



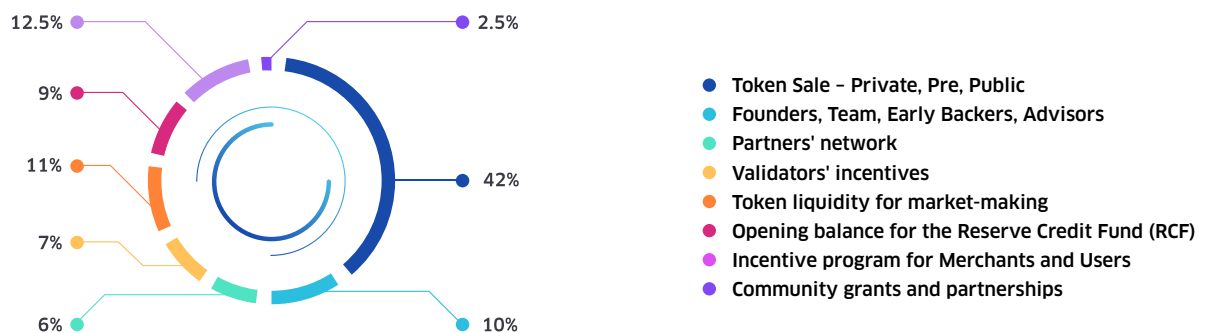
Token Sale Summary

Introduction

In order to fund the development, launch and growth of the COTI decentralized network, COTI is undertaking a Token Sale that will provide institutional and individual contributors the opportunity to participate in COTI's token sale. This document presents key information pertaining to the structure and terms of the Token Sale.

Token Supply and Allocations

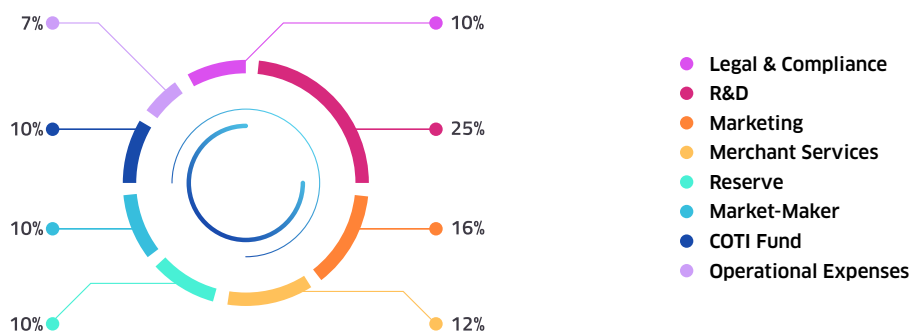
For all intents and purposes, the total supply of COTI tokens during the formative stages of the network will be limited to 2,000,000,000 COTI. These tokens will be allocated in accordance with the chart below.



- The **Token Sale** allocation (42% of total supply) covers all stages: the Private Sale, Public Pre-Sale and Public Sale. The Hard Cap for all stages combined is 60,000,000 USD, however, as discounts affect the token price, we estimate that the amount of tokens sold will range between 650,000,000 and 800,000,000. In the event of sold tokens amounting to less than 840,000,000, all excess tokens will be burned, as will a proportional amount of the tokens held in the Remaining Allocations, in order to maintain the 42% allocation.
- The **Founders, Team, Early Backers and Advisors** allocation (10% of total supply) will compensate the relevant parties for their early involvement and, where applicable, will incentivize their continued involvement. The Founders, Team, Early Backers and Advisors will all be subject to vesting schedules of 6-24 months, in accordance with their vesting preferences. For the vesting periods and the respective discounts, please refer to page 5.
- The remainder of the total supply (collectively, the **Remaining Allocations**) will be used as follows:
 - Partners' network (6% of total supply);
 - Validators' incentives (7% of total supply);
 - Token liquidity for market-making (11% of total supply)
 - Opening balance for the Reserve Credit Fund (RCF) (9% of total supply);
 - Incentive programs for Merchants and Users (12.5% of total supply);
 - Community grants and partnerships (2.5% of total supply).

Use of Funds

Proceeds from the sale of COTI tokens will be used to fund the development and expansion of the COTI network. These allocations assume COTI will sell all available tokens during the Token Sale.



- **Legal and Compliance (10%):** COTI will use proceeds to build a robust, global licensing footprint for its various services – wallets, exchange and payment services.
- **R&D (25%):** COTI will fund the development program encompassing the base layer protocol, the exchange, the consumer and mediator client applications, merchant integration tools, and more.
- **Marketing (16%):** Marketing to merchants and consumers will be a key aspect of fuelling the COTI network, building acceptance of COTI's wallet.
- **Merchant Services (12%):** Covers the delivery and maintenance of the non-software merchant services, including hedging services.
- **Reserve (10%):** A portion of the proceeds will be set aside as reserve funds for future deployment of the market-maker, legal and compliance, or R&D (depending on requirements for network expansion).
- **Market-Maker (10%):** COTI's automated market-maker will be seeded with capital in order to establish a healthy functioning market for COTI and other currencies flowing through the network.
- **COTI Fund (10%):** A portion of the proceeds will be set aside to invest in, and assist, other ventures that build upon COTI's technology.
- **Operational Expenses (7%):** Covers various operational expenses that will be incurred by COTI.

Token Sale Pricing and Mechanics

- The maximum token price will be USD 0.1 per COTI.
- The Token Sale will consist of three primary phases, as detailed below. The minimum goal has already been reached during the Private Sale.
- COTI's intention to allow for a broad base of community members to participate in the Token Sale. The total number of tokens available in the Private Sale will be capped, however, COTI cannot guarantee that all prospective purchasers from the community will be able to acquire their desired allocations during the Pre-Sale or Public Sale.
- All of the token sale contributors will be awarded additional discounts based on their vesting decisions (detailed on page 5 of this document).
- Information regarding KYC procedures, restricted countries and supported payment methods is available on COTI's website.
- 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 with or without prior notice, at COTI's sole discretion.

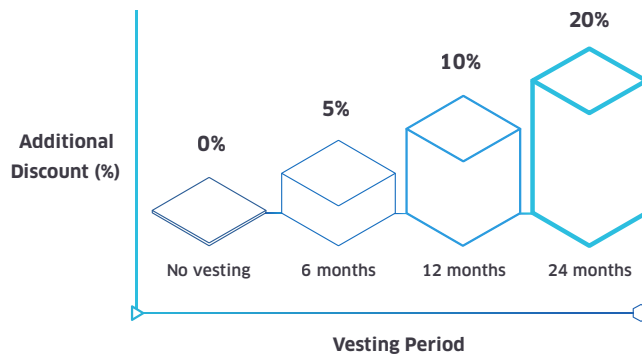
Private Sale	Description	<ul style="list-style-type: none"> • COTI is in the middle of a Private Sale during which COTI tokens are being made available for institutions and individuals.
	Status	<ul style="list-style-type: none"> • In progress until end March 2018
	Price	<ul style="list-style-type: none"> • USD 0.079 per COTI
	Minimum Contribution	<ul style="list-style-type: none"> • USD 50,000 or equivalent

Public Pre-Sale	Description	<ul style="list-style-type: none"> • The Public Pre-Sale will provide whitelisted members of COTI's community with early access to COTI tokens. More details will be announced soon via COTI's social channels.
	Status	<ul style="list-style-type: none"> • Scheduled to commence in April 2018
	Price	<ul style="list-style-type: none"> • USD 0.083 per COTI

Public Sale	Description	<ul style="list-style-type: none"> • The Public Sale will be carried out in 4 tranches, each of which will have an equal allocation.
	Status	<ul style="list-style-type: none"> • To commence shortly following the conclusion of the Public Pre-Sale
	Price	<ul style="list-style-type: none"> • Tranche 1: USD 0.087 per COTI • Tranche 2: USD 0.091 per COTI • Tranche 3: USD 0.096 per COTI • Tranche 4: USD 0.100 per COTI

Vesting Discounts

- In the interest of creating long-term alignment between all COTI token-holders, contributors are offered the opportunity to receive additional discounts as a reward for committing to longer vesting periods.
- Notwithstanding the incentives, it should be emphasized that Public Pre-Sale and Public Sale contributors have no obligation to commit to any vesting period.
- All Private Sale contributors must commit to a vesting period of 6-24 months, as must all recipients of tokens associated with the Team, Early Backers and Advisor allocations.
- Bounty allocations are exempt from vesting requirements, though Bounty Hunters will be granted the opportunity to select a vesting period of 6-24 months.
- All vesting periods will commence at the conclusion of the Public Sale.

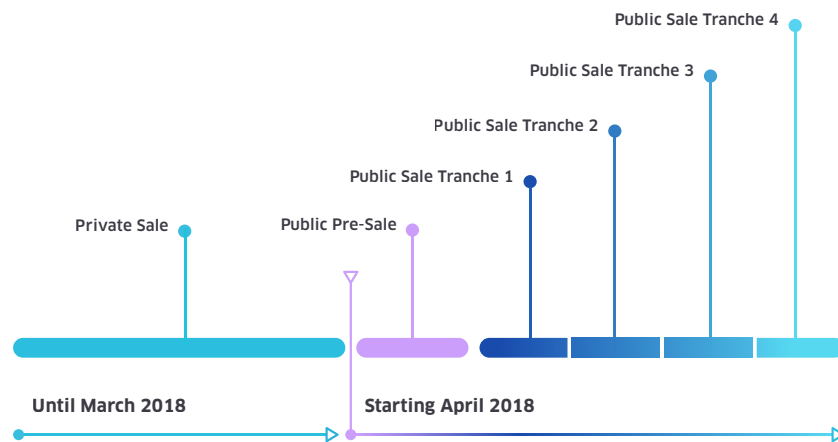


Additional Reserve Subject to the Decision of Mediators

- Due to the Directed Acyclic Graph (DAG) structure and the decentralized nature of the COTI network, it will not be possible for additional COTI tokens to be created following the genesis transaction.
- In order to ensure that the COTI network is able to introduce additional tokens into the supply at a later stage, an additional 2,000,000,000 COTI will be created and locked in reserve, so the maximum supply of the token will be 4,000,000,000 COTI.
- The reserve tokens will be unlocked only under circumstances that would add additional value to the network and maintain its flexibility - for example, reserved tokens may be released for the purposes of collaborating with other networks.
- Any release of tokens held in the reserve will require the approval of a majority of mediators distributed across COTI's network. COTI itself will not control the release of tokens from the reserve, and any tokens released from the reserve will be released to third parties (rather than to COTI).
- No tokens will be released from the reserve before COTI's mainnet has launched.
- The reserve tokens will be burned if doing so is deemed to serve in the best interests of the network's growth.
- In the event tokens in the total supply being burned, a proportional amount of the tokens held in the reserve will be burned as well.

Timeline

- The **Private Sale** is currently in process (for a select group of individual contributors) and the institutional roadshow will commence in March 2018.
- The **Public Pre-Sale** is expected to commence in April 2018.
- The **Public Sale** is expected to commence shortly following the conclusion of the Public Pre-Sale; each tranche will conclude after 1 week or once all allocated tokens for a tranche have been purchased (whichever comes first).



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www.coti.io | contact@coti.io

Royal Ocean Plaza, 42 Ocean Village Avenue, Gibraltar GX11 1AA