequences.

4.0.7 Other jurisdictions

It is the legal and moral responsibility of the citizens of any country to respect the laws of their jurisdiction. International laws are complicated and varies from country to country. Kryptopy is advising every contributor to be aware of their local laws before considering any contribution in Kryptopy pre-sale, sale or any other contribution to a 3rd party in that matter. In the event that foreign authorities enter in contact with Kryptopy, we will fully collaborate with them. We cannot stress enough the importance of compliance to your local authorities, any consequences that may result of the non-compliance to your local authorities may result in financial lost, legal penalties, fines or other penalties that are in place in such case. Kryptopy cannot be responsible for any consequences that occur from a citizen of a foreign country not respecting the laws of their local authorities.

DISCLAIMER

NO SECURITIES REGULATORY AUTHORITY HAS EXPRESSED AN OPINION ABOUT THE KPY TOKEN. THE KPY TOKEN MAY AT A LATER TIME BE CONSIDERED A SECURITY TO THE SOLE DISCRETION OF THE REGULATORY AUTHORITY. TO CLAIM THAT THE KPY TOKEN IS A SECURITY IS AN OFFENSE UNTIL CONSIDERED A SECURITY BY THE REGULATORY AUTHORITY.

THIS IS NOT AN OFFER OR INVESTMENT SOLICIATION OR PROPOSAL IN KRYPTOPY, THE KPY TOKEN OR THE KRYPTOPY NETWORK.

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Kryptopy does not guarantee and there is no reason to believe that your contribution of KPY will increase in value. It may or may not depending on various criteria increase in value over time. It is very probable that its value may never increase outside of the Kryptopy network. However, we do not exclude future expansion, or exchange involvement depending on the authorization of the local authorities. Until then, there is no reason to believe the KPY Token will ever increase in value.

KPY IS NOT A SHARE, VOTING RIGHT OR OWNERSHIP OF ANY PART WHATSOEVER OR RIGHT TO CONTROL.

RISKS DISCLOSURES

RISK ASSOCIATED WITH THE ETHEREUM PROTOCOL

Kryptopy, the KPY Token and the Smart contracts used for the Pre-Sale and Sale of the KPY token are based on the Ethereum protocol. As such, any malfunction, unintended function, unexpected functioning of or attack on the Ethereum protocol may cause the Kryptopy Network or the KPY Token to malfunction or function in an unexpected or unintended manner. Ether, the native unit of Ethereum protocol may lose value in ways similar to KPY and also other ways. More information about the Ethereum protocol is available at http://www.ethereum.org.

RISK ASSOCIATED WITH CONTRIBUTORS CREDENTIALS

In the case a 3rd party would gain access to the contributor's login credentials, private keys or any other mean of identification or decryption, this 3rd party or attacker may be able to have access and dispose of the contributor's KPYs. It is the sole contributor's responsibility to enforce the security of its credentials and method of access to their electronic devices.

RISK THAT THE KRYPTOPY NETWORK, AS IT IS DEVELOPED WILL NOT MEET EXPECTATION OF KRYPTOPY OR THE CONTRIBUTOR

The Kryptopy Network is currently under heavy development and may undergo a significant amount of changes due to the changing nature in technology. Whilst we always intend those change to improve the network, there is a chance that some functionality may be affected by such upgrade, update or change in the technologies we are using. This may cause the expectation of either Kryptopy Inc. or the contributor to not be met at the initial release of the Network.

RISK OF THEFT AND HACKING

Hackers or other criminal organizations or countries may attempt to interfere with the Kryptopy Network or the availability of KPY in any number of ways, including Distributed Denial of Service Attacks (DDOS), Sybil attacks, spoofing, malware attacks or consensus based attacks.

RISK OF LACK OF ADOPTION OR USE OF THE KRYPTOPY TOKEN

KPY should not be viewed as an investment. However, it may have value over time. That value may be limited if the Kryptopy Network does not have sufficient active users or KPY holders. In such case, there may be no or few markets following the launch of the platform for the KPY Token.

RISK OF UNINSURED LOSSES

Unlike bank accounts or accounts at some other financial institutions, funds held using the Kryptopy Network or Ethereum Network are generally uninsured. In the event of any loss, there is no public insurer or private insurer to offer recourse to the contributor.

RISK OF DISSOLUTION OF THE KRYPTOPY PROJECT

It is possible that due to any number of reasons including lack of funding, development issues or any other important event or force majeure, that the Kryptopy Network may no longer be a viable alternative for its users or as a business or otherwise and may dissolve.

UNANTICIPATED RISKS

Cryptographic Tokens are a new and untested technology. In addition to the risks dicussed in this White Paper, there are risks that Kryptopy Inc. cannot anticipate.

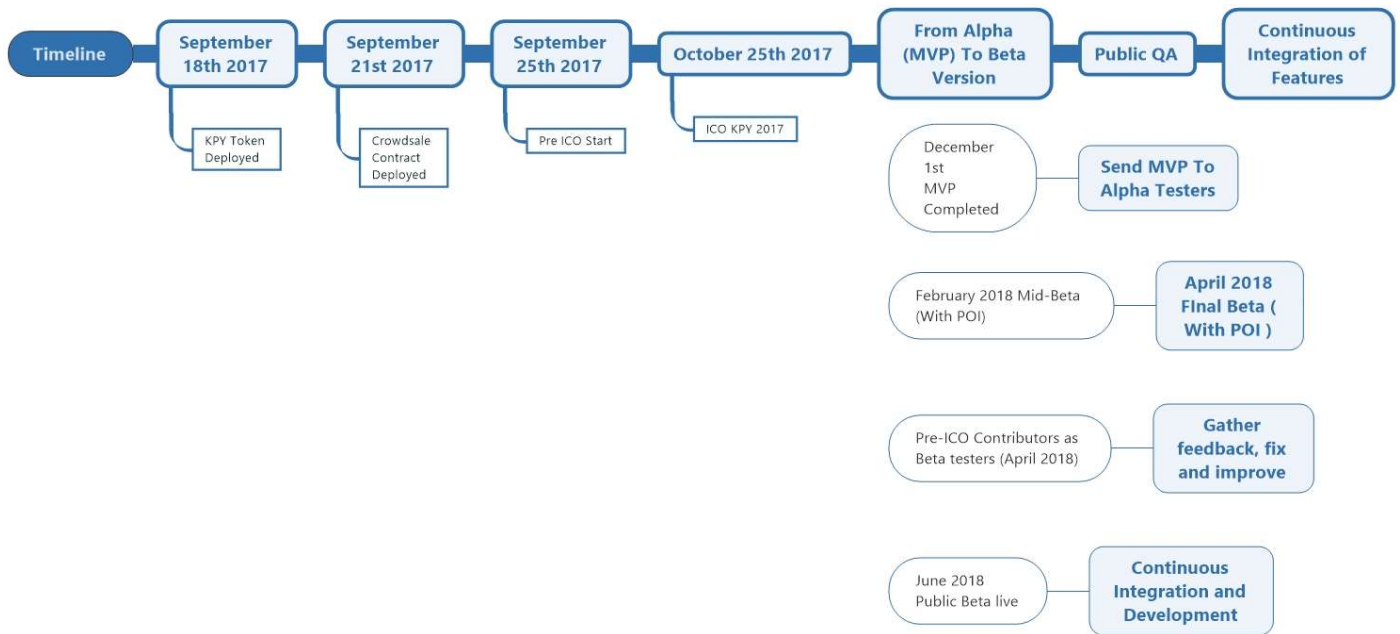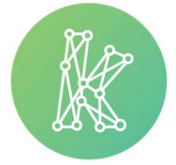# APPENDIXES / ADDITIONAL INFORMATION

APPENDIX I USAGE OF FUNDS

The funds raised in the pre-sale and sale of the KPY token will be used in the following ways:

Distribution of Pre-ICO Funds			
Legal & Licensing	5%		
Infrastructure	5%		
Development	30%		
Marketing	15%		
Founders & Advisors	15%		
Reserve	30%		

APPENDIX II – ROADMAP

| Timeline | September 18th 2017 | September 21st 2017 | September 25th 2017 | October 25th 2017 | From Alpha (MVP) To Beta Version | Public QA | Continuous Integration of Features |

- KPY Token Deployed
- Crowdsale Contract Deployed
- Pre ICO Start
- ICO KPY 2017

| December 1st MVP Completed | **Send MVP To Alpha Testers** |

| February 2018 Mid-Beta (With POI) | **April 2018 FInal Beta (With POI)** |

| Pre-ICO Contributors as Beta testers (April 2018) | **Gather feedback, fix and improve** |

| June 2018 Public Beta live | **Continuous Integration and Development** |

APPENDIX III MANAGEMENT, ADVISORS & CONSULTANTS

NICOLAS CLOUTIER, Chief Executive Officer & Co-Founder

Location: Quebec, Canada

Linkedin Profile: https://www.linkedin.com/in/nicolascloutier1/

BIO

Since 1998, Nicolas is a serial-entrepreneur on a non-stop start-up binge. From the video game industry to e-commerce, Nicolas was and is currently an advisor on many different projects. He is the former owner of Perfica3 an e-commerce agency who did realize an annual growth of more than 200% per year between 2009 and 2012. Amongst other thing he did pioneer the mobile video game industry between 1998 and 2003 and invented new concepts to cut costs and make web servers more affordable for the web hosting industry (2004-2006). Since 2013, Nicolas developed a strong interest for the world of cryptocurrencies, facial recognition and artificial intelligence for the purpose of improving human to human interactions. It did grow to a passion and led to the founding of Kryptopy with Cody McBryan in 2017. Nicolas is dedicated full-time to this new venture.

CODY MCBRYAN, EXECUTIVE VICE-PRESIDENT & Co-Founder

Location: Alberta, Canada

Linkedin Profile: https://www.linkedin.com/in/cody-mcbryan-305378141/

BIO

Cody is at the core of Kryptopy. He is a casual trader of cryptocurrencies and digital assets. Cody has prior management experience in the automotive industry. Cody did bring the idea of a social trading network to Nicolas. He took the time to document and present it in a convincing way. Together, Nicolas and Cody formed Kryptopy and decided 2017 would be it's year.
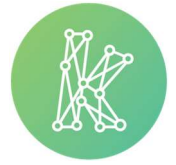
ROB BASSANI, TECHNOLOGY VICE-PRESIDENT & CTO

Location: Ontario, Canada

Linkedin Profile: https://www.linkedin.com/in/rob-bassani-0a915920/

BIO

Rob is a high profile senior software engineer. He did get a bachelor degree of technology from the McMaster University in 2013 as well as a software engineering degree in 2007. Rob did work as a senior developer and consultant for enterprise grade fortune 10 companies such as Blackberry / Research In Motion and is now currently employed as Senior IT Developer by the TD Bank. Rob did decide to join Kryptopy as VP Tech in 2017 and with his abilities and IT banking experience will be an invaluable asset to manage everything on the development aspect of Kryptopy.

YANN BOUTIN, ART DIRECTOR & EARLY INVESTOR

Location: Quebec, Canada

Linkedin Profile: https://www.linkedin.com/in/yboutin/

Yann is a pure breed senior graphic artist. For the past 8 years, he did design all the marketing content, assets and UX as a senior consultant for many projects around the globe from America to Europe. He knows how to make a concept shine and provide useful tools and assets to fulfill a marketing plan. Yann did join Kryptopy in 2017 and is also an active investor. He will take care of the art direction of the project.

RICHARD M. HOLMES, SENIOR BOARD ADVISOR

Location: Isle of Man, UK

Linkedin Profile: https://www.linkedin.com/in/richard-m-holmes-b11858/

BIO

Richard is a pure-bred entrepreneur. Since 1993 Richard has operated as founder, board director and/or investor in e-commerce, IT, media and entertainment, including video games publishing, e-commerce marketplaces, video games development, third party software development, social network games, mobile games, internet services, promotions and online gaming. Richard has taken companies public on AIM stock-exchange, raised venture capital from leading VCs in Silicon Valley and himself invested in a number of ventures. He has been involved in take-overs, IP purchases, IP creation, sales, marketing, managing legal issues and has a lot of boardroom experience in public, VC-backed, investor-backed, bank-financed and private

companies. Richard is CEO of Successful Internet Marketing Ltd. (Isle of Man), a company that builds and launches online marketplaces and platforms.

Richard is a director of Logos Marketing Ltd which markets and manages the funds of the Logos ecosystem based on the Logos crypto-currency. Nicolas and Richard did work together for as long as 15 years. Richard did join Kryptopy as an advisor in 2017 and is responsible for compliance and business direction advising.

DOMINICK MISERANDINO, SENIOR MARKETING CONSULTANT

Location: New York, USA

Linkedin Profile: https://www.linkedin.com/in/miserandino/

BIO

Dominick Miserandino was the founder of the web's longest-running entertainment site TheCelebrityCafe.com, which he grew into a multi-million dollar business and sold.

He was the Chief Marketing Officer of AdoramaPix.com and Director of Internet Operations for Bigfoot, creating their long-term digital strategy.

A frequent media guest, Dominick's been written up in dozens of publications, quoted in University textbooks and featured on TV, Radio and in Newspapers discussing digital marketing/internet strategies.

Dominick has consulted for the likes of: Wall Street Journal, Morgan Stanley, Hearst Publications, Scout, Nasa and other major brands. Over the past 20 years, he's worked with 100+ different web properties and e-commerce businesses.

Dominick is immediate past president of the Press Club of Long Island (the first to create a journalism scholarship for the disabled) and is a sought-after lecturer about web business strategies and analytics at Hofstra, Stony Brook, NYU and other local colleges.

https://epub.uni-regensburg.de/25618/1/Valuation_of_Online_Social_Networks.pdf

Because of the nature of Kryptopy we need to replace some of the elements of the traditional formulas by our own. This is why:

- Kryptopy is not an advertisement based network;

- Kryptopy is free

- Kryptopy will not allow selling user data or content to any third party.

Here is the formula we will use with our own criteria to calculate the important ones to use for users and network valuation:

$$CE = \sum_{c=0}^{\infty} \frac{\sum_{i=1}^{N_c} CLV_{c,i}}{(1+d)^c}, \qquad (1)$$

where CE denotes the total value of all existing and future customer relationships,
$CLV_{c,i}$ the CLV of customer i of cohort c,
N_c the number of customers in cohort c (with $N_c \in$ IN) and
d the periodical discount rate (with $d \in$ IR$^+$).

To determine the CLV we need to estimate the present value at the beginning of period c of all cash-flow the customer can bring to Kryptopy.

	Active Trader	Active Networker / Poster	Active Linker / Copier
Number of contacts (1st degree only)	1000	3000	500
Average trades	$100 / day	$50	$100
Copy operations	1	1	10
Successful copy operation	3	0	0
Failed copy operations	7	0	0
Rewarded	0.05 KPY per day	0.02 KPY per day	0
Revenues per persona in KPY (annum)	36500 * (1.5/100) = $547.5 (fee per persona per annum) / 1.47 (initial KPY value) + 372.45 KPY per year per personas (- 18.25KPY reward) = 354.20 KPY value per year	18250 * (1.5/100) = $273.75 (fee per persona per annum) / 1.47 (initial KPY value) + 186.23 KPY per year per personas (- 7.3KPY reward) = 178.93 KPY value per year	Same as active minus fees with no rewards = 372.45

Revenues per persona in USD	520.67 per personas	263.03 per personas	547.50 per personas

With those we now have a basis of calculation per market segment for our business model based on an annual approximate revenue per type of active user.

Assumptions:

- Users in the network will have different retention rates.
- Only a small percentage of users will be active at first (~1%)
- Not all users will trade actively every day.
- Based on 1,000,000 users after 1 year
- Out of all users 1% active = 10,000 active users at start
- Estimated Growth rate of 150% per year for the first 3 years and 50% per year after.
  Table of annual total user value

Legend: AT = Active Traders, AN = Active networkers, ALC = Active Linker / Copiers, TU = Total users, TRPA = Total Revenues per personas (average of the 3 types), TR = Total Revenue.

	2018-2019
TU	1,000,000
AN	10,000
ALC	10,000
TRPA	443.70
TRT (10,000 * avg)	4,437,000

Calculation of retention rate and contacts growth

These assumptions are based on the fact that the more a user is having active contacts the higher the retention rate will be.

Assumptions:

- Average growth rate of contacts of 29.9% for the first 3 years per users
- Active traders = 1000 confirmed contact at end of 1st year, Active linker = 2000 confirmed contacts at end of 1st year, Regular or copier = 500 confirmed contacts at end of 1st year

	Contacts 2018	Retention 2019e	Contacts 2019e	Retention 2020e	Contacts 2020e	Based on 10,000 users
AT	1000	80.8%	1808	93.7%	3502	35,020,000
AN	2000	93.4%	3868	97.9%	7655	76,550,000
ALC	500	60%	800	72.3%	1378	13,780,000

This formula will give us the number of total users expected based on our previous assumptions after 3 years of operation. Kryptopy network, following a very conservative growth pattern could hypothetically grow to : 125,350,000 total users by the end of 2020 / Q1 2021. Which represents about 10% of our target market.

Financial Projections of total Network value based on the assumptions mentioned above. Based on the current market price of $247USD per eth.

	2018	2019	2020+
Total valuation of network ($)	133M	240M	1500M
KPY Qty	40,000,000	40,000,000	40,000,000
KPY valuation	3.325	6	37.5

WARNING: NOTE THESE ARE HYPOTHETICAL NUMBERS BASED ON ASSUMPTIONS. THESE ARE NOT REVENUES OR PROFITS. THE NUMBERS ABOVE REPRESENTS ONLY THE VALUE OF THE TOTAL NETWORK BASED ON ACTIVE USERS ON A SPAN OF 3 YEARS.

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