



LABRYS

WHITEPAPER

VERSION 1.3

LABRYS.IO

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DISCLOSURE

PLEASE READ THE FOLLOWING DISCLOSURE SECTION CAREFULLY. IF YOU ARE IN ANY DOUBT, CONSULT YOUR LEGAL, FINANCIAL OR TAX ADVISOR(S).

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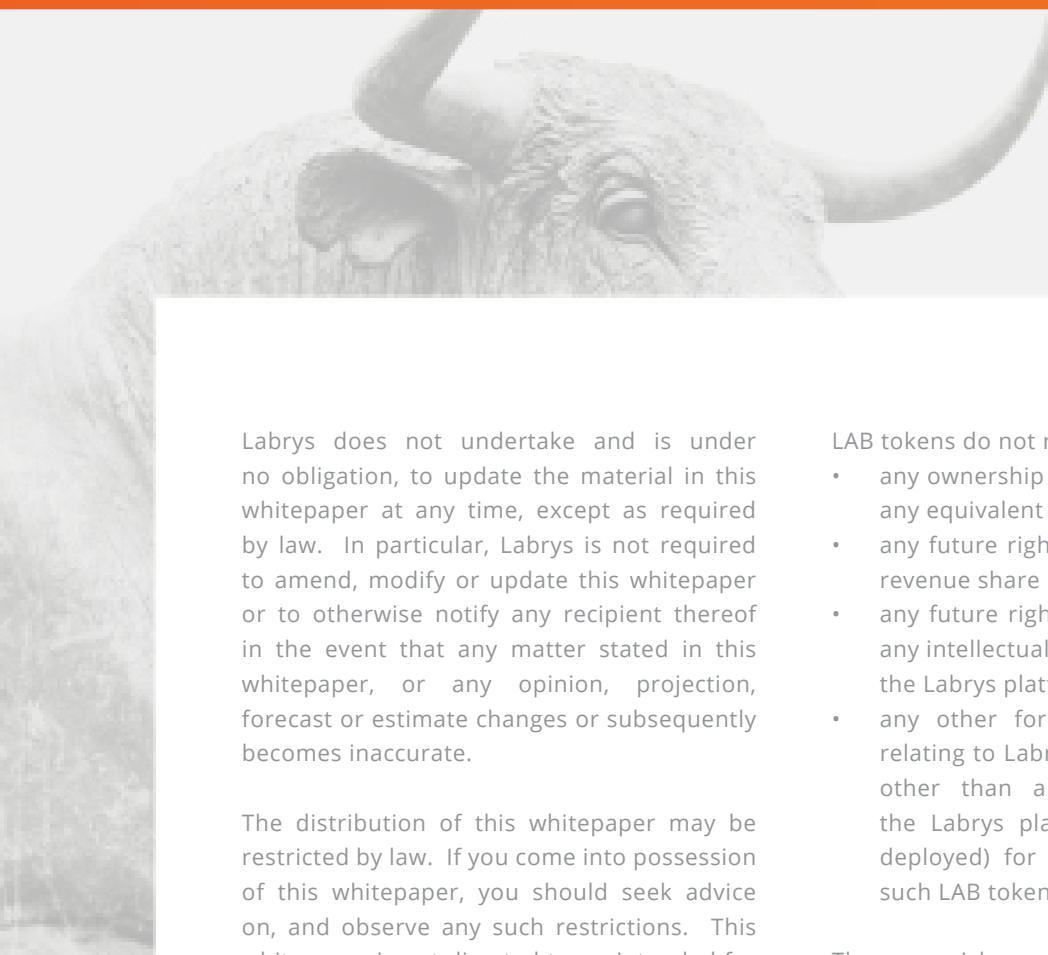
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Funds raised from the sale of LAB tokens in the initial coin offering (ICO) are intended to be used to fund the development of the proposed Labrys platform and smart contract technology. Participants in the ICO who hold LAB tokens do not have a right (either expressed or implied) to any dividends, coupon or other payments – rather, the LAB tokens only carry a right to access the Labrys platform once the platform is launched and all authorisations required by Labrys to operate the Labrys platform have been obtained. Labrys does not warrant, represent or guarantee the successful completion of the Labrys platform or that such authorisations will be obtained.

LAB tokens do not represent or confer:

- any ownership right, share or security (or any equivalent right) in Labrys;
- any future right to receive an interest or revenue share in Labrys;
- any future right to receive an interest in any intellectual property rights relating to the Labrys platform; or
- any other form of participation in or relating to Labrys or the Labrys platform, other than a right to participate in the Labrys platform (if and when it is deployed) for the duration of the time such LAB tokens are held.

There are risks associated with the purchase of LAB tokens and participation in the ICO. You should consider all risks involved and, if required, seek independent professional advice before participating in the ICO.

By accessing this whitepaper, you acknowledge and agree to be bound by the limitations outlined above and agree to indemnify (and keep indemnified) Labrys against any loss, damage or costs relating to any breach by you of the conditions and limitations of this whitepaper.





EXECUTIVE SUMMARY

Labrys is a financial technology company focussed on merging the global Debt Capital Market with the Blockchain ecosystem. Labrys has drawn upon great minds from both of these fields to create a team with over 150 years' experience in both blockchain and Debt Capital Markets.

The Labrys platform is a decentralised network that allows anyone in the world access to fixed income. This is possible by utilising blockchain and smart contract technology to bring bonds directly to blockchain and eliminate many of the inefficiencies in traditional bond markets. Labrys is developing the world's most efficient Debt Capital Market platform to provide a faster and cheaper experience for institutional investors whilst at the same time creating a democratisation of the bond market and evening the playing field for small investors by giving them access to an asset class previously beyond their reach.

This whitepaper outlines the value proposition of Labrys along with the reasons that Labrys requires a crowdsale. Details about the structure of and how to participate in the crowdsale are also included.

The Labrys token (LAB) will be distributed among public contributors during the crowdsale starting in January, 2018.



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**THE BLOCKCHAIN IS ONE OF THE
MOST IMPORTANT INNOVATIONS IN
THE HISTORY OF FINANCE.
REMOVING THE MIDDLEMAN WILL
TRANSFORM HOW WE TRANSACT,
FINANCE PROJECTS AND
DISTRIBUTE CAPITAL.**

BRIAN KELLY

Founder and Managing Member,
Biran Kelly Capital LLC

VISION

Labrys is a financial technology company built by a team with over 150 years' experience in Debt Capital Markets, Financial Services and Blockchain Technology. We are building a bridge between the Blockchain universe and traditional debt markets to make a fixed income business model that is transparent, decentralised and accessible to everyone, all whilst remaining within the existing regulatory framework.

For too long, the fixed income financial markets have not been available to a large portion of investors, due to high minimum capital requirements and complex regulations. Using Blockchain technology, Labrys will democratise the bond market for all investors and provide access to fixed income markets through a smartphone, tablet or PC.

Labrys will connect the Blockchain universe with the largest market in existence: the Debt Capital Market, which primarily uses Bonds as its financial instrument. Comprising over \$217 trillion USD, the global Debt Capital Market dwarfs the equity, commodity and foreign exchange markets. Using the unique advantages inherent in Blockchain technology, such as transparency, auditability and smart contracts, Labrys can provide access to bond markets through your smart device. The Finance industry is slowly making a transition towards Blockchain technology and Labrys is leading this transition for the Debt Capital Market.



VALUE PROPOSITION

Using funds from the proposed capital raising, Labrys will develop a blockchain based platform to distribute automated coupon payments to investors through the Labrys Wallet. This platform will be built entirely on the Ethereum network and will provide token holders access to bonds in the Debt Capital Market. Blockchain technology creates a fully transparent transaction chain that eliminates many inefficiencies in the current global fixed income market. Whereas small investors are normally locked out of the bond market, due to minimum investment levels, Labrys can provide access to this market by combining innovative technology with financial prowess. Using the efficiencies of Blockchain technology, such as transparency, auditability and the use of smart contracts, combined with the international appeal of, and access to, cryptocurrency markets, both small and large investors will have an opportunity to invest in bonds without excessive fees or complex arrangements. With over 150 years' experience in Debt Capital Markets in the core team and advisors, Labrys can operate within the confines of the existing regulatory framework. This experience, combined with our blockchain expertise, will enable Labrys to disrupt the finance industry by providing access to Debt Capital Markets on the blockchain.

INCLUSIVE

The Labrys platform allows investors of any size to access fixed income returns. Until now, bond markets have only been accessible to high net-wealth investors because the slow and complex trading infrastructure makes it unprofitable for brokers and institutions to service smaller investors. This means that everyday investors have limited access to the Debt Capital Markets, restricting their ability to diversify their portfolio into fixed income assets. The Labrys Wallet will democratise this process allowing investors to access the Debt Capital market without many of the present restrictive limitations.

FAST & TRANSPARENT

By building the Labrys Wallet on Blockchain, we can provide fast and transparent bond investments for users. Traditionally, corporate bond markets are inherently slow as constraints on bond supply limit the liquidity of the market and cause settlements to be sluggish. Currently, investors are required to use several intermediary brokers and custodians with common settlement periods of T+2, T+3 or T+5*. The delay between the transaction, where the investor indicates their intention to settle, and the actual settlement date, creates substantial market risk for both buyer and seller as prices can change significantly within this period. Labrys intends to eliminate many of the common liquidity issues to provide instant settlements by using smart contract technology on the Ethereum network.

'T+1 (T+2, T+3)' refers to the settlement date of security transactions. The 'T' stands for transaction date, which is the day the transaction takes place. The numbers 1, 2 or 3 denote how many days after the transaction date the settlement or the transfer of money and security ownership takes place.

<http://www.investopedia.com/terms/t/tplus1.asp>



INVESTOR BENEFITS

BENEFITS FOR CRYPTO INVESTORS

Opportunity to earn interest on cryptocurrency holdings without leaving the crypto market.

Access to fiat* asset exposure through a wide range of traditional bonds thereby diversifying the investor's portfolio.

Ability to fund the Labrys Wallet and receive coupon payments in a variety of cryptocurrencies. Examples include BTC, ETH, USDT & Labrys tokens (LAB).

BENEFITS FOR FIAT INVESTORS

Access to bonds without minimum investment requirements.

Ability to liquidate and switch bond holdings in a timely manner; this cannot be done in the traditional bond market.

Access to bonds without going through third-party brokers who charge excessive fees.

Full control over bond holdings.

Fiat money is currency that a government has declared to be legal tender, but it is not backed by a physical commodity. Examples of this include the USD, EUR and JPY.

<http://www.investopedia.com/terms/f/fiatmoney.asp>



BOND MARKET OVERVIEW

WHAT ARE BOND MARKETS?

The bond market is one of the world's fundamental asset classes. In the bond market, debt securities are issued by trusted organisations and governments. The bonds are traded by large institutions and wealthy participants. When a participant invests in a bond issue, they have entered into a contract with an entity to lend them money (principal) in exchange for a pre-established interest payment (creating a yield). This payment is received at regular intervals and the full bond value is paid back on a specific date (maturity date).

HOW BIG IS THE BOND MARKET?

The world's cornerstone (and largest) asset class is the bond market. The global Debt Capital market was valued at over \$217 trillion USD in 2017. In comparison, the total value of all stocks worldwide is only \$76.3 trillion USD and the total market capitalisation of all cryptocurrencies is just \$150 billion USD. As strong believers in the blockchain and cryptocurrency movement, Labrys is excited about the potential to bring a substantial amount of capital into the cryptocurrency universe by building a bridge between these two markets.



BENEFITS OF BONDS

For investors, the main purpose of a bond is to provide reliable income and preserve capital. They also offer:

Ability to earn better returns than term deposits and cash.

Protection against loss in a cyclical downturn.

Diversification.

KEY ISSUES WITH THE BOND MARKET

Although bonds are a large market and a staple for a diversified portfolio, access to bonds is difficult for mainstream investors. Reasons for this include:

Most transactions occur in an over the counter (OTC) environment and are controlled by institutional investors and intermediaries.

Minimum parcel sizes are comparatively large and can average at \$500,000 USD, putting them out of reach for many investors.

To hold OTC bonds an investor needs to use a licenced custodian. This can be expensive as many charge custodial-service fees.



BOND CHARACTERISTICS

THE PRIMARY ISSUE

A primary issue is when a bond is first sold to the market. It is a mechanism for an organisation to raise funds.

THE ISSUER

Typically a company, bank or government wanting to raise capital.

LEAD MANAGER

This party is responsible for arranging the bond issue through their network of investors. **They take a percentage of the issue as a fee.**

INVESTORS

These are individuals or organisations who buy the bond and receive interest payments, known as coupons, for the duration of the bond.

TRUSTEE/PAYING AGENT

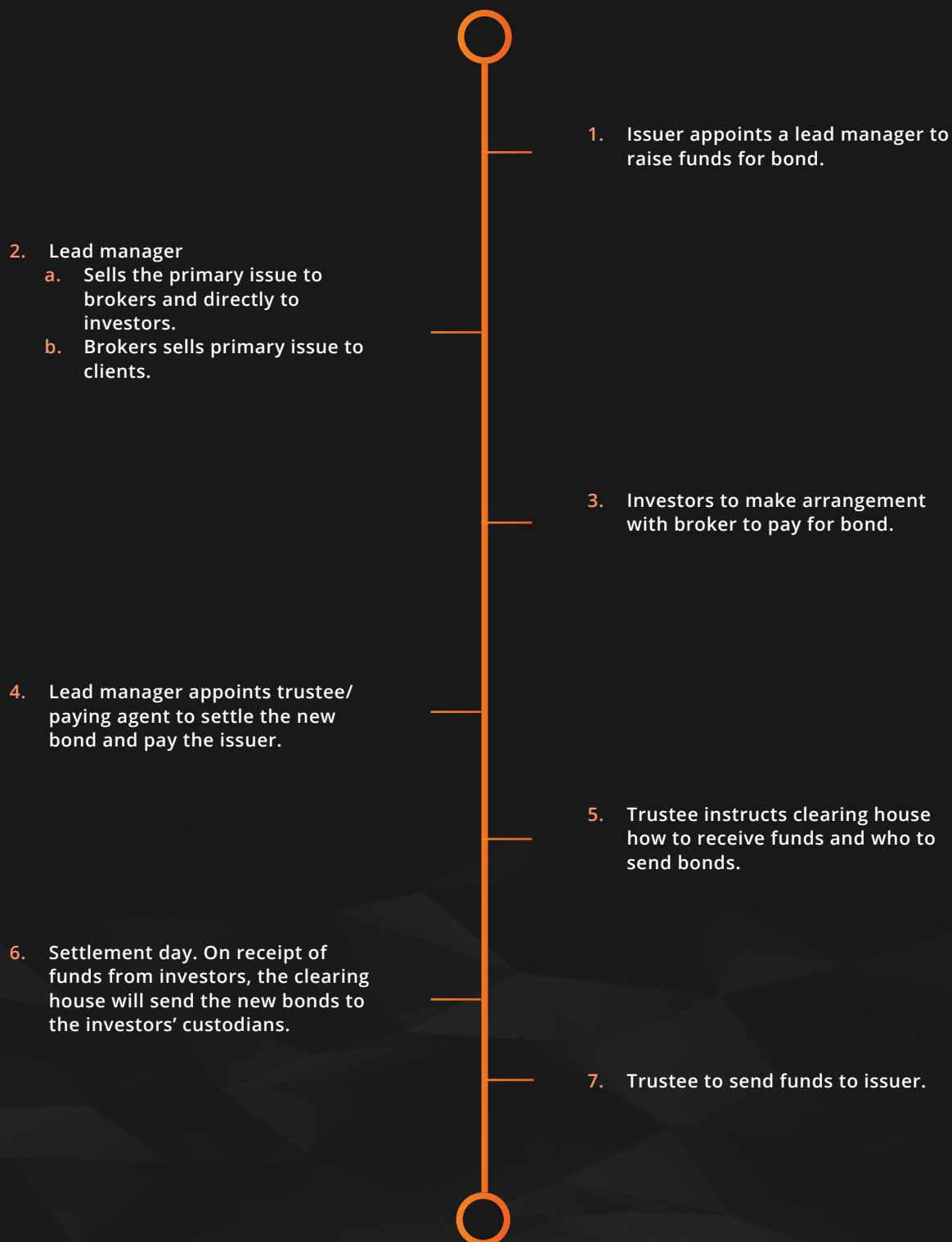
This party is responsible for setting up the bond, collecting funds, issuing the bond, organising coupon payments, directing corporate actions and giving the funds to the issuer. The trustee **takes a fee** for setting up and maintaining the bond.

OTHER PARTIES

Custodians, bond brokers and clearing houses are also likely to be involved to facilitate the settlement process, including when investors buy and sell bonds. **Each one collects fees**, which are normally paid by the holder of the bond.



BOND ISSUANCE PROCESS



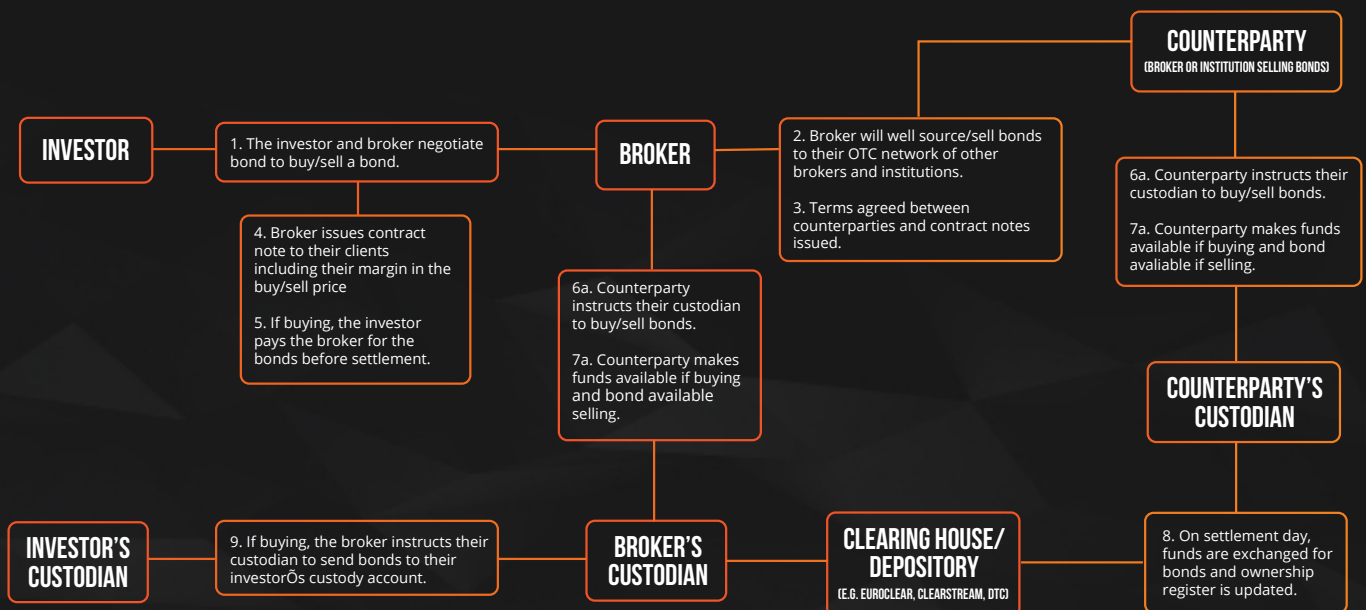
BUYING AND SELLING A BOND

When a new bond has completed the primary issue process, it can be sold and bought again in a secondary market. To buy a bond in the OTC market, mainstream investors usually need to go through a bond broker. The bond broker will have a trading team who can access other buyers and sellers of bonds through their OTC networks.

Just like the vast array of companies listed on stock exchanges, there are thousands of bonds available in the OTC market. To make it easier for investors, a bond broker will provide research and recommendations for bonds that offer good value. This process can take several days.

When a client decides to purchase a bond, the bond broker will issue a contract/confirmation note listing the details of the transaction e.g. amount, bond name, settlement date and payment/settlement instructions. This action, the formal issuance of the contract/confirmation note, sets the trade date.

After the trade date, the bond will settle, typically, two days later (T+2). During this period, the investor will facilitate payment to the broker and the broker will organize the issuance of the bonds. Parties involved in the settlement are custodians, brokers, the clearing house/depository and the entities buying and selling the bond. The diagram below illustrates this process:



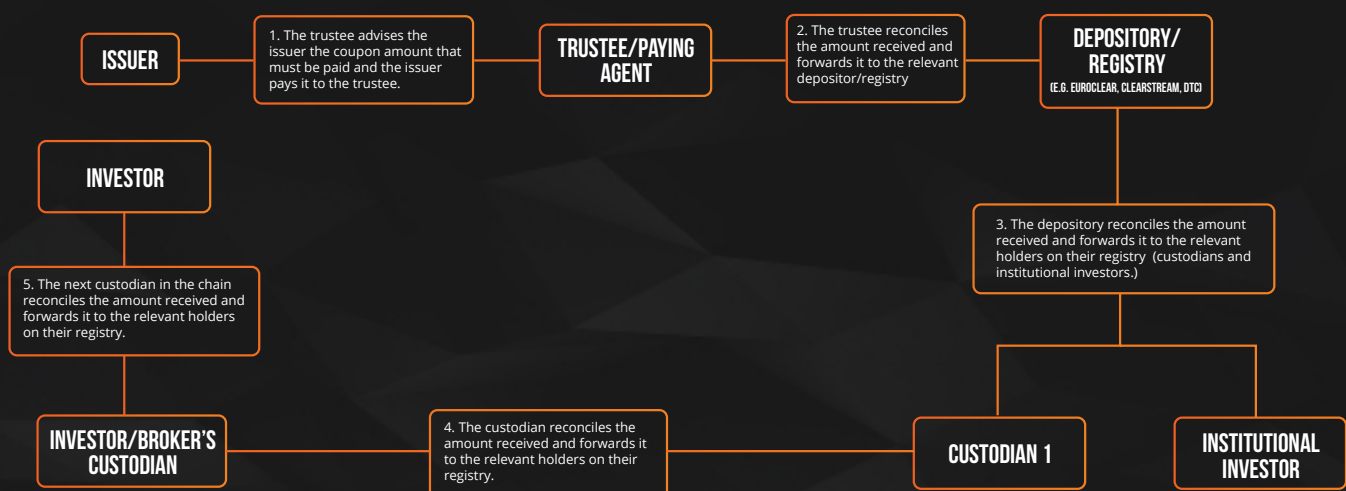
COUPON, MATURITY & SPECIAL PAYMENTS

Most bonds will pay interest either quarterly or semi-annually. For OTC bonds, the issuer starts the process by paying their trustee/paying agent. The trustee determines the amount to be paid and then pays the depository/registry, who splits the payment up between those who hold the bond on the registry. Many participants on the registry are institutional investors and custodians. For custodians, they will, in turn, split the payment again to match the holders on their own registry. This process might go down several more layers of custodians and brokers until it reaches the end investor. The Labrys Wallet will cut out these multi-layered arrangements.

Maturity payments go through the same process as coupons. The maturity payment marks the end of the bond's term and full payment of the initial principal is made to the holder of the bond at that time.

Custodians usually do not charge fees for processing coupon and maturity payments. It is common, however, for them to charge a monthly fee based on the value of the bonds being held, plus some fixed administrative fees.

Occasionally a bond can issue a special payment e.g. issuers can pay an extra sum to compensate for an early call date after a corporate action voting requirement.



DEFAULT RISK

At times, bond issuers run into cash-flow problems and cannot honour their coupon or maturity payments. A default occurs when an expected payment, either fully or partially, is missed.

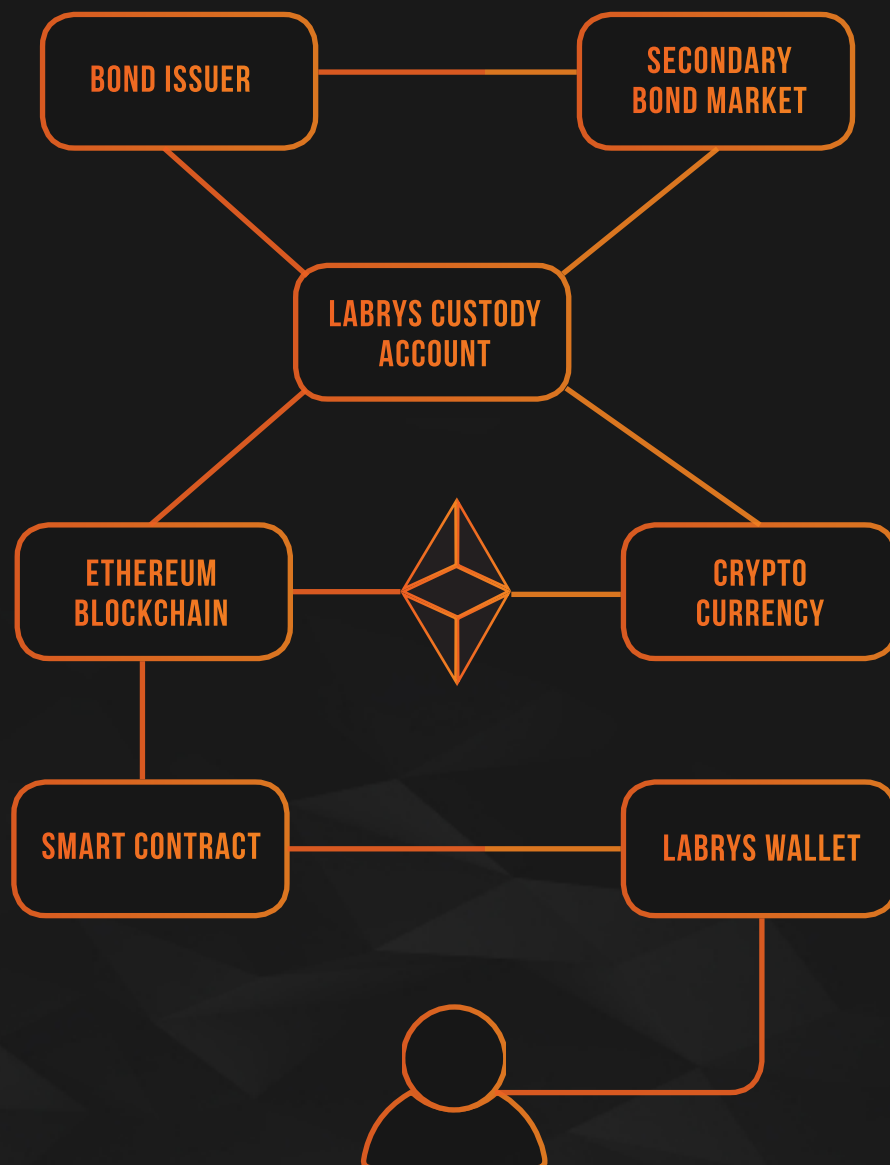
In some instances, a bond issuer may recover from their short-term cash-flow problem after a week or two and make the required payment. A default is caused by insolvency of the issuer.

Once a company defaults and enters the dissolution or administration process, the extent to which bondholders will be repaid depends on the company's assets, continuing cash-flows and where the holding sits in the capital structure e.g. senior secured, senior debt, subordinated debt, hybrids and equity. Bondholders are normally paid before holders of hybrids and stocks/equity. Administrators can take months or years to confirm a final settlement amount.



OUR SOLUTION

The current bond market business model is riddled with inefficiencies, fees, barriers to entry and outdated technology. Labrys wants to change this by utilising blockchain technology to provide a direct way to securely access fixed income returns.



CONNECTING THE MARKETS

As true believers in the blockchain movement, the Labrys team are entirely committed to the success of Blockchain technology globally. This means bringing the technology and all of its benefits to the masses. Labrys believes that the best way to do this is to connect the world's largest market, the Debt Capital Market, with Blockchain technology. The Labrys Wallet platform will build this bridge and allow the fiat currency that is currently invested in bonds to be funnelled through to the cryptocurrency market where bonds can be provided more cheaply and efficiently.



THE FUTURE OF FIXED INCOME

Labrys is creating a decentralised platform to allow investors from all over the world, regardless of location, status or wealth, admission to the world's largest market, the Debt Capital Market. The Labrys Wallet provides all investors access to fixed income financial instruments. Labrys is disrupting the fixed income markets by offering customers unparalleled flexibility and liquidity. Using the Labrys Wallet, consumers will be able to choose between an ever-expanding range of fixed income options and receive frequent coupon payments that will be deposited directly into their Labrys Wallet.

As Labrys develops, the platform will facilitate the issuance and securitisation of corporate bonds directly on the blockchain. This process will be extremely disruptive to the current fixed income model and will bring power back to the people by connecting companies issuing bonds directly with their investors, removing all middlemen from the traditional bond markets in the process.



WALLET

Using a mobile phone, tablet or PC, the Labrys Wallet will connect investors from all over the world to the traditional bond market. The Labrys Wallet will provide investors with all the tools necessary to manage your customised fixed income portfolio. Functions will include:

- View portfolio balance
- View and manage bond holdings
- Receive coupon payments
- Instant bond buy and sell options
- Fund and withdraw from wallet
- Multiple currency options (fiat and crypto)

BORDERLESS ONBOARDING

The Labrys mobile application can on-board investors from anywhere in the world and only requires basic Know-Your-Customer (KYC) information. Labrys will automatically verify users through secure third-parties that specialise in tokenised KYC information sharing.



BUYING AND SELLING BONDS

Unlike current bond markets, where clients can wait days or even months to find a counterparty to buy or sell a bond, Labrys will provide the liquidity for any user to instantly buy or sell bonds on the Labrys Wallet platform. Users can view the variety of bonds listed on the platform to find the fixed income arrangement that will suit them best. Then using their Labrys tokens, purchase any fractional amount of that bond.

When purchasing a bond, the Labrys tokens will be sent to a smart contract where the tokens will be locked up until the bond matures or the user decides to sell out of the bond, thus reducing the total supply of Labrys tokens freely available on the platform and in secondary markets.

The smart contracts will also be responsible for registering details to the Ethereum Blockchain, such as the fact that the user has the rights to any coupon payments received from that bond. By registering these details on the Blockchain, Labrys provides a historical, transparent and tamperproof registry of who owns the rights to different coupon payments at any given time. Users may also, at any time, choose to revoke their right to coupon payments and sell out of the available bonds. This will immediately release their tokens from the smart contract and they will no longer receive any coupon payments from that bond going forward.

BUY BOND XYZ

BOND XYZ	\$1,000
Yield	5.2%pa
Total	\$1000.00

Ⓛ

Ⓟ

Ⓛ

Continue





WHERE DO WE SOURCE OUR BONDS?

Using the funds raised from this crowdfunded capital raising, Labrys will purchase a variety of fixed rate bonds^{*}, floating rate bonds^{**}, inflation linked bonds^{***} and Eurobonds^{****} from respected institutions in the global Debt Capital Markets. Once the bonds are held in a secure custodian account, Labrys will launch the bonds onto the platform, allowing individuals to invest in bonds. Once launched, Labrys will provide access to well-known bonds through ready-to-use Blockchain technology. Labrys technology will offer a simple and effective way to invest in bonds sourced from traditional financial markets.

Building on this process, Labrys will develop the infrastructure for companies to directly securitize and issue their bonds on the Blockchain, completely decentralising the entire process. This means connecting the bond issuing company directly to the investor, thereby reducing overheads and fees and speeding up the processes. Labrys believes this is the future of the global Debt Capital Market but this dream cannot be achieved without first providing a bridge between the Blockchain universe and the existing global Debt Capital market.

COUPON PAYMENTS

Coupon payments will be the source of fixed income for investors using the Labrys platform. Whilst most bonds pay out semi-annually or annually Labrys gives its users the options to receive coupon payments on bonds much more frequently, providing a genuine regular income stream for its investors. Coupon payments will be made directly to the user's Labrys wallet and can be paid in a variety of cryptocurrencies or fiat currencies.

FEES

Being a fully digital and decentralised bond platform on the blockchain allows Labrys to operate at a fraction of the costs of traditional bond brokers. Labrys takes a transparent, comprehensive approach to fees.

^{*} A fixed-rate bond is a bond that pays the same amount of interest for its entire term

^{**} A floating rate bond, is a debt instrument with a variable interest rate

^{***} Inflation linked bonds are simply bonds that have returns or cash flows linked to inflation.

^{****} A eurobond is denominated in a currency other than the home currency of the country or in which it is issued



LABRYS TEAM

The Labrys team is driven by a group of experts with a common vision. The Core Team members are actively involved in the key strategic decisions, project planning and development. The team regularly draws on the expertise and vast experience of the advisors affiliated with the project. Additional technical and financial professionals have committed to join the project upon completion of the capital raising. They are not yet actively involved nor listed below due to their arrangements with current employers and conflicts of interest.

**THE TEAM AT LABRYS HAS OVER
150 YEARS' EXPERIENCE IN DEBT
CAPITAL MARKETS, FINANCIAL
SERVICES, FINANCIAL LAW AND
BLOCKCHAIN TECHNOLOGY.**

CORE TEAM



TABER SILVER

MANAGING DIRECTOR AND FOUNDER

Taber is a founder and Managing Director of Labrys Group Pty Ltd. He has experience with traditional bond markets and further experience in institutional cryptocurrency trading and investing. He has run teams focused on researching and investing in Blockchain technology.

<https://www.linkedin.com/in/taber-silver-65402a98/>



LACHLAN FEENEY

CHIEF TECHNOLOGY OFFICER AND COFOUNDER

Lachlan is a founder of Labrys Group Pty Ltd and is leading the technology development of Labrys. He has been involved in the cryptocurrency arena since its origins and currently works as Senior Technology Officer at Civic Ledger; focussed on building blockchain solutions for public sector markets.

<https://www.linkedin.com/in/lachlan-feeney/>



DR GREG TIMBRELL

INFORMATION SYSTEMS CONSULTANT

Greg is an academic, writer and consultant with over 25 years' experience working in the IT industry. Author of "Information Systems Consulting", Greg has presented his research and thought leadership all over the world. He advises companies and government agencies in a range of areas including digital strategy. Greg will guide Labrys's IT governance and service development.

<https://www.linkedin.com/in/dtimbrell/>



LUCAS CULLEN

INFORMATION SYSTEMS CONSULTANT



Lucas is a full stack .Net developer with a mathematics background and a strong understanding of design patterns and cryptographic algorithms. Lucas has been involved in Blockchain technology since 2012, and has been consulting for companies in this industry over the past 5 years. Lucas has presented extensively at conferences, both locally and internationally. Lucas is widely recognised in the Blockchain community, recently winning the Deloitte / Consensus Blockchain hackathon in New York.

<https://www.linkedin.com/in/lucascullen/>

YASMINE EVERSTETS

PR AND MARKETING DIRECTOR



Yasmine is a marketing director with international experience. She has worked with various marketing organisations in Australia and has worked as Social Media Coordinator for Freeminds Media in Copenhagen, Denmark. With a vast understanding of cryptocurrencies Yasmine is combining her marketing expertise to provide a unique approach to cryptocurrency marketing campaigns.

<https://www.linkedin.com/in/yasmineeverstets/>

JAMES BLINCO

DIGITAL STRATEGIST



James has been involved in the blockchain space since 2012 granting him an extensive understanding of cryptocurrencies and Blockchain technology. James is an advisor to a number of cryptocurrency projects and has experience working with banks and other financial institutions.

<https://www.linkedin.com/in/james-blinco-976410109/>





KATRINA DONAGHY

BLOCKCHAIN STRATEGY LEAD

Katrina has extensive experience in public policy and early stage commercialisation. For more than 20 years, Katrina has worked in both public and not-for-profit sectors with a specific focus on business development, project delivery and revenue diversification with the view to building resilient and sustainable organisations. She leads the Women in Blockchain events and regularly speaks on the topic of why cities and governments should be exploring Blockchain technologies.

<https://www.linkedin.com/in/katrina-donaghy-49989629>





LABRYS
CROWDFUNDING

LAB TOKEN CAP:

430, 000, 000





CROWDFUNDING

Labrys is raising funds to develop its Blockchain-based bond platform and to purchase bonds in the Debt Capital Markets from trusted companies for use on its platform. For that reason, Labrys is issuing Labrys Tokens (LAB) using Ethereum smart contracts. The funds raised by the sale of tokens will be retained by Labrys until they are employed in the operation of the business.

TOKEN NAME

LAB

LAB Token: A Labrys Token represents a contribution made during the capital raising phase of Labrys. The LAB Token will be the cryptocurrency used to invest in bonds and facilitate all transactions on the Labrys platform.

TOKEN SUPPLY

430,000,000

The total supply of LAB tokens will be permanently fixed to 430,000,000 tokens. A total of 300,000,000 tokens will be available for distribution during the capital raising phase. If any tokens remain unsold after the end of the capital raising phase, they will be kept in the company reserve, locked in an escrow account for a minimum of 12 months.

INITIAL RATE

\$0.10 USD

One LAB token will be initially valued at 0.10 USD. On the day before the token sale, this exchange rate in terms of Ethereum will be locked in and will remain fixed throughout the distribution process, unless specified

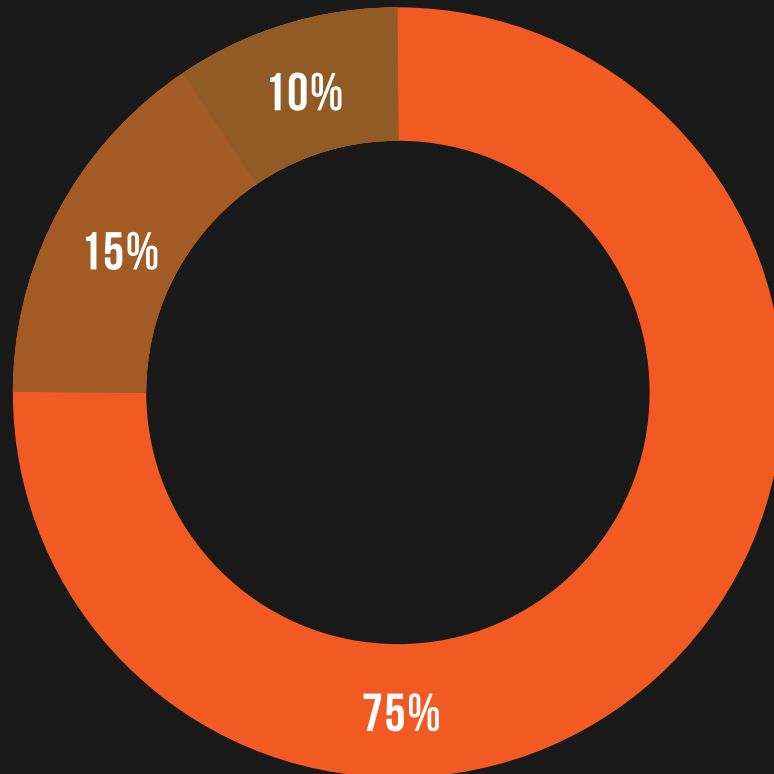
REGISTRATION

REQUIRED

Those who wish to guarantee themselves an opportunity to participate in the Labrys token sale must register prior to the sale event. Registration will open in January 2018. Each participant will only be able to register one wallet address. Limits on how much ETH each participant can contribute will depend on the number of registered participants and the distribution phase.



TOKEN ALLOCATION



75%

of the LAB tokens will be allocated to the public who contributed to the crowd sale process including bonuses provided to contributors during promotional campaigns.

15%

of the LAB tokens will be allocated to the founding Labrys team. These tokens will be locked up in escrow through a smart contract with a 12-month vesting period, and six-month cliff. These tokens will secure the core team by ensuring their motivation after the distribution period.

10%

of the LAB tokens will be allocated to the company reserve and will be locked up in escrow for a minimum of 12 months. A portion of this reserve will be used and invested in bonds on the Labrys platform to confirm our commitment to our own platform for generating fixed-income. This reserve is a necessary foundation for Labrys to ensure that it can provide a great variety of bonds to its users.



MILESTONES

Due to the nature of the bond market and its capital requirements, Labrys is seeking a minimum of \$10,000,000 USD to be raised in the crowd sale. This is the least amount of capital required to provide the platform with enough liquidity for the bonds that will be listed. If Labrys fails to raise the soft-cap amount then it intends to refund all Ethereum contributed during the 14-day token sale. All capital raised over the soft-cap amount will go towards purchasing more bonds to improve the liquidity of the platform which will result in a better user experience.

If at any stage during the crowd sale the hard cap limit of 300,000,000 LAB is reached the crowd sale will immediately end and participants will be unable to contribute any further during the token sale process. Raising the full \$30,000,000 will guarantee enough liquidity for the platform and will allow users to buy and sell bonds on the platform. Crowdfunding proceeds are intended to be spent mainly, but not exclusively on the acquisition of licenses, bonds, developing the platform, hiring the team and marketing.

SOFT CAP	HARD CAP
\$10,000,000	\$30,000,000

PRESALE

Labrys is allocating a certain portion of the total token allocation to early-bird investors through a pre-sale. The pre-sale will be conducted on an individual basis and will not accept minor contributions. Early-bird investors are subject to different terms and conditions from those outlined for the crowdsale however, they will be much more heavily compensated through extra tokens for their contribution.

For inquiries about participating in the pre-sale please contact: pre-sale@labrys.io



STRUCTURE

The Labrys crowdsale will include an equal, individually-assigned purchase cap for each contributor. This cap will be calculated when the total number of people that register for the crowdsale is known. For the first 24 hours of the crowdsale, the individual purchase cap will be fixed such that the total \$30M hard cap is equally divided among all registrants:

INDIVIDUAL CAP FOR FIRST 24 HOURS = \$30,000,000 / # REGISTERED

If 100% of the N registrants purchase 100% of the individual cap during the first 24 hours, the Labrys crowdsale will end there. Any LAB that have not been sold within the first 24 hours will then become available (at the same price) to registrants via a 5x increase to the individual cap.

Once the individual purchase cap is increased to 5x the initial value, only a fraction of all registrants would be able to hit the new individual cap before the total hard cap of \$30M is reached. Therefore, purchasing during the first 24 hours will likely maximize one's ability to purchase LAB. If any LAB have not been sold after 48 hours, the individual cap will be removed along with the requirement to register to access the crowdsale. The crowdsale will then continue for the remainder of the 14-day period.

BOUNTIES

BITCOIN TALK	FACEBOOK	TWITTER	PUBLICATIONS	COMMUNITY
30%	17.5%	17.5%	25%	10%

A total of 8,600,000 LAB tokens will be given away in the bounty campaign and this will be factored in as a promotional campaign to the total token allocation. Bounties are provided after the crowd sale ends.



ROADMAP

Quarter 1, 2018
Distribute LAB tokens to investors.

Quarter 2, 2018
Secure Required Financial Services Licenses.

Quarter 4, 2018
Release bonds on Labrys Wallet.

Quarter 2, 2019
First bonds issued directly on blockchain

Quarter 1, 2018
Acquire bonds and build portfolio.

Quarter 3, 2018
Launch Labrys Wallet.

Quarter 1, 2019
Expand bond portfolio





REGULATION

REGULATION OF LABRYS

As a business headquartered in Australia, Labrys Group Pty Ltd is subject to Australian jurisdiction and laws. The Australian Securities and Investment Commission (ASIC) have published an information sheet (INFO 225) providing clarity on defining where initial coin offerings may fit into current legislation under the Corporations Act 2001. ASIC have outlined the legal status of an ICO to be dependent on the circumstances of the ICO, in particular how the token is structured, operated and the rights attached to the coin or token. The following section is designed to describe such aspects of the LAB token sale to clarify the true mechanics of the token.

Given the service intended to be provided by Labrys, and the structure of the LAB token, we consider our primary business conduct following the token sale to fall under the ASIC Derivative Trade Repository Rules (2013).

In an effort to allay any investor concerns and to ensure the company is run responsibly, under Australian consumer law, a company is required to adhere to all sections of the Competition and Consumer Act (2010) that are relevant to its business practices. Labrys is responsible for conducting due diligence and assuring investors that the company is, to the best of its knowledge and ability, abiding by the general and specific protections as set out in Schedule 2 of the Act.

As a FinTech startup, Labrys intends to continue collaborating with ASIC's Innovation Hub, which exists to foster innovation and assist startups to navigate the Australian regulatory system. The hub provides tailored information and access to informal assistance intended to streamline the licensing process as much as possible for innovative FinTech startups such as Labrys.

The regulatory requirements subject to Labrys for the LAB token sale will differ from the licensing obligations applicable once Labrys commences operations after the ICO. This is important to note as a portion of the funds raised in the LAB token sale will be used to purchase the required licenses for Labrys to provide a legally compliant financial service. For the purposes of ensuring Labrys complies with the Australian Corporations Act and any other applicable law during the LAB token sale, the following sections will address the structure, operations and rights associated with the LAB token.





LAB STRUCTURE

The distribution of LAB tokens to users in the ICO is structured for the purposes of raising capital enabling Labrys to operate and launch bonds on the platform as set out in the roadmap. The token is not representative of a security or derivative, rather the token is required to execute the smart contract that provides users with access to bond coupon payments. LAB tokens will be usable on the platform following the ICO once the statutory financial licenses are in place. In accordance with the roadmap, bonds are estimated to be released on the wallet 3 to 6 months after the ICO date. However, the expected time for release of bonds on the platform may change depending on the licensing processes and other statutory requirements taking longer than expected. The LAB tokens are not a share, and do not provide investors with voting rights, nor does it give them direct exposure to the underlying bonds. Instead the token is a mechanism of the smart contract that is held when users are holding the rights to an individual bond or bonds.

LABRYS OPERATIONS

Given the service intended to be provided by Labrys after the Initial Coin Offering, we consider our primary business conduct following the ICO to fall under the ASIC Derivative Trade Repository Rules (2013). The Labrys token sale does not constitute a financial product and based on the outlined information is not defined as a managed investment scheme, share or derivative. The coupon payments received by users by holding bonds after the ICO are likely to be defined as derivatives, as users will access the right to coupon payments without holding the underlying bond. Labrys will purchase the required licenses and implement common industry practices to ensure the company complies with all relevant and applicable law.

LAB TOKEN RIGHTS

Labrys will strive to ensure that investors are aware of the rights associated with LAB tokens. For the purposes of the ICO and Labrys platform, the LAB token presents investors with no rights to underlying bonds, instead, once bonds are listed on the platform, investors can use their tokens to execute smart contracts that provide them with rights to the bonds' underlying coupon payments. In this instance, users will be accessing a derivative of the bond by executing the smart contract, which is likely to require Labrys to hold the relevant financial services license as enforced by ASIC.





LABRYS