

Trakx.io



One-stop shop for Crypto Trackers

TKX Utility Token Details

October 2018

Symbol TKX	Category Finance	Platform ERC20	Crowdsale Feb & Mar-19
Token for sell 250,000,000	Accepted currency ETH, BTC, EUR	Crowdsale Token Price Up to ETH 0.00050	
Soft cap ⁽¹⁾ ETH 4,000		Hard cap ⁽¹⁾ ETH 70,000	

Trakx.io utility tokens (TKX) enable token holders to trade portions of Crypto Trackers onto the platform, and to pay for the various fees associated with the Crypto Trackers. They also act as the “fuel” or “gas” of the network, providing access to the relevant apps built on top of the Trakx.io platform. In addition, if Trakx.io aims at providing a dedicated chain in the future, a dedicated token is required to facilitate a seamless migration process.

As demand for CTIs grow, TKX token holders could see an increase in demand for their TKX token, which will be tradable onto other exchanges. Trakx.io plans to set up incentive schemes in the near future, so as to stimulate the demand for the TKX tokens and reward TKX holders::

- **Lower fees (up to 100% lower in a first phase, depending on the number of vested tokens)**
- **One-to-one investment consultation for large token holders**
- **Customer service fast-pass**
- **Rights to participate in selected crowd decisions**
- **15% of the profits from Trakx.io will go towards a burn program which will target up to 50% of the total planned supply of TKX tokens**

As a decentralized token issued on the Ethereum network, TKX will be tradable and will support all Ethereum wallets. (including MyEtherWallet and Metamask)

(1) Soft cap and Hard cap at the private sale stage are different from the ICO crowdsale phase

TKX Utility Token Sale Structure

To fund its project, Trakx.io is looking to raise a maximum hard cap of ETH 70,000 from its token offering, and all unsold tokens will be burnt.

The 250m TKX will be sold in the following manner (illustrative, will depend on the exact demand for tokens in each round):

	Round	Deadline ⁽¹⁾	% Bonus	Price per token (ETH)
	Private Sale	15 February 2019	Variable	Variable
Initial Coin Offering (beginning Q1-19)	Round 1	First 3,000 Whitelisted	15%	0.00043
	Round 2	20 February 2019	12%	0.00045
	Round 3	28 February 2019	9%	0.00046
	Round 4	15 March 2019	6%	0.00047
	Round 5	31 March 2019	-	0.00050

When each round has reached its deadline, it passes automatically to the next round and triggers a reduction of bonus. Every round will run until either the set deadline or the hard cap (ETH 70,000) is reached, whichever happens earlier.

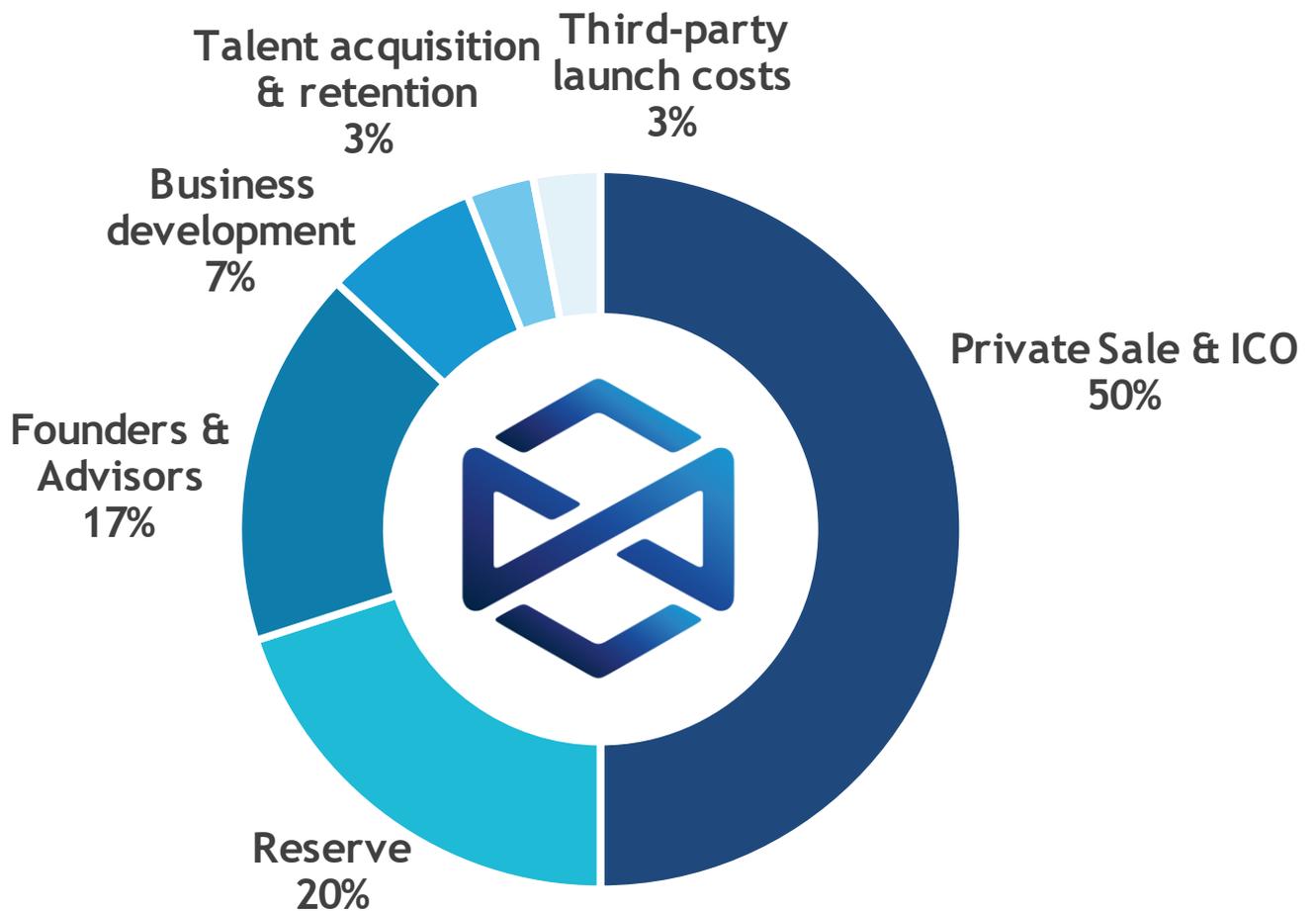
While the proceeds from the ICO will be mostly directed towards the project development, some of the private sale funds might be used for our marketing campaigns, legal costs, and MVP development before or during the ICO rounds and are subject to additional risks. Notably, private sale funds will start to be consumed before the ICO soft cap is reached, but not before the private sale soft cap is reached in the case of the private sale tranche B.

With private sale granted a higher bonus, we expect private sale contributors to appreciate that in case the ICO does not reach its soft cap, they will face a higher risk and part of their funds might not be returned. It is budgeted that around \$1m will be spent to cover legal, marketing and MVP building costs prior to and during the ICO.

Multiple currencies will be accepted for the Token offering and the number of tokens allocated will be calculated based on the exchange rate at the time of the reception of the contributor's payment. Any transaction fees will be covered by the contributor.

Any contributor wishing to purchase tokens must register on the Trakx.io ICO website and go through a strict and thorough KYC and AML process.

(1) Deadlines are subject to changes until the beginning of the first round of the ICO



Reserve fund (20%)

Reserve fund might be used for future issuances, or to do some market making ourselves.

Founders & Advisors (17%): lock-up period and release plan

The number of TKX issued to the founders will be subject to a 21-month lock-up period from 31 March 2019 to 31 December 2020. Founders are prohibited to assign or sell their TKX holdings in any way before 30 September 2019. Founders then commit to the following release plan: After a 6 month period post-ICO, founders can sell 25% of their token allocation then another 5% every month thereafter.

Advisors will be subject to a 11-month lock-up period from 31 March 2019 to 29 February 2020. Advisors are prohibited to assign or sell their TKX holdings in any way before 30 June 2019. Advisors then commit to the following release plan: After a 3 month period post-ICO, advisors can sell 25% of their token allocation then another 10% every month thereafter.

Business development (7%)

7% of tokens will be allocated for business development and to fuel future innovation. These tokens will be released over a time frame of 3-5 years in order to sustain the development of Trakx.io platform and the launch of new Crypto Trackers.

Talent acquisition & Retention (3%)

3% of tokens will be allocated to provide incentives for new team members as well as to keep talents within Trakx.io. These tokens will be released over a time frame of 3-5 years.

Third-party launch costs (3%)

3% of the tokens will be allocated towards ICO marketing campaigns (which might include bounty program and airdrops) as well to other ICO launch costs (legal, tech review, potential partners)

IMPORTANT NOTE: THE COMPANY EXPRESSLY DISCLAIMS

ANY AND ALL RESPONSIBILITY FOR ANY DIRECT OR CONSEQUENTIAL LOSS OR DAMAGE OF ANY KIND WHATSOEVER ARISING DIRECTLY OR INDIRECTLY FROM: (I) RELIANCE ON ANY INFORMATION CONTAINED IN THE WHITEPAPER AND ALL ASSOCIATED MATERIALS, INCLUDING THIS DOCUMENT, (II) ANY ERROR, OMISSION OR INACCURACY IN ANY SUCH INFORMATION OR (III) ANY ACTION RESULTING FROM SUCH INFORMATION.

By purchasing, owning, and using Tokens, you have previously carefully read and accepted our Terms & Conditions (T&Cs) and acknowledge and assume the following risks:

General Suitability of Token Purchase

The purchase of tokens from the Company is only suitable for financially sophisticated persons who are capable of evaluating the merits and risks of such a purchase, or other persons who have been professionally advised with regard to token purchase, and who have sufficient financial resources to be able to bear any losses that may arise therefrom (which may be equal to the whole amount spent in connection with the token purchase). Such a purchase should not be seen as an investment or a financial asset.

Prohibition on US and Chinese investors: Due to legal and regulatory uncertainty in the United States of America and China, citizens, residents and/or green card holders of and persons residing in the United States of America or China are prohibited from making contributions to Trakx and participating in the Token Sale. Persons from the United States of America or China that participate in the Token Sale by providing false or inaccurate information about their citizenship, residency and/or nationality shall be in breach of the T&Cs and shall be required to indemnify Trakx in respect of any damages and/or losses suffered due to this breach in accordance with the indemnification provisions set out in the T&Cs.

Risk of Losing Access to Tokens Due to Loss of Private Key(s), Custodial Error or Purchaser Error

A private key, or a combination of private keys, is necessary to control and dispose of Tokens stored in your digital wallet or vault. Accordingly, loss of requisite private key(s) associated with your digital wallet or vault storing Tokens will result in loss of such Tokens. Moreover, any third party that gains access to such private key(s), including by gaining access to login credentials of a hosted wallet service you use, may be able to misappropriate your Tokens. Any errors or malfunctions caused by or otherwise related to the digital wallet or vault you choose to receive and store Tokens, including your own failure to properly maintain or use such digital wallet or vault, may also result in the loss of your Tokens. Additionally, your failure to follow precisely the procedures set forth for buying and receiving Tokens, including, for instance, if you provide the wrong address for the Purchaser Address, or provides an address that is not ERC-20 compatible, may result in the loss of your Tokens.

Risks Associated with the Ethereum Protocol

Because Tokens and the Platform are based on the Ethereum protocol, any malfunction, breakdown or abandonment of the Ethereum protocol may have a material adverse effect on the Platform or Tokens. Moreover, advances in cryptography, or technical advances such as the development of quantum computing, could present risks to the Tokens and the Platform, including the utility of the Tokens for obtaining Services, by rendering ineffective the cryptographic consensus mechanism that underpins the Ethereum protocol.

Risk of Mining Attacks

As with other decentralized cryptographic tokens based on the Ethereum protocol, the Tokens are susceptible to attacks by miners in the course of validating Token transactions on the Ethereum blockchain, including, but not limited to, double-spend attacks, majority mining power attacks, and selfish-mining attacks. Any successful attacks present a risk to the Platform and the Tokens, including, but not limited to, accurate execution and recording of transactions involving Tokens.

Risk of Hacking and Security Weaknesses

Hackers or other malicious groups or organizations may attempt to interfere with the Platform or the Tokens in a variety of ways, including, but not limited to, malware attacks, denial of service attacks, consensus-based attacks, Sybil attacks, smurfing and spoofing. Furthermore, because the Platform is based on opensource software, there is a risk that a third party or a member of the Company team may intentionally or unintentionally introduce weaknesses into the core infrastructure of the Platform, which could negatively affect the Platform and the Tokens, including the utility of the Tokens for obtaining Services. Hackers or other malicious groups of organizations may also attempt to get access to private keys or other access credentials in the Wallet or any other wallet, vault, or other storage mechanism used to receive and hold Tokens. As the result, the Tokens may be lost forever.

Risks Associated with Markets for Tokens

The Tokens are intended to be used solely within the Platform, and Company will not support or otherwise facilitate any secondary trading or external valuation of Tokens. This restricts the contemplated avenues for using Tokens to the provision or receipt of Services, and could therefore create illiquidity risk with respect to the Tokens you own. Even if secondary trading of Tokens is facilitated by third party exchanges, such exchanges may be relatively new and subject to little or no regulatory oversight, making them more susceptible to fraud or manipulation. Furthermore, to the extent that third-parties do ascribe an external exchange value to Tokens (e.g., as denominated in a digital or fiat currency), such value may be extremely volatile and diminish to zero.

Risk of Uninsured Losses

Unlike bank accounts or accounts at some other financial institutions, Tokens are uninsured unless you specifically obtain private insurance to insure them. Thus, in the event of loss or loss of utility value, there is no public insurer, such as the Federal Deposit Insurance Corporation, or private insurance arranged by Company, to offer recourse to you.

Risks Associated with Uncertain Regulations and Enforcement Actions

The regulatory status of the Tokens and distributed ledger technology is unclear or unsettled in many jurisdictions. It is difficult to predict how or whether regulatory agencies may apply existing regulation with respect to such technology and its applications, including the Platform and the Tokens. It is likewise difficult to predict how or whether legislatures or regulatory agencies may implement changes to law and regulation affecting distributed ledger technology and its applications, including the Platform and the Tokens. Regulatory actions could negatively impact the Platform and the Tokens in various ways, including, for purposes of illustration only, through a determination that the purchase, sale and delivery of the Tokens constitutes unlawful activity or that the Tokens are a regulated instrument that require registration or licensing of those instruments or some or all of the parties involved in the purchase, sale and delivery thereof. Company may cease operations in a jurisdiction in the event that regulatory actions, or changes to law or regulation, make it illegal to operate in such jurisdiction, or commercially undesirable to obtain the necessary regulatory approval(s) to operate in such jurisdiction.

Risks Arising from Taxation

The tax characterization of Tokens is uncertain. You must seek your own tax advice in connection with purchasing Tokens, which may result in adverse tax consequences to you, including withholding taxes, income taxes and tax reporting requirements. In addition, the proceeds of the Token sale (which include any moneys that purchaser has paid for the Tokens) may be taxable to the Company, which may adversely affect financial resources available to the Company, Company's business and the Company's ability to achieve its business objectives.

Risk of Competing Platforms

It is possible that alternative Platforms could be established that utilize the same open source code and protocol underlying the Platform and attempt to facilitate services that are materially similar to the Services. The Platform may compete with these alternatives, which could negatively impact the Platform and Tokens, including the utility of the Tokens for obtaining Services.

Risk of Insufficient Interest in the Platform or Distributed Applications

It is possible that the Platform will not be used by a large number of individuals, companies and other entities or that there will be limited public interest in the creation and development of distributed Platforms (such as the Platform) more generally. Such a lack of use or interest could negatively impact the development of the Platform and therefore the potential utility of the Tokens, including the utility of the Tokens for obtaining Services.

Risks Associated with the Development and Maintenance of the Platform

The Platform is still under development and may undergo significant changes over time. Although Company intends for the Tokens and Platform to function as described in the Whitepaper, and intends to take commercially reasonable steps toward those ends, Company may have to make changes to the specifications of the Tokens or Platform for any number of legitimate reasons. Moreover, Company has no control over how other participants will use the Platform, what products or services will be offered through the Platform by third parties, or how third-party products and services will utilize Tokens (if at all). This could create the risk that the Tokens or Platform, as further developed and maintained, may not meet your expectations at the time of purchase. Furthermore, despite Company's good faith efforts to develop and participate in the Platform, it is still possible that the Platform will experience malfunctions or otherwise fail to be adequately developed or maintained, which may negatively impact the Platform and Tokens, and the potential utility of the Tokens, including the utility of the Tokens for obtaining Services.

Risk of an Unfavorable Fluctuation of ETH, BTC or Other Coin Value

If the value of ETH, BTC or other coins fluctuates unfavorably during or after the Token sale, the Company team may not be able to fund development, or may not be able to develop or maintain the Platform in the manner that it intended. In addition to the usual market forces, there are several potential events which could exacerbate the risk of unfavorable fluctuation in the value of ETH, BTC or other coins, including another DAO-like attack on the Ethereum network, or significant security incidents or market irregularities at one or more of the major cryptocurrency exchanges.

Risk of Dissolution of the Company or Platform

It is possible that, due to any number of reasons, including, but not limited to, an unfavorable fluctuation in the value of ETH, BTC or ICOCOIN (or other cryptographic and fiat currencies), decrease in the Tokens' utility (including their utility for obtaining Services), the failure of commercial relationships, or intellectual property ownership challenges, the Platform may no longer be viable to operate or the Company may dissolve.

Risk Associated with the Company Products or Services

It is possible that, due to any number of reasons, investors in Trakx.io's products or services might lose the value of their capital. In the case of Crypto Trackers (also called Coin Traded Indices or CTIs), they are risks associated with market fluctuations and compounding. Daily rebalancing, described below, is one of the risk investors in Crypto Trackers should be aware of.

To maintain their investment objectives, geared Crypto Trackers rebalance their exposure to their underlying benchmarks each day by trimming or adding to their positions. Daily rebalancing means that investors holding a geared Crypto Tracker longer-term are unlikely to continue to receive the fund's multiple times the benchmark's returns.

As long as the Crypto Tracker is held, compounding can cause the investor's exposure to the underlying benchmark to continue to deviate from the Crypto Tracker's stated objective. In trending periods, compounding can enhance returns, but in volatile periods, compounding may hurt returns. Generally, the greater the multiple or more volatile a Crypto Tracker's benchmark, the more pronounced the effects can be.

Risks Arising from Lack of Governance Rights

Because Tokens confer no governance rights of any kind with respect to the Platform or the Company, all decisions involving the Company's products or services within the Platform or the Company itself will be made by the Company at its sole discretion, including, but not limited to, decisions to discontinue its products or services in the Platform, to create and sell more Tokens for use in the Platform, or to sell or liquidate the Company. These decisions could adversely affect the Platform and the utility of any Tokens you own, including their utility for obtaining Services.

Regulatory Risks

The Company, and by extension the Platform, is subject to a variety of federal, state and international laws and regulations, including those with respect to privacy and data protection, consumer protection, data security, and others. These laws and regulations, and the interpretation or application of these laws and regulations, could change. In addition, new laws or regulations affecting the Platform could be enacted, which could impact the utility of the Tokens in the Platform. Additionally, the Platform participants are subject to industry specific laws and regulations or licensing requirements. If any of these parties fails to comply with any of these licensing requirements or other applicable laws or regulations, or if such laws and regulations or licensing requirements become more stringent or are otherwise expanded, it could adversely impact the Platform and the Tokens, including the Tokens' utility for obtaining Services.

Also, changes in laws or regulations governing the Company's operations may adversely affect its business. Any change in the Company's tax status, or in taxation legislation in the United States or elsewhere, could affect the value of its financial holdings, its business and the Company's ability to achieve its business objective. Prospective purchasers are urged to consult their tax advisers with respect to their particular tax situations and the tax effects of the purchase of Tokens from the Company.

Operational Risks

The Company is a young company and the growth of the team and its capabilities may take longer than expected to result in the intended usefulness for the Tokens. The Tokens are just one product in a highly competitive market, and broad adoption by other users and developments by technology partners may take longer than expected. The usefulness of the Tokens depends on the extent of widespread adoption of the offered technology by the marketplace.

Risk of Lack of Adoption

The success of the Platform, Services, and Tokens is dependent in large part to the adoption of the Platform, Services, and underlying technology by users. It is possible that users do not adopt or use the Platform. Such lack of use or interest could negatively impact the development of the Platform and therefore the potential utility of the Tokens, including the utility of the Tokens for obtaining Services.

Technology Risks

The Tokens are intended to represent a new capability on emerging technology that is not fully proven in use. As the technology matures, new capabilities may dramatically alter the usefulness of the Tokens or the ability to use or sell them. The functionality of the Tokens is complex, will require enhancements and product support over time, and full functionality may take longer than expected. The full functionality of the Tokens is not yet complete and no assurance can be provided of such completion.

Unanticipated Risks

Cryptographic tokens such as the Tokens are a new and untested technology. In addition to the risks included in this document, there are other risks associated with your purchase, possession, and use of the Tokens, including unanticipated risks. Such risks may further materialize as unanticipated variations or combinations of the risks discussed in this document.

Forward Looking Statements

The Company's Token sale whitepaper and the documents attached thereto or associated wherewith contain forward-looking statements within the meaning of Section 27A of the Securities Act and Section 21E of the Exchange Act. These forward-looking statements are based on current expectations, estimates and projections about our industry, Company management's beliefs, and assumptions made by Company management. Words such as "anticipates," "expects," "intends," "plans," "believes," "seeks," "estimates," and variations of such words and similar expressions are intended to identify such forward-looking statements. These statements are not guarantees of future performance and are subject to certain risks, uncertainties and assumptions that are difficult to predict; therefore, actual results may differ materially from those expressed or forecasted in any forward-looking statements. The risks and uncertainties include those noted in "Risk Factors" above and in the exhibits. We undertake no obligation to update any forward-looking statements, whether as a result of new information, future events or otherwise, except to the extent that we are required to do so by law.



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