

COTI Community Update

To our wonderful community – thank you all for your support, feedback, thousands of emails, tens-of-thousands of messages and love that you have shown for COTI’s vision. Even the occasional critics are appreciated as they help strengthen us in our journey to create the Currency Of The Internet.

We are also extremely proud that COTI has been featured by numerous media outlets, including Forbes, Inc. Magazine, TechCrunch, Cointelegraph, Investing.com and Euromoney. Over recent weeks, we have seen exponential growth in community interest – both in terms of the volume of participants joining the dialogue and their collective enthusiasm. This all bodes well for COTI’s forthcoming Token Generation Event (TGE, i.e., ICO).








COTI’s newsworthy events:

- Shahaf Bar-Geffen, B.Sc (Magna Cum Laude), Major (reserves) and 15-year tech innovator, appointed as CEO
- New Tel-Aviv R&D centre opened and operational
- Base layer protocol improved using cutting-edge DAG technology
- 'Trust Chains' introduced as new consensus mechanism
- Preliminary details of the TGE announced
- New joint ventures with currency exchanges in progress
- Most important of all – you, our community, are now larger and stronger than ever

Introducing Shahaf Bar-Geffen, CEO of COTI

We are pleased to announce that Shahaf Bar-Geffen has been appointed as the CEO of COTI. Shahaf joins COTI from WEB3, a digital media firm which he co-founded and served as CEO as of 2006.

During Shahaf’s tenure as CEO of WEB3, it grew from a two-person start-up to a multinational company operating in 15 countries. Shahaf is a seasoned entrepreneur and has evolved to specialize in new venture development. Shahaf holds a B.Sc degree in biotech and economics from Tel Aviv University (Magna Cum Laude) and is an Air Force officer (Major, reserves).



The COTI team is thrilled about Shahaf’s appointment as CEO. While he has been involved in COTI since the project’s inception – until recently he was a member of the Advisory Board – Shahaf’s full-time involvement comes at an important and exciting time for the initiative. He is ideally-suited to lead COTI as we ramp up our development efforts and lay down the final provisions for the TGE.

Announcing COTI's Tel Aviv R&D Centre

In late December, COTI established its new offices in Tel Aviv – a hotbed of technological innovation and home to R&D centres of many of the world's leading technology companies (Apple, Google, Intel, IBM, Facebook and more).

Located in Israel, among the most innovative economies in the world according to the Bloomberg Innovation Index, Tel Aviv is increasingly considered one of the primary blockchain innovation clusters. It is home to numerous high-profile digital currency initiatives, several of which have successfully completed large scale token sales. Tel Aviv's academic research institutions have made major contributions to cryptographic research over recent decades – the proof-of-work (PoW) concept was in fact co-invented by Moni Naor while he was with the Weizmann Institute of Science (just outside of Tel Aviv).

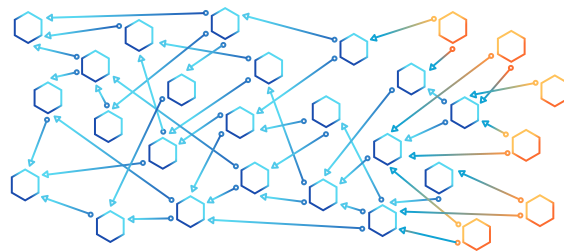
For COTI, Tel Aviv provides an ideal environment to build a truly world-class R&D organization. To this end, we recently made several key additions to our development team. Please refer to the Team page on our website for details.

Introducing 'Trust Chains' and COTI's Base Layer Protocol

R&D efforts have accelerated over recent months, and our research engineers are currently finalizing the mechanics of COTI's base layer protocol. By developing a new base layer protocol, rather than relying on an existing blockchain standard, COTI will be ideally-positioned to support scalable, instant, zero-to-low fee payments in a decentralized manner.

COTI's payments protocol uses the DAG (directed acyclic graph) data structure, a structure that is increasingly regarded as representing the next phase in the evolution of distributed ledger technologies. DAG-based distributed ledger technologies do away with a number of the limitations of traditional blockchain technologies – including the scalability limitations which result in high fees and poor usability, particularly in the context of retail payments. DAG-based distributed ledger technologies are inherently scalable and, in contrast to blockchain, yield improved usability as the volume of network transactions increases.

While there are several digital currency initiatives currently employing DAG-based approaches, the novelty in COTI's approach lies in the way it incorporates the trust scoring and mediation layers as mechanisms for achieving rapid consensus while mitigating the risk of double spend. In particular, COTI is introducing the concept of 'Trust Chains', a new consensus mechanism that facilitates significantly faster confirmation times.



Updated versions of our Technical Whitepaper and Overview Document will be released over the coming weeks. Members of the COTI community will be notified via email (and over Telegram) following the release of these revised documents.

Details regarding the Token Generation Event (TGE)

COTI's TGE is quickly approaching and we are now in a position to release some key information. The following details will be expanded upon over the coming weeks as we reach the end of the Private Sale period.

Ticker Symbol	<ul style="list-style-type: none"> COTI
Supply	<ul style="list-style-type: none"> Maximum long-term supply of 4,000,000,000 COTI tokens
Allocations	<ul style="list-style-type: none"> 40% will be available for sale in the Token Sale 10% will be allocated to the team, early backers, advisors and bounty hunters 50% will be allocated to future development (mediator incentives, merchant incentives, and the Reserve Credit Fund) and will be released gradually to optimize for network expansion
Token Sale Phases	<ul style="list-style-type: none"> <u>Private Sale</u>: For institutional investors and individuals closely affiliated with COTI <u>Public Pre-Sale</u>: For white-listed members of COTI's community <u>Public Sale</u>: For the wider community
Timelines	<ul style="list-style-type: none"> <u>Private Sale</u>: Currently in process (for a select group of individual contributors); the institutional roadshow will commence in March 2018 <u>Public Pre-Sale</u>: Expected to commence in April 2018 <u>Public Sale</u>: Expected to commence shortly following the conclusion of the Public Pre-Sale
Token Type	<ul style="list-style-type: none"> ERC-20 tokens will be issued for the purposes of providing an official record of tokens sold Following the launch of the COTI main net, the ERC-20 tokens will be converted into tokens issued on the COTI network's transaction ledger
Vesting	<ul style="list-style-type: none"> Private Sale contributors will be able to select a token vesting period ranging from 6-24 months Public Pre-Sale and Public Sale contributors will be able to select a token vesting period ranging from 0-24 months – <u>vesting is optional, not mandatory</u> Team, advisor and early backer allocations will be subject to a vesting period ranging from 6-24 months Vesting will commence at the conclusion of the Public Sale
Price	<ul style="list-style-type: none"> We estimate that the price of COTI tokens will be in the order of USD 0.10, though the effective purchase price will vary depending on each contributor's participation phase and vesting preference. We estimate that the contributors who secure tokens early and opt for the extended vesting period will be eligible for discounts in the order of 30%
Payment Methods	<ul style="list-style-type: none"> In the Private Sale, contributions will be accepted in BTC, ETH and fiat currencies (wire transfer) In the Public Sale, contributions will be accepted in BTC, ETH and fiat currencies (wire transfer and debit/credit card) We are considering supporting additional digital currencies

Final pricing details will be released in a separate Token Sale Overview document prior to the commencement of the Public Pre-Sale. COTI's Token Sale will be conducted in a manner that is in line with applicable laws and regulations.

COTI's Private Sale is in progress

We have received a high volume of inquiries from members of the community who are interested in participating in the Private Sale. Although the Private Sale is intended primarily for institutional investors, and for individual investors who are closely associated with COTI, we will do our best to respond to genuine expressions of interest.

Over the coming days, members of the community who have expressed interest in the Private Sale will receive instructions on how to apply for participation pre-approval. Bear in mind that the minimum purchase per Private Sale contributor is USD 50,000 (or equivalent).

[EMAIL CLIENTRELATIONS@COTI.IO](mailto:CLIENTRELATIONS@COTI.IO)

Exchange listings are being negotiated

COTI is in the advanced stages of securing listings for the COTI token at several exchanges. It is worth remembering that many tokens face difficulty securing listings on exchanges, so COTI's progress on this front is a very positive development for the project. Naturally, the listings will only be carried out following the conclusion of the Public Sale.

COTI's community is growing

The COTI community is continuing to grow at a rapid rate. If you have any questions, you are welcome to get in touch with us on Telegram or via email. We will be providing further updates in the near future.

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