



KOOLCOIN

<https://www.koloonia.com/>

WHITEPAPER 2.0

April 2020

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Intro

The 2017 crypto hype brought alongside a boom in the number of crypto exchanges being launched; leading, thus, to a hyper crowded landscape.

2020 will be the year of broad acceptance of blockchain technology within multiple industries and, at the same time, we'll witness a consolidation of players in the crypto space.

Recent developments have not only created an opportunity, but also an environment that encourages trading of digital assets with ease and security.

Crypto economics and blockchain are on the verge of disrupting the established financial system. Being a trustful and relevant player in this space will create a once-in a lifetime opportunity.

Security issues and tighter regulations have ousted the bad players from the game.

Only those offering sound, secure and customer-focused solutions will stand out among the overwhelming competition and, ultimately, survive in an ever-changing and challenging financial environment.

Koloonia aims to build a world-class crypto exchange, powering the future of crypto finance and serving the increasing crypto customer base in a secure environment.

Current issues in the crypto exchange landscape

Recent years' crypto hype, that marked its peak in 2017, produced as a consequence a huge offer of crypto-exchange solutions in the market.

Quantity has brought aside quality issues, and many of the current exchanges in the crypto landscape suffer from a number of problems:

Poor technical architecture

Many exchanges are "put together quickly", by good tech people, but who have little or no experience in finance or in operating an exchange. They often choose the simplest approach to get the system up and running. While this may work well in the beginning, as traffic grows, the system will not be able to handle the increased load. Exchange systems need to be engineered from the ground up with security, redundancy, efficiency, speed, and scalability in mind. This often slows down the initial development but is critical for long-term success.

Security issues

Cases of crypto exchanges being hacked, bringing huge losses to their customers and even provoking full business failure in some cases, have crowded the crypto media in the last years.

Security has become one of the top challenges when building and maintaining a new player in the crypto-exchange business.

Poor market liquidity

Professional traders and average users are significantly affected by this. Having a shallow order book means high slippage when trading, which is very expensive for traders. Getting miners, institutional investors and large traders into a new exchange is a chicken and egg problem and requires a team with deep industry resources.

Poor customer service

Traders are a different breed when it comes to users. Understanding the trader mentality is vital for running a successful exchange. Money is literally on-the-line. Many exchanges service traders as if they were running a social media site. A 3-second delay in seeing your friends' status update would hardly be noticed, but on an exchange, the same would be unacceptable, resulting in a torrent of user complaints.

The Koolonia Exchange Platform

In view of the above-identified problems, it is obvious that the market needs crypto exchange systems that:

- Understand how these systems are built from the ground up.
- Are built to the highest security standards, audited, and penetration tested.
- Have an experienced team both in the finance and crypto industry for many years, with a large network of partners in the space.
- Are built with customer service in mind.

Koolonia will be designed from ground-up with these key assumptions in its DNA.

Koolonia's services will include, but not limited to:

- Exchange crypto-crypto
- Exchange crypto-fiat
- A platform for customer loyalty using cryptocurrencies

Feature Rollout

The Koolonia platform will deploy, through different timeframes, the following features:

- Spot trading
- Margin trading
- Futures trading based on white-stamped cryptocurrencies
- Arbitrage radar: personalized alerts and arbitrage trading through different exchanges, with tier personalization and preview of performance, available volume in every exchange.

Legal/regulatory

Koolonia, which operates as a registered trademark, is in the process of obtaining an operational license, under Estonian regulation, for the provision of crypto assets exchange services.

Supported crypto assets

Koloonia will support trading pairs in the most renowned and highest trading volume crypto assets, e.g.:

- Bitcoin (BTC)
- Ethereum (ETH)
- Dash (DASH)
- Litecoin (LTC)

Other coins will be added over time. Only coins that have strong credibility, user base, and liquidity will be added to the platform.

As far as fiat currencies is concerned, only EUR is foreseen at a first stage.

Device Coverage

Koloonia will provide cross-platform trading clients for:

- Web-based trading client
- REST API
- Android and iOS native clients

Multilingual Support

The platform will support English, Spanish and, foreseeably, other widely-spoken languages among the crypto community.

For the time being, the very initial release will be in English only. More languages will be added over time.

Revenue Model

Koloonia Exchange's income will come from the following sources:

Source	Description
Exchange fees	Low variable fee per trade, that will never exceed 0,4%.
Withdrawal fees	A lower-than-market average fee will be charged on withdrawals.
Other fees	There may be other fees for complementary or additional platform services.

Token sale

Koloonia's token, Koolcoin (KOOL), was born out of the need to find the best solution for medium-high frequency crypto traders, in a pure win-win relationship between trader and exchange, with the lowest possible fees while maintaining the highest standards of quality and execution speed.

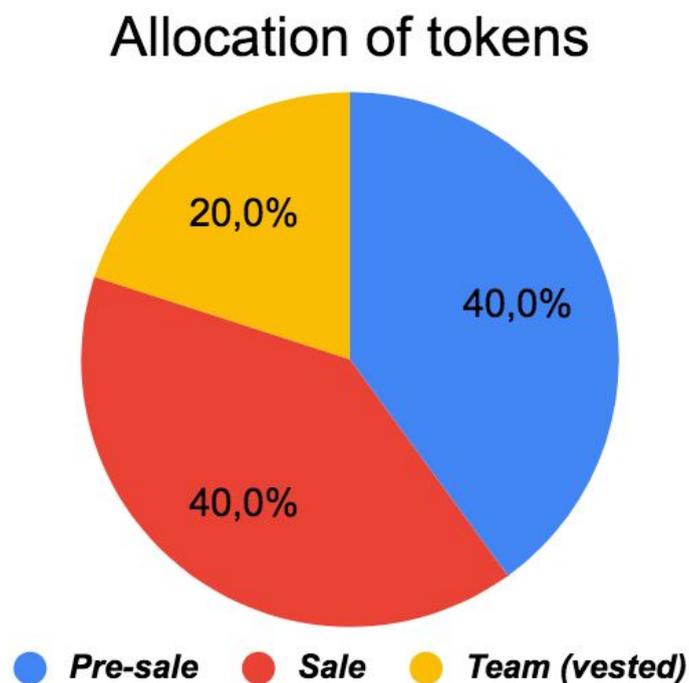
Token issuance

KOOL has been issued with a total capped supply of 100 million units.

KOOL is designed as a utility token that will run natively on the Ethereum blockchain as an ERC-20 token.

Allocation

The 100 million issued KOOL tokens will be allocated according to the following distribution scheme:



- 40 % of the issued tokens, 40,000,000 KOOL, will be sold during the pre-sale phase.
- 40 % of the issued tokens, 40,000,000 KOOL, will be sold during the sale phase.
- 20% of the issued tokens, 20,000,000 KOOL, will be distributed among the founding and advisory team.

KOOL features

KOOL holders will be able to use them to pay for any fees on the Koloonia Exchange Platform, including but not limited to:

- Exchange fees
- Withdrawal fees
- Listing fees
- Complementary platforms fees

When Koloonia customers use the KOOL platform, they will get significant fee discounts during the first sixth years :

- 1st year: 75%
- 2nd year: 62,5%
- 3rd year: 50%
- 4th year: 37,5%
- 5th year: 25%
- 6th year and beyond: new fee discounts to be defined.

KOOL token sale schedule

Date	Milestone
2019.11.02	Issuance of KOOL tokens on the Ethereum blockchain
2020.02.01	Start pre-sale (5 phases)
2020.04.15	End pre-sale (or whenever the tokens are sold out)
2020.06.01	Start sale
2020.09.27	End sale (or whenever the tokens are sold out)
2020.10.01	Start free float on the Koloonia Exchange Platform (and/or in other partnering exchanges)

KOOL issuance officially started on November 2nd ,2019 with the registration of the total amount of issued KOOL tokens on the Ethereum blockchain.

KOOL tokens will be offered in 2 periods:

- pre-sale, with 5 sub phases based on consecutive price brackets.
- main sale, on a first-come, first-served basis and until 80,000,000 KOOL (80% of the total supply) have been sold.

The price at the different phases evolves as shown in the table hereunder.

All purchases equal or above 100.000 € will be granted by a 10% discount on the token price for each (sub)phase. The table indicates the minimum number of tokens to be purchased to be granted access to the 10% discount.

Phase	Dates	Price €/KOOL	Mín # KOOL to get 10% discount
Pre-sale 1	2020.02.01 - 2020.02.15	0,25	400.000
Pre-sale 2	2020.02.16 - 2020.02.29	0,30	333.333
Pre-sale 3	2020.03.01 - 2020.03.15	0,35	285.714
Pre-sale 4	2020.03.16 - 2020.03.31	0,40	250.000
Pre-sale 5	2020.04.01 - 2020.04.13	0,45	222.222
Pre-sale 6	2020.04.14 - 2020.04.19	0,50	200.000
Pre-sale 7	2020.04.20 - 2020.04.26	0,55	181.819
Pre-sale 8	2020.04.27 - 2020.05.03	0,60	166.667
Pre-sale 9	2020.05.04 - 2020.05.10	0,65	153.846
Pre-sale 10	2020.05.11 - 2020.05.17	0,70	142.857
Pre-sale 11	2020.05.18 - 2020.05.24	0,75	133.333
Pre-sale 12	2020.05.25 - 2020.05.31	0,80	125.000
Sale	2020.06.01 - 2020.09.27	1	100.000

BTC, BCH, LTC and ETH will be accepted as payment for the KOOL purchase.

Buyers will receive their KOOL tokens within the 5 working days after the token sale finishes.

Burn of tokens

Every quarter, an amount of KOOL will be destroyed (burnt) based on the trading volume on our crypto-to-crypto platform. This burning process will go on until 50% of all the initially issued KOOL will have been destroyed, i.e. 50 million KOOL.

KOOL Vesting Plan

The 20 million KOOL allocated to the team members are subject to a vesting plan; i.e., they will receive their total allotted KOOL in lots, according to the following calendar:

- After 12 months of sale closing: 25% (500.000 KOOL)
- After 24 months of sale closing: 25% (500.000 KOOL)
- After 36 months of sale closing: 25% (500.000 KOOL)
- After 48 months of sale closing: 25% (500.000 KOOL)

KOOL Lock-up Period

In the finance jargon, a lock-up period is a window of time when investors are not allowed to redeem or sell shares of a particular investment; e.g., following an initial public offering where large shareholders, such as company executives and investors representing considerable ownership, are restricted from selling their shares.

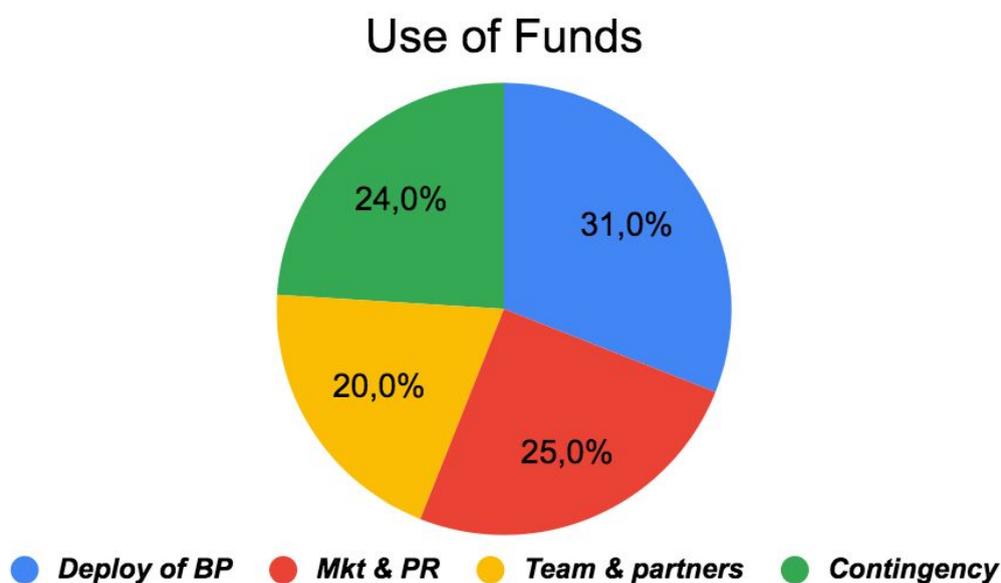
In order to avoid huge price volatility when the KOOL token starts free-floating, a lock-up period is set up for both tokens sold in the pre-sale period and tokens allocated to the team members.

The lock-up period is set up according to the following calendar:

- After 1 month of sale closing: 10%
- After 2 months of sale closing: 20%
- After 3 months of sale closing: 30%
- After 4 months of sale closing: 40%

Use of Funds

The funds raised from the pre-sale and sale of the KOOL tokens will be used according to the following plan:



- 31% of the funds will be kept under Koloonia's management to deploy their strategy and business plan.
- 25% will be used for PR, branding and marketing actions.
- 20% will be devoted to remunerate the technical development team and other partners.
- 24% will be kept in reserve to cope with any contingency or unexpected situation that might come up.

Future currency token airdrop

In the near future, with a defined scheduled yet not to be decided, it is planned to launch a proprietary cryptocurrency, with these main characteristics:

- It will be airdropped to KOOL holders at the date of launch

- After that, it will float on the Koolonia Exchange platform and in other platforms through partnerships
- It is conceived as a medium of exchange of value throughout the motor sport ecosystem, offering discounts for using it versus using fiat in any monetary transaction, e.g. suppliers, ticketing, sponsorships, representation rights, etc.

All the issuance, tokenomics and features details will be subject of a separate paper to be published soon.

Utility Token Offerings

Koolonia will develop a Business Development consultancy service to help technological blockchain entrepreneurs launch their projects through Utility Token Offerings.

We will select at least two projects annually to increase the offer of valuable projects and new tokens to our customers.

Our first project will consist of a high technology business center including a convention centre, a hotel and a blockchain-based startups incubator.

Partnerships

Koolonia will sign partnership agreements with other players in the crypto ecosystem, in a win-win strategy trying to build up synergies between different players and contribute to the overall growth of the ecosystem.

The Valhalla Exchange

The Valhalla Exchange, operated by TVE Services OÜ, is a Estonia-based, fully regulated crypto exchange, holding a double licence for:

- Providing a virtual currency wallet service
- Providing services of exchanging a virtual currency against a fiat currency

KOOL token will float on The Valhalla Exchange with the same whole set of features and fee discounts described in this whitepaper.

Team

The Koloonia Exchange Platform core team is composed of a group of seasoned senior entrepreneurs and professionals with long-time proven track record in their respective industries.

Advisors

Magna North OÜ

Consultancy company with broad experience in blockchain resources, specifically in support gateways for certification and authenticity apps and traceability of industrial assets.

They provide the project with a partnership agreement through the full involvement of a senior consultant with a years-long proven expertise in the construction and blockchain industries, both software and hardware.

Elmmoc Solutions OÜ

Consultancy company focused on technology applied to a wide range of business lines such as logistics, finance and business administration.

Focused on the crypto space, offering several industrial solutions based on the blockchain technology.

External Advisory Services

Legal & Financial support.

External Advisory Services are different top-notch European advisory firms specialized in blockchain-based projects legal support, Project Finance, Mergers and Acquisitions - M&A, Financial Engineering and Valuation.

Associated Law Firms

Several associated law firms and desks specialized in crypto matters.

Risks

There are many risks involved in running an exchange. We understand this and have the skills, experience, and leadership to overcome them.

An investment involves a high degree of risk. You should consider carefully the risks described below, together with all of the other information contained in this Memorandum, the SAFE and the Token Terms and Conditions, before making an investment decision. The following risks entail circumstances under which the Company's business, financial condition, results of operations and prospects could suffer.

Risks related to an investment

There can be no assurance that the Tokens will ever be issued and, if the Company fails to issue Tokens, investors have no right to a refund of any portion of their investment.

If Tokens are issued, the Company does not to pay any Dividends or Revenues Share Notes for some time into the future and, at issuance, Token ownership will not result in access to any Discretionary Benefits.

The tax treatment of the Securities is uncertain and there may be adverse tax consequences for purchasers upon certain future events.

If the Tokens ever become transferable, Token transactions may be irreversible, and, accordingly, losses due to fraudulent or accidental transactions may not be recoverable.

The nature of the Tokens means that any technological difficulties experienced by the Token Trading System, if developed, or any other Designated Exchange may prevent the access or use of a purchaser's Tokens.

There is no assurance that purchasers of the tokens will receive a return on their investment.

The Company's management will have broad discretion over the use of the net proceeds from this Offering.

Holders of the tokens will not have voting rights and will generally have no ability to influence the decisions of the Company.

The Company does not expect there to be any market makers to develop a trading market in the Tokens.

Only certain persons and entities are able to acquire Tokens.

Risks related to the development of the token trading system

Tokens and any blockchain on which the Company's products rely may be the target of malicious cyber attacks or may contain exploitable flaws in its underlying code, which may result in security breaches and the loss or theft of Tokens. If such attacks occur or security is compromised, this could expose us to liability and reputational harm and could seriously curtail the utilization of the Tokens and cause a decline in the market price of the Tokens.

Risks related to blockchain technology

The regulatory regime governing blockchain technologies, cryptocurrencies, digital assets, the Existing Koloonia Software Platform and offerings of digital assets, such as the Tokens, is uncertain, and new regulations or policies may materially adversely affect the development and the value of the Tokens.

The further development and acceptance of blockchain networks, which are part of a new and rapidly changing industry, are subject to a variety of factors that are difficult to evaluate. The slowing or stopping of the development or acceptance of blockchain networks and blockchain assets would have an adverse material effect on the successful development and adoption of the Tokens.

The prices of digital assets are extremely volatile. Fluctuations in the price of digital assets could materially and adversely affect the Company's business, and the Tokens may also be subject to significant price volatility.

Risks related to the company's business

The Company has limited operating history, which makes it hard to evaluate its ability to generate revenue through operations.

The Company has, to date, relied upon funding from shareholders and if such funding were not provided, it would have an adverse impact on the Company's operations and financial conditions.

There is no assurance that the Company will be able to continue as a going concern.

The Company's business is subject to complex and evolving local and foreign laws and regulations regarding privacy, technology, data protection, and other matters. Many of these

laws and regulations are subject to change and uncertain interpretation, and could result in claims, changes to the Company's business practices, increased cost of operations or otherwise harm the Company's business.

The popularity of cryptocurrencies and crypto securities offerings may decrease in the future, which could have a material impact on the cryptocurrency and crypto securities industry and the Company's operations and financial conditions.

The value ascribed to the Tokens by the holders may depend, in part, on the number and scope of Discretionary Benefits that the Company may provide to Token holders in the future.

A violation of privacy or data protection laws could have a material adverse effect on the Company and the value of the Tokens.

The development and operation of the Platform requires, and any Token Trading System that may be developed in the future will likely require, technology and intellectual property rights.

The Company may face substantial competition from a number of known and unknown competitors as well as the risk that one or more of them may obtain patents or other protections covering technology critical to the operation of the Platform or any future Token Trading System.